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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported) **October 28, 2009 (October 28, 2009)**

**CORPORATE OFFICE PROPERTIES TRUST**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of  
incorporation)

**1-14023**  
(Commission  
File Number)

**23-2947217**  
(IRS Employer  
Identification Number)

**6711 Columbia Gateway Drive, Suite 300  
Columbia, Maryland 21046**  
(Address of principal executive offices)

**(443) 285-5400**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition**

On October 28, 2009, the Registrant issued a press release relating to its financial results for the three and nine month periods ended September 30, 2009 and, in connection with this release, is making available certain supplemental information pertaining to its properties and operations as of and for the periods ended September 30, 2009. A copy of the press release is included as Exhibit 99.1 to this report, and the supplemental information is included as Exhibit 99.2 to this report, both of which are incorporated herein by reference.

The information included herein, including the exhibits, shall not be deemed "filed" for any purpose, including the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or subject to liabilities of that Section. The information included herein, including the exhibits, shall also not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act regardless of any general incorporation language in such filing.

The Registrant uses non-GAAP financial measures in earnings press releases and information furnished to the Securities and Exchange Commission. The Registrant believes that these measures are helpful to investors in measuring its performance and comparing such performance to other real estate investment trusts ("REITs"). Descriptions of these measures are set forth below.

**Funds from operations ("FFO")**

Funds from operations ("FFO") is defined as net income computed using GAAP, excluding gains (or losses) from sales of real estate, plus real estate-related depreciation and amortization. Gains from sales of newly-developed properties less accumulated depreciation, if any, required under GAAP are included in FFO on the basis that development services are the primary revenue generating activity; the Registrant believes that inclusion of these development gains is in accordance with the National Association of Real Estate Investment Trusts' ("NAREIT") definition of FFO, although others may interpret the definition differently.

Accounting for real estate assets using historical cost accounting under GAAP assumes that the value of real estate assets diminishes predictably over time. NAREIT stated in its April 2002 White Paper on Funds from Operations that "since real estate asset values have historically risen or fallen with market conditions, many industry investors have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves." As a result, the concept of FFO was created by NAREIT for the REIT industry to "address this problem." The Registrant agrees with the concept of FFO and believes that FFO is useful to management and investors as a supplemental measure of operating performance because, by excluding gains and losses related to sales of previously depreciated operating real estate properties and excluding real estate-related depreciation and amortization, FFO can help one compare the Registrant's operating performance between periods. In addition, since most equity REITs provide FFO information to the investment community, the Registrant believes that FFO is useful to investors as a supplemental measure for comparing its results to those of other equity REITs. The Registrant believes that net income is the most directly comparable GAAP measure to FFO.

Since FFO excludes certain items includable in net income, reliance on the measure has limitations; management compensates for these limitations by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures.

FFO is not necessarily an indication of the Registrant's cash flow available to fund cash needs. Additionally, it should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. The FFO presented by the Registrant may not be comparable to the FFO presented by other REITs since they may interpret the current NAREIT definition of FFO differently or they may not use the current NAREIT definition of FFO.

Basic FFO available to common share and common unit holders ("Basic FFO")

This measure is FFO adjusted to subtract (1) preferred share dividends, (2) income attributable to noncontrolling interests through ownership of preferred units in Corporate Office Properties, L.P. (the "Operating Partnership") or interests in other consolidated entities not owned by the Registrant, (3) depreciation and amortization allocable to noncontrolling interests in other consolidated entities, (4) Basic FFO allocable to restricted shares and (5) issuance costs associated with redeemed preferred shares. With these adjustments, Basic FFO represents FFO available to common shareholders and holders of common units in the Operating Partnership ("common units"). Common units are substantially similar to common shares of beneficial interest in the Registrant ("common shares") and are exchangeable into common shares, subject to certain conditions. The Registrant believes that Basic FFO is useful to investors due to the close correlation of common units to common shares. The Registrant believes that net income is the most directly comparable GAAP measure to Basic FFO. Basic FFO has essentially the same limitations as FFO; management compensates for these limitations in essentially the same manner as described above for FFO.

Diluted FFO available to common share and common unit holders ("Diluted FFO")

Diluted FFO is Basic FFO adjusted to add back any changes in Basic FFO that would result from the assumed conversion of securities that are convertible or exchangeable into common shares. However, the computation of Diluted FFO does not assume conversion of securities that are convertible into common shares if the conversion of those securities would increase Diluted FFO per share in a given period. The Registrant believes that Diluted FFO is useful to investors because it is the numerator used to compute Diluted FFO per share, discussed below. In addition, since most equity REITs provide Diluted FFO information to the investment community, the Registrant believes Diluted FFO is a useful supplemental measure for comparing the Registrant to other equity REITs. The Registrant believes that the numerator to diluted EPS is the most directly comparable GAAP measure to Diluted FFO. Since Diluted FFO excludes certain items includable in the numerator to diluted EPS, reliance on the measure has limitations; management compensates for these limitations by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. Diluted FFO is not necessarily an indication of the Registrant's cash flow available to fund cash needs. Additionally, it should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. The Diluted FFO presented by the Registrant may not be comparable to the Diluted FFO presented by other REITs.

Diluted FFO per share

Diluted FFO per share is (1) Diluted FFO divided by (2) the sum of the (a) weighted average common shares outstanding during a period, (b) weighted average common units outstanding during a period and (c) weighted average number of potential additional common shares that would have been outstanding during a period if other securities that are convertible or exchangeable into common shares were converted or exchanged. However, the computation of

Diluted FFO per share does not assume conversion of securities other than common units in the Operating Partnership that are convertible into common shares if the conversion of those securities would increase Diluted FFO per share in a given period. The Registrant believes that Diluted FFO per share is useful to investors because it provides investors with a further context for evaluating the Registrant's FFO results in the same manner that investors use earnings per share ("EPS") in evaluating net income available to common shareholders. In addition, since most equity REITs provide Diluted FFO per share information to the investment community, the Registrant believes that Diluted FFO per share is a useful supplemental measure for comparing the Registrant to other equity REITs. The Registrant believes that diluted EPS is the most directly comparable GAAP measure to Diluted FFO per share. Diluted FFO per share has most of the same limitations as Diluted FFO (described above); management compensates for these limitations in essentially the same manner as described below for Diluted FFO.

Diluted earnings per share ("diluted EPS"), excluding gain on early extinguishment of debt

This measure is defined as diluted EPS adjusted to exclude the gain recognized on the repurchase of a portion of the Registrant's outstanding 3.5% Exchangeable Senior Notes. The Registrant believes that this gain is not indicative of normal operations. As such, the Registrant believes that a measure that excludes the gain is a useful supplemental measure in evaluating its operating performance. The Registrant believes that diluted EPS is the most comparable GAAP measure to this measure. A material limitation to this measure is that it does not reflect the effects of the early extinguishment of debt in accordance with GAAP; the Registrant compensates for this limitation by using diluted EPS and then supplementing its evaluation of that measure with the use of the non-GAAP measure.

Diluted FFO available to common share and common unit holders, excluding gain on early extinguishment of debt

This measure is defined as Diluted FFO adjusted to exclude the gain recognized on the repurchase of a portion of the Registrant's outstanding 3.5% Exchangeable Senior Notes. The Registrant believes that this gain is not indicative of normal operations. As such, the Registrant believes that a measure that excludes the gain is a useful supplemental measure in evaluating its operating performance. The Registrant believes that the numerator to diluted EPS is the most directly comparable GAAP measure to this non-GAAP measure. This measure has essentially the same limitations as Diluted FFO, as well as the further limitation of not reflecting the effects of the early extinguishment of debt and preferred share redemption in accordance with GAAP; management compensates for these limitations in essentially the same manner as described above for Diluted FFO.

Diluted FFO per share, excluding gain on early extinguishment of debt

This measure is defined as (1) Diluted FFO available to common share and common unit holders, excluding gain on early extinguishment of debt divided by (2) the sum of the (a) weighted average common shares outstanding during a period, (b) weighted average common units outstanding during a period and (c) weighted average number of potential additional common shares that would have been outstanding during a period if other securities that are convertible or exchangeable into common shares were converted or exchanged. However, the computation of the denominator for this measure does not assume conversion of securities that are convertible into common shares if the conversion of those securities would increase the measure in a given period. As discussed above, the Registrant believes that the gain on early extinguishment of debt is not indicative of normal operations. As such, the Registrant believes that a measure that excludes this item is a useful supplemental measure in evaluating its operating performance. The Registrant believes that diluted EPS is the most directly comparable GAAP measure. This measure has most of the same limitations as Diluted FFO (described above), as well as the further

limitation of not reflecting the effects of the early extinguishment of debt and the preferred share redemption in accordance with GAAP; management compensates for these limitations in essentially the same manner as described above for Diluted FFO.

Diluted adjusted funds from operations available to common share and common unit holders ("Diluted AFFO")

Diluted AFFO is Diluted FFO adjusted for the following: (1) the elimination of the effect of (a) noncash rental revenues (comprised of straight-line rental adjustments, which includes the amortization of recurring tenant incentives, and amortization of deferred market rental revenue, both of which are described under "Cash NOI" below),

(b) amortization of the discount on the Registrant's Exchangeable Senior Notes, net of amounts capitalized, (c) the gain recognized on early extinguishment of debt and (d) accounting charges for original issuance costs associated with redeemed preferred shares; and (2) recurring capital expenditures (defined below). The Registrant believes that Diluted AFFO is an important supplemental measure of liquidity for an equity REIT because it provides management and investors with an indication of its ability to incur and service debt and to fund dividends and other cash needs. In addition, since most equity REITs provide Diluted AFFO information to the investment community, the Registrant believes that Diluted AFFO is a useful supplemental measure for comparing the Registrant to other equity REITs. The Registrant believes that the numerator to diluted EPS is the most directly comparable GAAP measure to Diluted AFFO. Since Diluted AFFO excludes certain items includable in the numerator to diluted EPS, reliance on the measure has limitations; management compensates for these limitations by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. In addition, see the discussion below regarding the limitations of recurring capital expenditures, which is used to derive Diluted AFFO. Diluted AFFO is not necessarily an indication of the Registrant's cash flow available to fund cash needs. Additionally, it should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. The Diluted AFFO presented by the Registrant may not be comparable to similar measures presented by other equity REITs.

#### Recurring capital expenditures

Recurring capital expenditures are defined as tenant improvements and incentives, capital improvements and leasing costs for operating properties that are not (1) items contemplated prior to the acquisition of a property, (2) improvements associated with the expansion of a building or its improvements, (3) renovations to a building which change the underlying classification of the building (for example, from industrial to office or Class C office to Class B office) or (4) capital improvements that represent the addition of something new to the property rather than the replacement of something (for example, the addition of a new heating and air conditioning unit that is not replacing one that was previously there). The Registrant believes that recurring capital expenditures is an important measure of performance for a REIT because it provides a measure of the capital expenditures that the Registrant can expect to incur on an ongoing basis, which is significant to how the Registrant manages its business since these expenditures are funded using cash flow from operations. As a result, the measure provides a further indication of the cash flow from operations that is available to fund other uses. The Registrant believes that tenant improvements and incentives, capital improvements and leasing costs associated with operating properties are the most directly comparable GAAP measures. Recurring capital expenditures do not reflect all capital expenditures incurred by the Registrant for the periods reported; the Registrant compensates for this limitation by also using the comparable GAAP measure. The recurring capital expenditures presented by the Registrant may not be comparable to the recurring capital expenditures presented by other REITs.

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#### Real estate revenues from continuing and discontinued operations

This measure is total revenues from real estate operations, including rental revenue and tenant recoveries and other revenue, including discontinued operations. The Registrant uses this measure to evaluate the revenue produced by its real estate properties, including those reported in discontinued operations. The Registrant believes that revenues from real estate operations from continuing operations is the most directly comparable GAAP measure to this measure. The measure excludes other types of revenue earned by the Registrant, including construction contract and other service operations revenues. The measure also includes discontinued operations and, by doing so, does not reflect the overall operating performance of the Registrant's continuing operations. Management compensates for these limitations by evaluating this measure in conjunction with the most directly comparable GAAP measure and other operating statistics involving revenue.

#### Net operating income ("NOI")

NOI is real estate revenues from continuing and discontinued operations reduced by total property expenses associated with real estate operations, including discontinued operations; total property expenses, as used in this definition, do not include depreciation, amortization or interest expense associated with real estate operations. The Registrant believes that NOI is an important supplemental measure of operating performance for a REIT's operating real estate because it provides a measure of the core real estate operations, rather than factoring in depreciation and amortization or corporate financing and general and administrative expenses; this measure is particularly useful in the opinion of the Registrant in evaluating the performance of geographic segments, same-office property groupings and individual properties. The Registrant believes that net income is the most directly comparable GAAP measure to NOI. The measure excludes many items that are includable in net income; management compensates for this limitation by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. It should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. NOI presented by the Registrant may not be comparable to NOI presented by other equity REITs that define the measure differently.

#### Cash net operating income ("Cash NOI")

Cash NOI is NOI (defined above) adjusted to eliminate the effects of noncash rental revenues (comprised of straight-line rental adjustments, which includes the amortization of recurring tenant incentives, and amortization of deferred market rental revenue). Under GAAP, rental revenue is recognized evenly over the term of tenant leases. Many leases provide for contractual rent increases and the effect of accounting under GAAP for such leases is to accelerate the recognition of lease revenue. Since some leases provide for periods under the lease in which rental concessions are provided to tenants, the effect of accounting under GAAP is to allocate rental revenue to such periods. Also under GAAP, when a property is acquired, in-place operating leases carrying rents above or below market are valued as of the date of the acquisition; such value is then amortized into rental revenue over the lives of the related leases.

The Registrant believes that Cash NOI is an important supplemental measure of operating performance for a REIT's operating real estate because it makes adjustments to NOI for revenue that is not associated with cash to the Registrant. As is the case with NOI, the measure is useful in the opinion of the Registrant in evaluating and comparing the performance of geographic segments, same-office property groupings and individual properties, although, since it adjusts for noncash items, it provides management and investors with a further indication of the Registrant's

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ability to incur and service debt and to fund dividends and other cash needs. The Registrant believes that net income is the most directly comparable GAAP measure to Cash NOI. The measure excludes many items that are includable in net income; management compensates for this limitation by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. It should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. The Cash NOI that the Registrant presents may not be comparable to similar measures presented by other equity REITs.

#### Cash NOI, excluding gross lease termination fees

This measure is Cash NOI (defined above) adjusted to eliminate the effects of lease termination fees paid by tenants to terminate their lease obligations prior to the end of the agreed lease terms. Lease termination fees are often recognized as revenue in large one-time lump sum amounts upon the termination of tenant leases. The Registrant believes that Cash NOI adjusted for lease termination fees is a useful supplemental measure of operating performance in evaluating same-office property groupings because it provides a means of evaluating the effect that lease terminations had on the performance of the property groupings. As in the case of Cash NOI, since the measure adjusts for noncash items, it also provides management and investors with a further indication of the Registrant's ability to incur and service debt and to fund dividends and other cash needs. The Registrant believes that net income is the most directly comparable GAAP measure to Cash NOI, excluding gross lease termination fees. The measure has essentially the same limitations as Cash NOI as well as the further limitation of not reflecting the effect of lease termination fees in accordance with GAAP. Management compensates for these limitations by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures.

#### Earnings Before Interest, Income Taxes, Depreciation and Amortization ("EBITDA")

EBITDA is net income adjusted for the effects of interest expense, depreciation and amortization and income taxes. The Registrant believes that EBITDA is an important measure of performance for a REIT because it provides a further tool to evaluate the Registrant's ability to incur and service debt and to fund dividends and other cash needs that supplements the previously described non-GAAP measures and to compare the Registrant's operating performance with that of other companies. The Registrant believes that net income is the most directly comparable GAAP measure to EBITDA. EBITDA excludes items that are included in net income, including some that require cash outlays; management compensates for this limitation by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. It should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. Additionally, EBITDA as reported by the Registrant may not be comparable to EBITDA reported by other equity REITs.

#### NOI Interest Coverage Ratio and EBITDA Interest Coverage Ratio

These measures divide either NOI or EBITDA by interest expense on continuing and discontinued operations (excluding amortization of deferred financing costs). The Registrant believes that these ratios are useful measures in evaluating the relationship of earnings to the total cash flow requirements for interest on loans associated with operating properties and, as such, are important tools in the Registrant's finance policy management.

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#### NOI Debt Service Coverage Ratio and EBITDA Debt Service Coverage Ratio

These measures divide either NOI or EBITDA by the sum of interest expense on continuing and discontinued operations and scheduled principal amortization on mortgage loans for continuing and discontinued operations. The Registrant believes that these ratios are useful measures in evaluating the relationship of earnings to the total cash flow requirements of loans associated with operating properties and, as such, are important tools in the Registrant's finance policy management.

#### NOI Fixed Charge Coverage Ratio and EBITDA Fixed Charge Coverage Ratio

These measures divide either NOI or EBITDA by the sum of (1) interest expense on continuing and discontinued operations, (2) dividends on preferred shares and (3) distributions on preferred units in the Operating Partnership not owned by the Registrant. The Registrant believes that these ratios are useful measures in evaluating the relationship of earnings to the cash flow requirements of (1) interest expense on loans associated with operating properties and (2) dividends to preferred equity holders and, as such, are important tools in the Registrant's finance policy management.

#### NOI as a Percentage of Real Estate Revenues from Continuing and Discontinued Operations and EBITDA as a Percentage of Real Estate Revenues from Continuing and Discontinued Operations

These measures divide either NOI or EBITDA by real estate revenues from continuing and discontinued operations. The Registrant believes that net income divided by real estate revenues from continuing and discontinued operations is the most directly comparable GAAP measure to these two measures.

#### General and Administrative Expenses as a Percentage of Real Estate Revenues from Continuing and Discontinued Operations or EBITDA

These measures divide general and administrative expenses by either real estate revenues from continuing and discontinued operations or EBITDA. The Registrant believes that general and administrative expenses divided by net income is the most directly comparable GAAP measure.

#### Recurring Capital Expenditures as a Percentage of NOI

This measure divides recurring capital expenditures by NOI.

#### Diluted FFO payout ratio and diluted AFFO payout ratio

These measures are defined as (1) the sum of (a) dividends on common shares and (b) dividends on convertible preferred shares and distributions to holders of interests in the Operating Partnership when such dividends and distributions are included in Diluted FFO and Diluted AFFO divided by (2) either Diluted FFO or Diluted AFFO. The Registrant believes that these ratios are useful to investors as supplemental measures of its ability to make distributions to investors. In addition, since most equity REITs provide these ratios, the Registrant believes they are useful supplemental measures for comparing the Registrant to other equity REITs. The Registrant believes that Earnings Payout Ratio is the most comparable GAAP measure. Earnings Payout Ratio is defined as dividends on common shares divided by net income available to common shareholders. Since Diluted FFO payout ratio and Diluted AFFO payout ratio are derived from Diluted FFO and Diluted AFFO, they share the limitations previously discussed for those measures; management compensates for these limitations by using the measures simply as supplemental measures that are weighed in the balance with other GAAP and non-GAAP measures.

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#### Dividend Coverage-Diluted FFO and Dividend Coverage-Diluted AFFO

These measures divide either Diluted FFO or Diluted AFFO by the sum of (1) dividends on common shares and (2) dividends on convertible preferred shares and distributions to holders of interests in the Operating Partnership when such dividends and distributions are included in Diluted FFO or Diluted AFFO.

#### Debt to Undepreciated Book Value of Real Estate Assets

This measure is defined as mortgage and other loans payable plus 3.5% Exchangeable Senior Notes divided by net investment in real estate presented on the Registrant's consolidated balance sheet excluding the effect of accumulated depreciation incurred to date on such real estate. The Registrant believes that the measure of Debt to Undepreciated Real Estate Assets is useful to management and investors as a supplemental measure of its borrowing levels. In addition, since most equity REITs provide Debt to Undepreciated Real Estate Asset information, the Registrant believes Debt to Undepreciated Real Estate Assets is a useful supplemental measure for comparing the Registrant to other equity REITs. The Registrant believes that the measure of Debt to Total Assets, defined as mortgage and other loans payable plus 3.5% Exchangeable Senior Notes divided by total assets, is the most comparable GAAP measure. Debt to Undepreciated Real Estate Assets excludes the effect of accumulated depreciation, other assets and other liabilities; management compensates for these limitations by using the measure simply as a supplemental measure that is weighed with the comparable GAAP measure and other GAAP and non-GAAP measures.

#### **Item 9.01. Financial Statements and Exhibits**

(a) Financial Statements of Businesses Acquired

None

(b) Pro Forma Financial Information

None

(c) Shell Company Transactions

None

(d) Exhibits

<u>Exhibit Number</u>	<u>Exhibit Title</u>
99.1	Press release dated October 28, 2009 for Corporate Office Properties Trust
99.2	Supplemental information dated September 30, 2009 for Corporate Office Properties Trust

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#### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 28, 2009

CORPORATE OFFICE PROPERTIES TRUST

By: /s/ Stephen E. Riffie  
Name: Stephen E. Riffie  
Title: Executive Vice President and  
Chief Financial Officer

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#### EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Title</u>
99.1	Press release dated October 28, 2009 for Corporate Office Properties Trust
99.2	Supplemental information dated September 30, 2009 for Corporate Office Properties Trust

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NEWS RELEASE

**FOR IMMEDIATE RELEASE**

Contact:  
 Mary Ellen Fowler  
 Senior Vice President and Treasurer  
 443-285-5450  
 maryellen.fowler@copt.com

**CORPORATE OFFICE PROPERTIES TRUST**  
**REPORTS THIRD QUARTER 2009 RESULTS**

**COLUMBIA, MD October 28, 2009** — Corporate Office Properties Trust (COPT) (NYSE: OFC) announced today financial and operating results for the quarter and nine months ended September 30, 2009.

**Highlights**

- 6% increase in diluted earnings per share (“Diluted EPS”) to \$.18 or \$10.4 million of net income available to common shareholders for the third quarter 2009 as compared to \$.17 per diluted share or \$8.2 million of net income available to common shareholders for the third quarter 2008. Year to date, diluted EPS increased 32% to \$.62 or \$35.2 million of net income available to common shareholders as compared to \$.47 per diluted share or \$23.0 million of net income available to common shareholders for the first nine months of 2008.
- 3% decrease in diluted Funds from Operations (“FFO”) per share to \$.60 for the third quarter 2009 from \$.62 for the third quarter 2008. FFO increased 7% to \$42.4 million for the third quarter 2009 from \$39.5 million for the third quarter 2008. Year to date, diluted FFO per share increased 10% to \$1.94 or \$134.1 million from \$1.77 or \$113.2 million for the first nine months of 2008.
- 9% increase in diluted Adjusted Funds from Operations available to common share and common unit holders (“Diluted AFFO”) to \$27.8 million for the third quarter 2009 as compared to \$25.5 million for the third quarter 2008. Year to date, diluted AFFO increased 31% to \$97.4 million from \$74.5 million for the first nine months of 2008.
- 91% occupied and leased for our wholly-owned portfolio as of September 30, 2009.
- 68% renewal rate on expiring leases for third quarter 2009, with a 4% decrease in total straight-line rents for renewed space.
- 5% increase in same office property cash NOI for the quarter compared to the third quarter 2008. The Company’s same office portfolio for the quarter ended September 30, 2009 represents 91% of the rentable square feet of its consolidated portfolio and consists of 230 properties.

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- 761,000 square feet leased in the quarter and approximately 1.9 million square feet leased year to date.

“The Company continues to perform well despite an increasingly difficult real estate environment. We increased our cash dividend during the quarter by 5.4%, one of the few REITs to do so this year,” stated Randall M. Griffin, President and Chief Executive Officer, Corporate Office Properties Trust. “We had an active leasing quarter. Our focused expense control efforts helped produce strong same office performance,” he added.

**Financial Ratios**

Diluted FFO payout ratio for the nine months ended September 30, 2009 was 59% as compared to 60% for the nine months ended September 30, 2008. Diluted AFFO payout ratio for the nine months ended September 30, 2009 was 73% as compared to 81% for the nine months ended September 30, 2008.

As of September 30, 2009, the Company had a total market capitalization of \$4.5 billion, with \$1.9 billion in debt outstanding, equating to a 43% debt to total market capitalization ratio.

For the third quarter 2009, the Company’s weighted average interest rate was 4.9% and at September 30, 2009, the Company had 85% of its total debt subject to fixed interest rates.

For the third quarter 2009, the Company’s EBITDA to interest coverage ratio was 3.2x, and the EBITDA fixed charge coverage ratio was 2.6x.

Reconciliations of non-GAAP measures to the most directly comparable GAAP measures are included in the tables that follow the text of this press release.

**Operating Results**

At September 30, 2009, the Company’s wholly-owned portfolio of 246 office properties totaled 18.4 million square feet. The weighted average remaining lease term for the portfolio was 4.5 years and the average rental rate (including tenant reimbursements) was \$24.04 per square foot.

For the quarter ended September 30, 2009, 529,000 square feet was renewed equating to a 68% renewal rate, at an average committed cost of \$5.04 per square foot. Total rent on renewed space decreased 4% on a straight-line basis, as measured from the straight-line rent in effect preceding the renewal date and decreased 8% on a cash basis. For renewed and retenanted space of 670,000 square feet, total straight-line rent decreased 6% and total rent on a cash basis decreased 12%. The average committed cost for renewed and retenanted space was \$6.09 per square foot.

For the nine months ended September 30, 2009, 1.4 million square feet was renewed equating to a 72% renewal rate, at an average committed cost of \$6.14 per square foot.

**Development Activity**

At September 30, 2009, the Company had 2.4 million square feet under construction, development and redevelopment for a total projected cost of \$478.3 million.

The Company’s land inventory (wholly-owned and joint venture) at September 30, 2009 totaled 1,821 acres that can support 16.1 million square feet of development.

During the quarter, the Company placed into service 338,000 square feet located in six properties.

**Financing and Capital Transactions**

The Company closed the following transactions during the quarter:

- A \$90.0 million secured loan with a five-year term that carries interest at 7.25%.
- A \$185.0 million secured loan with a seven-year term that carries interest at 7.25%.

**Subsequent Events**

The Company executed the following transactions subsequent to quarter end:

- Acquired a newly-constructed, 156,000 square foot property that is 100% leased, long-term to Northrop Grumman Corporation and a 0.9 acre adjacent land parcel located in Linthicum, Maryland.
- Acquired a 474,000 square foot office tower, parking lot, utility distribution center, four waterfront lots and riparian rights, all part of the Canton Crossing planned unit development in Baltimore, Maryland. The waterfront lots are approved for 500,000 square feet of office, 150,000 square feet of retail, a 450 room hotel and a marina. The office tower is 91% leased with CareFirst as the largest tenant at 34%.

**Earnings Guidance**

The Company will discuss its updated 2009 diluted FFO per share guidance and its initial 2010 diluted FFO per share guidance on its earnings conference call.

**Conference Call**

The Company will hold an investor/analyst conference call:

**Conference Call (within the United States)**

Date: Thursday, October 29, 2009  
 Time: 11:00 a.m. Eastern Time  
 Telephone Number: 888-679-8018  
 Passcode: 90330872

**Conference Call (outside the United States)**

Date: Thursday, October 29, 2009  
 Time: 11:00 a.m. Eastern Time  
 Telephone Number: 617-213-4845  
 Passcode: 90330872

Please use the following link to pre-register and view important information about this conference call. Pre-registering is not mandatory but is recommended as it will provide you immediate entry

into the call and will facilitate the timely start of the conference. Pre-registration only takes a few moments and you may pre-register at anytime, including up to and after the call start time. To pre-register, please click on the below link:

<https://www.theconferencingservice.com/prereg/key.process?key=P86DV6HWU>

You may also pre-register in the Investor Relations section of the Company's website at [www.copt.com](http://www.copt.com). Alternatively, you may be placed into the call by an operator by calling the number provided above at least 5 to 10 minutes before the start of the call. A replay of this call will be available beginning Thursday, October 29 at 3:00 p.m. Eastern Time through Thursday, November 12 at midnight Eastern Time. To access the replay within the United States, please call 888-286-8010 and use passcode 18266981. To access the replay outside the United States, please call 617-801-6888 and use passcode 18266981.

The conference call will also be available via live webcast in the Investor Relations section of the Company's website at [www.copt.com](http://www.copt.com). A replay of the conference call will be immediately available via webcast in the Investor Relations section of the Company's website.

**Definitions**

Please refer to our Form 8-K or our website ([www.copt.com](http://www.copt.com)) for definitions of certain terms used in this press release. Reconciliations of non-GAAP measures to the most directly comparable GAAP measures are included in the attached tables.

**Company Information**

Corporate Office Properties Trust (COPT) (NYSE: OFC) is a specialty office real estate investment trust (REIT) that focuses on strategic customer relationships and specialized tenant requirements in the U.S. Government, Defense Information Technology and Data sectors. The Company acquires, develops, manages and leases properties which are typically concentrated in large office parks primarily located adjacent to government demand drivers and/or in growth corridors. As of September 30, 2009, the Company owned 265 office and data properties totaling 19.4 million rentable square feet, which includes 19 properties totaling 989,000 square feet held through joint ventures. The Company's portfolio primarily consists of technically sophisticated buildings in visually appealing settings that are environmentally sensitive, sustainable and meet unique customer requirements. COPT is an S&P MidCap 400 company and more information can be found at [www.copt.com](http://www.copt.com).

**Forward-Looking Information**

*This press release may contain "forward-looking" statements, as defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, that are based on the Company's current expectations, estimates and projections about future events and financial trends affecting the Company. Forward-looking statements can be identified by the use of words such as "may", "will", "should", "expect", "estimate" or other comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate. Accordingly, the Company can give no assurance that these expectations, estimates and projections will be achieved. Future events and actual results may differ materially from those discussed in the forward-looking statements.*

Important factors that may affect these expectations, estimates, and projections include, but are not limited to:

- the Company's ability to borrow on favorable terms;
- general economic and business conditions, which will, among other things, affect office property demand and rents, tenant creditworthiness, interest rates and financing availability;
- adverse changes in the real estate markets including, among other things, increased competition with other companies;

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- risk of real estate acquisition and development, including, among other things, risks that development projects may not be completed on schedule, that tenants may not take occupancy or pay rent or that development or operating costs may be greater than anticipated;
- risks of investing through joint venture structures, including risks that the Company's joint venture partners may not fulfill their financial obligations as investors or may take actions that are inconsistent with the Company's objectives;
- our ability to satisfy and operate effectively under federal income tax rules relating to real estate investment trusts and partnerships;
- governmental actions and initiatives; and
- environmental requirements.

The Company undertakes no obligation to update or supplement any forward-looking statements. For further information, please refer to the Company's filings with the Securities and Exchange Commission, particularly the section entitled "Risk Factors" in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2008.

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Corporate Office Properties Trust  
Summary Financial Data  
(unaudited)  
(Amounts in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
<b>Revenues</b>				
Real estate revenues	\$ 104,843	\$ 101,086	\$ 317,405	\$ 296,034
Service operations revenues	95,321	90,002	273,534	123,040
Total revenues	<u>200,164</u>	<u>191,088</u>	<u>590,939</u>	<u>419,074</u>
<b>Expenses</b>				
Property operating expenses	38,583	35,854	114,778	104,353
Depreciation and other amortization associated with real estate operations	26,712	25,583	81,911	75,430
Service operations expenses	93,805	87,657	268,289	120,090
General and administrative expenses	5,898	5,904	17,275	17,608
Business development expenses	458	199	1,550	464
Total operating expenses	<u>165,456</u>	<u>155,197</u>	<u>483,803</u>	<u>317,945</u>
Operating income	34,708	35,891	107,136	101,129
Interest expense	(20,986)	(22,503)	(59,088)	(65,580)
Interest and other income	2,619	559	4,949	924
Income from continuing operations before equity in loss of unconsolidated entities and income taxes	16,341	13,947	52,997	36,473
Equity in loss of unconsolidated entities	(758)	(57)	(1,075)	(167)
Income tax expense	(47)	(97)	(169)	(102)
Income from continuing operations	15,536	13,793	51,753	36,204
Discontinued operations	—	(9)	—	2,571
Income before gain on sales of real estate	15,536	13,784	51,753	38,775
Gain on sales of real estate, net of income taxes	—	4	—	1,104
Net income	15,536	13,788	51,753	39,879
<b>Less net income attributable to noncontrolling interests</b>				
Common units in the Operating Partnership	(956)	(1,467)	(4,032)	(4,130)
Preferred units in the Operating Partnership	(165)	(165)	(495)	(495)
Other	40	90	15	(132)
Net income attributable to COPT	14,455	12,246	47,241	35,122
Preferred share dividends	(4,025)	(4,025)	(12,076)	(12,076)
Net income attributable to COPT common shareholders	<u>\$ 10,430</u>	<u>\$ 8,221</u>	<u>\$ 35,165</u>	<u>\$ 23,046</u>
<b>Earnings per share "EPS" computation:</b>				
Numerator for diluted EPS:				
Net income available to common shareholders	\$ 10,430	\$ 8,221	\$ 35,165	\$ 23,046
Amount allocable to restricted shares	(253)	(192)	(763)	(528)
Numerator for diluted EPS	<u>10,177</u>	<u>8,029</u>	<u>34,402</u>	<u>22,518</u>
<b>Denominator:</b>				
Weighted average common shares - basic	57,470	47,273	55,366	47,128
Dilutive effect of stock option awards	485	779	506	765
Weighted average common shares - diluted	<u>57,955</u>	<u>48,052</u>	<u>55,872</u>	<u>47,893</u>
Diluted EPS	<u>\$ 0.18</u>	<u>\$ 0.17</u>	<u>\$ 0.62</u>	<u>\$ 0.47</u>

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Corporate Office Properties Trust  
Summary Financial Data  
(unaudited)  
(Amounts in thousands, except per share data and ratios)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Net income	\$ 15,536	\$ 13,788	\$ 51,753	\$ 39,879
Add: Real estate-related depreciation and amortization	26,712	25,583	81,911	75,482
Add: Depreciation and amortization on unconsolidated real estate entities	160	162	481	489
Less: Gain on sales of operating properties, net of income taxes	—	—	—	(2,630)
Funds from operations ("FFO")	42,408	39,533	134,145	113,220
Less: Noncontrolling interests - preferred units in the Operating Partnership	(165)	(165)	(495)	(495)
Less: Noncontrolling interests - other consolidated entities	40	90	15	(132)
Less: Preferred share dividends	(4,025)	(4,025)	(12,076)	(12,076)
Less: Depreciation and amortization allocable to noncontrolling interests in other consolidated entities	(91)	(74)	(251)	(198)
Less: Basic and diluted FFO allocable to restricted shares	(395)	(321)	(1,298)	(903)
Basic and diluted FFO available to common share and common unit holders ("Basic and diluted FFO")	37,772	35,038	120,040	99,416
Less: Straight-line rent adjustments	(2,665)	(2,850)	(5,523)	(8,284)
Less: Amortization of deferred market rental revenue	(451)	(555)	(1,447)	(1,458)
Less: Recurring capital expenditures	(7,572)	(7,008)	(17,838)	(17,611)
Add: Amortization of discount on Exchangeable Senior Notes, net of amounts capitalized	762	828	2,183	2,446
Diluted adjusted funds from operations available to common share and common unit holders ("Diluted AFFO")	<u>\$ 27,846</u>	<u>\$ 25,453</u>	<u>\$ 97,415</u>	<u>\$ 74,509</u>
Weighted average shares				
Weighted average common shares	57,470	47,273	55,366	47,128
Conversion of weighted average common units	5,084	8,130	5,932	8,145
Weighted average common shares/units - basic FFO per share	62,554	55,403	61,298	55,273
Dilutive effect of share-based compensation awards	485	779	506	765
Weighted average common shares/units - diluted FFO per share	<u>63,039</u>	<u>56,182</u>	<u>61,804</u>	<u>56,038</u>
Diluted FFO per share	<u>\$ 0.60</u>	<u>\$ 0.62</u>	<u>\$ 1.94</u>	<u>\$ 1.77</u>
Dividends/distributions per common share/unit	<u>\$ 0.3925</u>	<u>\$ 0.3725</u>	<u>\$ 1.1375</u>	<u>\$ 1.0525</u>
Earnings payout ratio	<u>219.1%</u>	<u>233.3%</u>	<u>184.0%</u>	<u>223.7%</u>
Diluted FFO payout ratio	<u>65.8%</u>	<u>63.4%</u>	<u>58.9%</u>	<u>60.5%</u>
Diluted AFFO payout ratio	<u>89.2%</u>	<u>87.2%</u>	<u>72.6%</u>	<u>80.7%</u>
EBITDA interest coverage ratio	<u>3.20x</u>	<u>2.92x</u>	<u>3.47x</u>	<u>2.91x</u>
EBITDA fixed charge coverage ratio	<u>2.64x</u>	<u>2.44x</u>	<u>2.83x</u>	<u>2.43x</u>
<b>Reconciliation of denominators for diluted EPS and diluted FFO per share</b>				
Denominator for diluted EPS	57,955	48,052	55,872	47,893
Weighted average common units	5,084	8,130	5,932	8,145
Denominator for diluted FFO per share	<u>63,039</u>	<u>56,182</u>	<u>61,804</u>	<u>56,038</u>

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Corporate Office Properties Trust  
Summary Financial Data  
(unaudited)  
(Dollars and shares in thousands, except per share data)

	September 30, 2009	December 31, 2008
<b>Balance Sheet Data (in thousands) (as of period end)</b>		
Properties, net of accumulated depreciation	\$ 2,868,707	\$ 2,778,466
Total assets	3,230,647	3,114,239
Debt	1,897,852	1,856,751
Total liabilities	2,094,464	2,031,816
Beneficiaries' equity	1,136,183	1,082,423
Debt to total assets	58.7%	59.6%
Debt to undepreciated book value of real estate assets	56.7%	57.8%
Debt to total market capitalization	42.6%	47.4%
<b>Property Data (wholly owned properties) (as of period end)</b>		
Number of operating properties owned	246	238
Total net rentable square feet owned (in thousands)	18,449	18,462
Occupancy	90.9%	93.2%
<b>Reconciliation of denominator for debt to total assets to denominator for debt to undepreciated book value of real estate assets</b>		
Denominator for debt to total assets	\$ 3,230,647	\$ 3,114,239
Assets other than assets included in properties, net	(361,940)	(335,773)

Accumulated depreciation on real estate assets	402,125	343,110
Intangible assets on real estate acquisitions, net	75,506	91,848
Denominator for debt to un depreciated book value of real estate assets	<u>\$ 3,346,338</u>	<u>\$ 3,213,424</u>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
<b>Reconciliation of tenant improvements and incentives, capital improvements and leasing costs for operating properties to recurring capital expenditures</b>				
Total tenant improvements and incentives on operating properties	\$ 3,553	\$ 6,305	\$ 11,604	\$ 14,883
Total capital improvements on operating properties	2,927	3,179	6,763	6,827
Total leasing costs on operating properties	1,855	999	4,431	2,764
Less: Nonrecurring tenant improvements and incentives on operating properties	(711)	(1,995)	(2,780)	(4,077)
Less: Nonrecurring capital improvements on operating properties	(58)	(1,299)	(1,340)	(2,667)
Less: Nonrecurring leasing costs incurred on operating properties	—	(217)	(916)	(269)
Add: Recurring capital expenditures on operating properties held through joint ventures	6	36	76	150
Recurring capital expenditures	<u>\$ 7,572</u>	<u>\$ 7,008</u>	<u>\$ 17,838</u>	<u>\$ 17,611</u>

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Corporate Office Properties Trust  
Summary Financial Data  
(unaudited)  
(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
<b>Reconciliation of dividends for earnings payout ratio to dividends and distributions for FFO &amp; AFFO payout ratio</b>				
Common share dividends for earnings payout ratio	\$ 22,851	\$ 19,183	\$ 64,712	\$ 51,553
Common unit distributions	1,995	3,021	5,974	8,564
Dividends and distributions for FFO & AFFO payout ratio	<u>\$ 24,846</u>	<u>\$ 22,204</u>	<u>\$ 70,686</u>	<u>\$ 60,117</u>

**Reconciliation of GAAP net income to earnings before interest, income taxes, depreciation and amortization ("EBITDA")**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Net income	\$ 15,536	\$ 13,788	\$ 51,753	\$ 39,879
Interest expense on continuing operations	20,986	22,503	59,088	65,580
Interest expense on discontinued operations	—	—	—	51
Income tax expense	47	97	169	680
Real estate-related depreciation and amortization	26,712	25,583	81,911	75,482
Depreciation of furniture, fixtures and equipment	458	401	1,261	1,177
EBITDA	<u>\$ 63,739</u>	<u>\$ 62,372</u>	<u>\$ 194,182</u>	<u>\$ 182,849</u>

**Reconciliation of interest expense from continuing operations to the denominators for interest coverage-EBITDA and fixed charge coverage-EBITDA**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Interest expense from continuing operations	\$ 20,986	\$ 22,503	\$ 59,088	\$ 65,580
Interest expense from discontinued operations	—	—	—	51
Less: Amortization of deferred financing costs	(1,056)	(1,143)	(3,089)	(2,805)
Denominator for interest coverage-EBITDA	19,930	21,360	55,999	62,826
Preferred share dividends	4,025	4,025	12,076	12,076
Preferred unit distributions	165	165	495	495
Denominator for fixed charge coverage-EBITDA	<u>\$ 24,120</u>	<u>\$ 25,550</u>	<u>\$ 68,570</u>	<u>\$ 75,397</u>

**Reconciliation of same property net operating income to same office property cash net operating income and same office property cash net operating income, excluding gross lease termination fees**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Same office property net operating income	\$ 63,608	\$ 62,412	\$ 185,660	\$ 179,560
Less: Straight-line rent adjustments	(733)	(2,529)	(2,204)	(6,683)
Less: Amortization of deferred market rental revenue	(385)	(480)	(944)	(1,117)
Same office property cash net operating income	\$ 62,490	\$ 59,403	\$ 182,512	\$ 171,760
Less: Lease termination fees, gross	(966)	(209)	(5,184)	(368)
Same office property cash net operating income, excluding gross lease termination fees	<u>\$ 61,524</u>	<u>\$ 59,194</u>	<u>\$ 177,328</u>	<u>\$ 171,392</u>

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**Top Twenty Office Tenants of Wholly Owned Properties as of September 30, 2009 (1)**  
(Dollars in thousands)

Tenant	Number of Leases	Total Occupied Square Feet	Percentage of Total Occupied Square Feet	Total Annualized Rental Revenue (2) (3)	Percentage of Total Annualized Rental Revenue	Weighted Average Remaining Lease Term (4)	
United States of America	(5)	67	2,649,894	15.8%	75,570	18.7%	6.2
Northrop Grumman Corporation	(6)	15	1,135,642	6.8%	30,218	7.5%	6.0
Booz Allen Hamilton, Inc.		9	738,284	4.4%	21,545	5.3%	5.5
Computer Sciences Corporation	(6)	3	454,986	2.7%	12,475	3.1%	1.8

L-3 Communications Holdings, Inc.	(6)	5	266,943	1.6%	9,877	2.4%	4.5
General Dynamics Corporation	(6)	10	299,153	1.8%	8,302	2.1%	1.3
Wells Fargo & Company	(6)	7	218,199	1.3%	7,764	1.9%	8.4
The Aerospace Corporation	(6)	3	245,935	1.5%	7,523	1.9%	5.3
ITT Corporation	(6)	8	305,689	1.8%	7,223	1.8%	4.8
Integral Systems, Inc.	(6)	4	241,504	1.4%	6,062	1.5%	10.4
Comcast Corporation	(6)	7	306,123	1.8%	6,011	1.5%	4.1
AT&T Corporation	(6)	5	306,932	1.8%	5,955	1.5%	3.7
Unisys Corporation		2	258,498	1.5%	4,631	1.1%	0.5
The Boeing Company	(6)	4	144,227	0.9%	4,467	1.1%	4.0
Ciena Corporation		4	229,842	1.4%	4,391	1.1%	3.7
BAE Systems PLC	(6)	7	211,805	1.3%	3,235	0.8%	5.8
The Johns Hopkins Institutions	(6)	4	128,827	0.8%	3,234	0.8%	3.1
Merck & Co., Inc.	(6)	2	225,900	1.3%	2,772	0.7%	7.0
Lockheed Martin Corporation		5	143,943	0.9%	2,683	0.7%	2.8
Magellan Health Services, Inc.		2	113,727	0.7%	2,681	0.7%	2.6
<b>Subtotal Top 20 Office Tenants</b>		<b>173</b>	<b>8,626,053</b>	<b>51.4%</b>	<b>226,619</b>	<b>56.2%</b>	<b>5.3</b>
All remaining tenants		702	8,151,421	48.6%	176,721	43.8%	3.6
Total/Weighted Average		<u>875</u>	<u>16,777,474</u>	<u>100.0%</u>	<u>\$ 403,340</u>	<u>100.0%</u>	<u>4.5</u>

- (1) Table excludes owner occupied leasing activity which represents 164,257 square feet with a weighted average remaining lease term of 5.8 years as of September 30, 2009.
- (2) Total Annualized Rental Revenue is the monthly contractual base rent as of September 30, 2009, multiplied by 12, plus the estimated annualized expense reimbursements under existing office leases.
- (3) Order of tenants is based on Annualized Rent.
- (4) The weighting of the lease term was computed using Total Rental Revenue.
- (5) Many of our government leases are subject to early termination provisions which are customary to government leases. The weighted average remaining lease term was computed assuming no exercise of such early termination rights.
- (6) Includes affiliated organizations or agencies.

**Supplemental Information  
(Unaudited)**

September 30, 2009



**Corporate Office Properties Trust  
Index to Supplemental Information (Unaudited)  
September 30, 2009**

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**To Members of the Investment Community:**

We prepared this supplemental information package to provide you with additional detail on our properties and operations. The information in this package is unaudited, furnished to the Securities and Exchange Commission (“SEC”) and should be read in conjunction with our quarterly and annual reports. If you have any questions or comments, please contact Ms. Mary Ellen Fowler, Senior Vice President and Treasurer at (443) 285-5450 or maryellen.fowler@copt.com. Reconciliations between GAAP and non-GAAP measurements have been provided. Refer to our Form 8-K for definitions of certain terms used herein.

Corporate Office Properties Trust (COPT) (NYSE: OFC) is a specialty office real estate investment trust (REIT) that focuses primarily on strategic customer relationships and specialized tenant requirements in the U.S. Government, Defense Information Technology and Data sectors. The Company acquires, develops, manages and leases properties

that are typically concentrated in large office parks primarily located adjacent to government demand drivers and/or in growth corridors. More information on COPT can be found at [www.copt.com](http://www.copt.com).

## **Reporting Period Highlights — Periods Ended September 30, 2009**

### **Financial Results**

For the Nine Month Period:

- We reported net income available to common shareholders of \$35.2 million, or \$0.62 per diluted share, for the nine months ended September 30, 2009 as compared to \$23.0 million, or \$0.47 per diluted share, for the nine months ended September 30, 2008, representing an increase of 32% per share.
- We reported FFO of \$134.1 million, or \$1.94 per diluted share, for the nine months ended September 30, 2009 as compared to \$113.2 million, or \$1.77 per diluted share, for the nine months ended September 30, 2008, representing an increase of 10% per share.
- We reported diluted AFFO available to common share and common unit holders of \$97.4 million for the nine months ended September 30, 2009 as compared to \$74.5 million for the nine months ended September 30, 2008, representing an increase of 31%.
- Our diluted FFO payout ratio was 59% for the nine months ended September 30, 2009 as compared to 60% for the nine months ended September 30, 2008. Our diluted AFFO payout ratio was 73% for the nine months ended September 30, 2009 as compared to 81% for the nine months ended September 30, 2008.

For the Quarter Period:

- We reported net income available to common shareholders of \$10.4 million, or \$0.18 per diluted share, for the quarter ended September 30, 2009 as compared to \$8.2 million, or \$0.17 per diluted share, for the quarter ended September 30, 2008, representing an increase of 6% per share.
- We reported FFO of \$42.4 million, or \$0.60 per diluted share, for the quarter ended September 30, 2009 as compared to \$39.5 million, or \$0.62 per diluted share, for the quarter ended September 30, 2008, representing a decrease of 3% per share.
- We reported diluted AFFO available to common share and common unit holders of \$27.8 million for the quarter ended September 30, 2009 as compared to \$25.5 million for the quarter ended September 30, 2008, representing an increase of 9%.
- Our diluted FFO payout ratio was 66% for the quarter ended September 30, 2009 as compared to 63% for the quarter ended September 30, 2008. Our diluted AFFO payout ratio was 89% for the quarter ended September 30, 2009 as compared to 87% for the quarter ended September 30, 2008.

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### **Development Activities**

- We placed into service an aggregate of 628,000 square feet in newly-constructed space in nine properties during the nine months ended September 30, 2009, of which 338,000 square feet were placed in service during the quarter ended September 30, 2009.

### **Operations**

- Our wholly owned portfolio was 90.9% occupied and 91.4% leased as of September 30, 2009. Our entire portfolio was 89.7% occupied and 90.2% leased as of September 30, 2009.
- The weighted average remaining lease term of our wholly owned portfolio was 4.5 years as of September 30, 2009, with an average contractual rental rate (including tenant reimbursements of operating costs) of \$24.04 per square foot.

For the Nine Month Period:

- Same office property cash NOI for the nine months ended September 30, 2009, excluding gross lease termination fees, increased by \$5.9 million, or 3%, as compared to the nine months ended September 30, 2008. Including gross lease termination fees, our same office property cash NOI increased \$10.8 million, or 6%, as compared to the nine months ended September 30, 2008. Our same office portfolio for the nine months consists of 220 properties and represents 87% of the rentable square footage of our consolidated properties as of September 30, 2009.
- We renewed 1,351,000 square feet, or 72%, of our expiring office leases for the nine months ended September 30, 2009 (based upon square footage), with an average committed cost of \$6.14 per square foot.
- We recognized \$4.3 million in lease termination fees for the nine months ended September 30, 2009, net of write-offs of related straight-line rents and accretion of intangible assets and liabilities, as compared to \$298,000 in the nine months ended September 30, 2008.

For the Quarter Period:

- Same office property cash NOI, excluding gross lease termination fees, for the quarter ended September 30, 2009 increased by \$2.3 million, or 4%, as compared to the quarter ended September 30, 2008. Including gross lease termination fees, our same office property cash NOI increased \$3.1 million, or 5%, as compared to the quarter ended September 30, 2008. Our same office portfolio for the quarter consists of 230 properties and represents 91% of the rentable square footage of our consolidated properties as of September 30, 2009.
- We renewed 529,000 square feet, or 68%, of our expiring office leases (based upon square footage), with an average committed cost of \$5.04 per square foot. For our renewed space during the quarter ended September 30, 2009, we realized decreases of 4% in total rent, as measured from the GAAP straight-line rent in effect preceding the renewal date, and 8% in total cash rent. For our renewed and retenanted space of 670,000 square feet during the quarter ended September 30, 2009, we realized decreases of 6% in total rent, as measured from the GAAP straight-line rent in effect preceding the renewal date, and 12% in total cash rent. The average committed cost for our space renewed and retenanted during the quarter ended September 30, 2009 totaled \$6.09 per square foot.
- We recognized \$692,000 in lease termination fees for the quarter ended September 30, 2009, net of write-offs of related straight-line rents and accretion of intangible assets and liabilities, as compared to \$188,000 in the quarter ended September 30, 2008.

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### **Financing Activity and Capital Transactions**

- We closed on the following borrowings during the quarter ended September 30, 2009, using most of the proceeds to repay maturing debt and pay down our revolving credit facilities:
  - a \$90.0 million secured loan in July 2009 with a five-year term that bears interest at 7.25%; and
  - a \$185.0 million secured loan in September 2009 with a seven-year term that bears interest at 7.25%.
- As of September 30, 2009, our ratio of debt to total market capitalization was 43% and our ratio of debt to undepreciated book value of real estate assets was 57%. We achieved an EBITDA interest coverage ratio of 3.20x and an EBITDA fixed charge coverage ratio of 2.64x for the quarter ended September 30, 2009.

### **Subsequent Events**

We completed the following acquisitions subsequent to September 30, 2009:

- 1550 West Nursery Road, a newly constructed 156,000 square foot office property in Linthicum, Maryland that was 100% leased to Northrop Grumman Corporation for a ten-year term and a 0.9 acre adjacent land parcel that we believe can support a retail or bank pad; and
- a 474,000 square foot office tower, a parking lot, a utility distribution center, four waterfront lots and riparian rights, all of which are part of the Canton Crossing planned unit development in Baltimore, Maryland.

### **Forward-Looking Statements**

This supplemental information contains “forward-looking” statements, as defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that are based on our current expectations, estimates and projections about future events and financial trends affecting us. Forward-looking statements can be identified by the use of words such as “may,” “will,” “should,” “expect,” “estimate” or other comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which we cannot predict with accuracy and some of which we might not even anticipate. Accordingly, we can give no assurance that these expectations, estimates and projections will be achieved. Future events and actual results may differ materially from those discussed in the forward-looking statements.

Important factors that may affect these expectations, estimates, and projections include, but are not limited to:

- our ability to borrow on favorable terms;
- general economic and business conditions, which will, among other things, affect office property demand and rents, tenant creditworthiness, interest rates and financing availability;
- adverse changes in the real estate markets including, among other things, increased competition with other companies;
- risk of real estate acquisition and development, including, among other things, risks that development projects may not be completed on schedule, that tenants may not take occupancy or pay rent or that development or operating costs may be greater than anticipated;
- risks of investing through joint venture structures, including risks that our joint venture partners may not fulfill their financial obligations as investors or may take actions that are inconsistent with our objectives;

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- our ability to satisfy and operate effectively under federal income tax rules relating to real estate investment trusts and partnerships;
- governmental actions and initiatives; and
- environmental requirements.

We undertake no obligation to update or supplement any forward-looking statements. For further information, please refer to our filings with the Securities and Exchange Commission, particularly the section entitled “Risk Factors” in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2008.

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**Year to Date Selected Financial Summary Data**  
(dollars in thousands, except per share data)

	Nine Months Ended September 30,	
	2009	2008
Real estate revenues from continuing operations	\$ 317,405	\$ 296,034
Total revenues from continuing operations	\$ 590,939	\$ 419,074
NOI	\$ 202,627	\$ 191,829
EBITDA	\$ 194,182	\$ 182,849
Net income	\$ 51,753	\$ 39,879
Net income attributable to noncontrolling interests	(4,512)	(4,757)
Preferred share dividends	(12,076)	(12,076)
Net income available to common shareholders	<u>\$ 35,165</u>	<u>\$ 23,046</u>
Diluted EPS	\$ 0.62	\$ 0.47
FFO	\$ 134,145	\$ 113,220
Basic and diluted FFO available to common share and common unit holders	\$ 120,040	\$ 99,416
Diluted FFO per share	\$ 1.94	\$ 1.77
Diluted AFFO available to common share and common unit holders (“diluted AFFO”)	\$ 97,415	\$ 74,509
Payout ratios:		
Earnings payout ratio	184.0%	223.7%
Diluted FFO payout ratio	58.9%	60.5%
Diluted AFFO payout ratio	72.6%	80.7%
Total dividends/distributions	\$ 83,257	\$ 72,688

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**Quarterly Selected Financial Summary Data**  
(dollars in thousands, except per share data)

	2009			2008	
	September 30	June 30	March 31	December 31	September 30
Real estate revenues from continuing operations	\$ 104,843	\$ 105,718	\$ 106,844	\$ 103,599	\$ 101,086

Total revenues from continuing operations	\$ 200,164	\$ 209,042	\$ 181,733	\$ 168,944	\$ 191,088
NOI	\$ 66,260	\$ 68,556	\$ 67,811	\$ 66,813	\$ 65,223
EBITDA	\$ 63,739	\$ 65,904	\$ 64,539	\$ 70,509	\$ 62,372
Net income	\$ 15,536	\$ 18,051	\$ 18,166	\$ 21,437	\$ 13,788
Net income attributable to noncontrolling interests	(1,081)	(1,412)	(2,019)	(2,594)	(1,542)
Preferred share dividends	(4,025)	(4,026)	(4,025)	(4,026)	(4,025)
Net income available to common shareholders	<u>\$ 10,430</u>	<u>\$ 12,613</u>	<u>\$ 12,122</u>	<u>\$ 14,817</u>	<u>\$ 8,221</u>
Diluted EPS	\$ 0.18	\$ 0.22	\$ 0.23	\$ 0.28	\$ 0.17
Diluted EPS, excluding gain on early extinguishment of debt	\$ 0.18	\$ 0.22	\$ 0.23	\$ 0.15	\$ 0.17
FFO	\$ 42,408	\$ 46,920	\$ 44,817	\$ 48,886	\$ 39,533
Basic and diluted FFO available to common share and common unit holders	\$ 37,772	\$ 42,197	\$ 40,071	\$ 44,176	\$ 35,038
Diluted FFO per share	\$ 0.60	\$ 0.67	\$ 0.67	\$ 0.74	\$ 0.62
Diluted FFO per share, excluding gain on early extinguishment of debt	\$ 0.60	\$ 0.67	\$ 0.67	\$ 0.61	\$ 0.62
Diluted AFFO available to common share and common unit holders	\$ 27,846	\$ 36,203	\$ 33,366	\$ 25,638	\$ 25,453
Payout ratios:					
Earnings payout ratio	219.1%	171.2%	167.2%	130.1%	233.3%
Diluted FFO payout ratio	65.8%	55.7%	55.8%	50.3%	63.4%
Diluted AFFO payout ratio	89.2%	64.9%	67.0%	86.7%	87.2%
Total dividends/distributions	\$ 29,036	\$ 27,682	\$ 26,539	\$ 26,420	\$ 26,394

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**Quarterly Consolidated Balance Sheets**  
(dollars in thousands)

	2009			2008	
	September 30	June 30	March 31	December 31	September 30
<b>Assets</b>					
Properties, net					
Land - operational	\$ 434,693	\$ 429,064	\$ 423,985	\$ 423,985	\$ 421,311
Land - development	214,147	219,775	222,242	220,863	221,066
Construction in progress	266,117	293,787	295,686	273,733	276,221
Buildings and improvements	2,355,875	2,293,895	2,229,817	2,202,995	2,159,530
Less: accumulated depreciation	(402,125)	(382,385)	(362,318)	(343,110)	(339,429)
<b>Properties, net</b>	<b>2,868,707</b>	<b>2,854,136</b>	<b>2,809,412</b>	<b>2,778,466</b>	<b>2,738,699</b>
Cash and cash equivalents	9,981	11,931	12,702	6,775	21,316
Restricted cash	16,779	17,879	15,408	13,745	15,534
Accounts receivable, net	14,004	13,776	12,737	13,684	13,044
Deferred rent receivable	69,816	67,137	65,346	64,131	62,137
Intangible assets on real estate acquisitions, net	75,506	81,090	85,774	91,848	98,282
Deferred charges, net	52,551	48,812	47,350	51,801	51,371
Prepaid and other assets	123,303	103,914	88,561	93,789	100,448
<b>Total assets</b>	<b>\$ 3,230,647</b>	<b>\$ 3,198,675</b>	<b>\$ 3,137,290</b>	<b>\$ 3,114,239</b>	<b>\$ 3,100,831</b>
<b>Liabilities and shareholders' equity</b>					
Liabilities:					
Mortgage and other loans payable	\$ 1,742,604	\$ 1,677,351	\$ 1,715,144	\$ 1,704,123	\$ 1,656,280
3.5% Exchangeable Senior Notes	155,248	154,362	153,488	152,628	186,806
Accounts payable and accrued expenses	113,416	142,734	111,135	93,625	93,676
Rents received in advance and security deposits	33,322	29,936	31,524	30,464	26,372
Dividends and distributions payable	28,411	27,057	25,891	25,794	25,774
Deferred revenue associated with acquired operating leases	8,044	8,926	9,880	10,816	11,832
Distributions in excess of investment in unconsolidated real estate joint ventures	4,966	4,873	4,809	4,770	4,668
Other liabilities	8,453	7,029	8,793	9,596	7,059
<b>Total liabilities</b>	<b>2,094,464</b>	<b>2,052,268</b>	<b>2,060,664</b>	<b>2,031,816</b>	<b>2,012,467</b>
<b>Commitments and contingencies</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
COPT's shareholders' equity:					

Preferred shares (aggregate liquidation preference of \$216,333)	81	81	81	81	81
Common shares	583	580	544	518	515
Additional paid-in capital	1,234,910	1,229,931	1,148,424	1,112,734	1,107,053
Cumulative distributions in excess of net income	(192,119)	(179,698)	(170,714)	(162,572)	(158,106)
Accumulated other comprehensive loss	(2,291)	(1,176)	(3,256)	(4,749)	(1,676)
<b>Total COPT's shareholders' equity</b>	<b>1,041,164</b>	<b>1,049,718</b>	<b>975,079</b>	<b>946,012</b>	<b>947,867</b>
Noncontrolling interests					
Common units in the Operating Partnership	75,657	76,873	81,793	117,356	121,528
Preferred units in the Operating Partnership	8,800	8,800	8,800	8,800	8,800
Other consolidated real estate joint ventures	10,562	11,016	10,954	10,255	10,169
Total noncontrolling interests	95,019	96,689	101,547	136,411	140,497
<b>Total equity</b>	<b>1,136,183</b>	<b>1,146,407</b>	<b>1,076,626</b>	<b>1,082,423</b>	<b>1,088,364</b>
<b>Total liabilities and equity</b>	<b>\$ 3,230,647</b>	<b>\$ 3,198,675</b>	<b>\$ 3,137,290</b>	<b>\$ 3,114,239</b>	<b>\$ 3,100,831</b>

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**Year to Date Consolidated Statements of Operations**  
(in thousands, except per share data)

	Nine Months Ended September 30,	
	2009	2008
<b>Revenues</b>		
Rental revenue	\$ 265,501	\$ 249,924
Tenant recoveries and other real estate operations revenue	51,904	46,110
Construction contract revenues	272,254	121,688
Other service operations revenues	1,280	1,352
<b>Total revenues</b>	<b>590,939</b>	<b>419,074</b>
<b>Expenses</b>		
Property operating expenses	114,778	104,353
Depreciation and amortization associated with real estate operations	81,911	75,430
Construction contract expenses	266,995	118,488
Other service operations expenses	1,294	1,602
General and administrative expenses	17,275	17,608
Business development	1,550	464
<b>Total operating expenses</b>	<b>483,803</b>	<b>317,945</b>
Operating income	107,136	101,129
Interest expense	(59,088)	(65,580)
Interest and other income	4,949	924
<b>Income from continuing operations before equity in loss of unconsolidated entities and income taxes</b>	<b>52,997</b>	<b>36,473</b>
Equity in loss of unconsolidated entities	(1,075)	(167)
Income tax expense	(169)	(102)
Income from continuing operations	51,753	36,204
Discontinued operations, net of income taxes	—	2,571
Income before gain on sales of real estate	51,753	38,775
Gain on sales of real estate, net of income taxes	—	1,104
<b>Net income</b>	<b>51,753</b>	<b>39,879</b>
Less net income attributable to noncontrolling interests		
Common units in the Operating Partnership	(4,032)	(4,130)
Preferred units in the Operating Partnership	(495)	(495)
Other consolidated entities	15	(132)
<b>Net income attributable to COPT</b>	<b>47,241</b>	<b>35,122</b>
Preferred share dividends	(12,076)	(12,076)
<b>Net income available to common shareholders</b>	<b>\$ 35,165</b>	<b>\$ 23,046</b>
For diluted EPS computations:		
<u>Numerator for diluted EPS</u>		
Net income available to common shareholders	\$ 35,165	\$ 23,046
Amount allocable to restricted shares	(763)	(528)
Numerator for diluted EPS	<u>\$ 34,402</u>	<u>\$ 22,518</u>
<u>Denominator:</u>		
Weighted average common shares - basic	55,366	47,128
Dilutive effect of stock option awards	506	765
Weighted average common shares - diluted	<u>55,872</u>	<u>47,893</u>
<b>Diluted EPS</b>	<b>\$ 0.62</b>	<b>\$ 0.47</b>

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**Year to Date Consolidated Reconciliations of FFO, AFFO, EPS**  
(in thousands, except per share data)

Nine Months Ended September 30,



	2009	2008
<b>Net income</b>	<b>\$ 51,753</b>	<b>\$ 39,879</b>
Real estate-related depreciation and amortization	81,911	75,482
Depreciation and amortization on unconsolidated real estate entities	481	489
Gain on sales of operating properties, net of income taxes	—	(2,630)
<b>FFO</b>	<b>134,145</b>	<b>113,220</b>
Noncontrolling interests - preferred units in the Operating Partnership	(495)	(495)
Noncontrolling interests - other consolidated entities	15	(132)
Preferred share dividends	(12,076)	(12,076)
Depreciation and amortization allocable to noncontrolling interests in other consol. entities	(251)	(198)
Basic and diluted FFO allocable to restricted shares	(1,298)	(903)
<b>Basic and diluted FFO available to common share and common unit holders</b>	<b>120,040</b>	<b>99,416</b>
Straight line rent adjustments	(5,523)	(8,284)
Amortization of deferred market rental revenue	(1,447)	(1,458)
Recurring capital expenditures	(17,838)	(17,611)
Amortization of discount on Exchangeable Senior Notes, net of amounts capitalized	2,183	2,446
<b>Diluted AFFO available to common share and common unit holders</b>	<b>\$ 97,415</b>	<b>\$ 74,509</b>
Preferred dividends	\$ 12,076	\$ 12,076
Preferred distributions	495	495
Common distributions	5,974	8,564
Common dividends	64,712	51,553
<b>Total dividends/distributions</b>	<b>\$ 83,257</b>	<b>\$ 72,688</b>
<b>Denominator for diluted EPS</b>	<b>55,872</b>	<b>47,893</b>
Common units	5,932	8,145
<b>Denominator for diluted FFO per share</b>	<b>61,804</b>	<b>56,038</b>

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**Year to Date Consolidated Reconciliations of EBITDA, NOI, Discontinued Operations,  
Gains on Sales of Real Estate and Certain Non-GAAP Measures  
(in thousands)**

	Nine Months Ended September 30,	
	2009	2008
<b>Net income</b>	<b>\$ 51,753</b>	<b>\$ 39,879</b>
Interest expense on continuing and discontinued operations	59,088	65,631
Total income tax expense (1)	169	680
Depreciation of furniture, fixtures and equipment (FF&E)	1,261	1,177
Real estate-related depreciation and other amortization	81,911	75,482
<b>EBITDA</b>	<b>\$ 194,182</b>	<b>\$ 182,849</b>
Add back:		
General and administrative	17,275	17,608
Business development	1,550	464
Depreciation of FF&E included in general and administrative expense	(1,261)	(1,177)
Income from construction contracts and other service operations	(5,245)	(2,950)
Interest and other income	(4,949)	(924)
Gain on sales of operating properties	—	(2,526)
Non-operational property sales and real estate services	—	(1,682)
Equity in loss of unconsolidated entities	1,075	167
<b>NOI</b>	<b>\$ 202,627</b>	<b>\$ 191,829</b>
<b>Discontinued Operations</b>		
Revenues from real estate operations	\$ —	\$ 358
Property operating expenses	—	(210)
Depreciation and amortization	—	(52)
Interest	—	(51)
Gain on sales of depreciated real estate properties	—	2,526
<b>Discontinued operations, net</b>	<b>\$ —</b>	<b>\$ 2,571</b>
<b>Gain on sales of real estate, net, per statements of operations</b>	<b>\$ —</b>	<b>\$ 1,104</b>
Add income taxes	—	578
Gain on sales of real estate from discontinued operations	—	2,526
<b>Gain on sales of real estate from continuing and discontinued operations</b>	<b>—</b>	<b>4,208</b>
Non-operational property sales and real estate services	—	(1,682)
<b>Gain on sales of operating properties</b>	<b>\$ —</b>	<b>\$ 2,526</b>

(1) Includes income taxes from continuing operations, discontinued operations and gains on other sales of real estate (see components on page 43).

**Quarterly Consolidated Statements of Operations**  
(in thousands, except per share data)

	2009			2008	
	September 30	June 30	March 31	December 31	September 30
<b>Revenues</b>					
Rental revenue	\$ 87,653	\$ 88,326	\$ 89,522	\$ 87,018	\$ 85,060
Tenant recoveries and other real estate operations revenue	17,190	17,392	17,322	16,581	16,026
Construction contract revenues	94,962	102,753	74,539	64,920	89,653
Other service operations revenues	359	571	350	425	349
<b>Total revenues</b>	<b>200,164</b>	<b>209,042</b>	<b>181,733</b>	<b>168,944</b>	<b>191,088</b>
<b>Expenses</b>					
Property operating expenses	38,583	37,162	39,033	36,786	35,854
Depreciation and amortization associated with real estate operations	26,712	28,708	26,491	27,290	25,583
Construction contract expenses	93,450	100,647	72,898	63,623	87,111
Other service operations expenses	355	514	425	429	546
General and administrative expenses	5,898	5,834	5,543	6,488	5,904
Business development expenses	458	446	646	769	199
<b>Total operating expenses</b>	<b>165,456</b>	<b>173,311</b>	<b>145,036</b>	<b>135,385</b>	<b>155,197</b>
Operating income	34,708	35,731	36,697	33,559	35,891
Interest expense	(20,986)	(18,678)	(19,424)	(21,290)	(22,503)
Interest and other income	2,619	1,252	1,078	1,146	559
Gain on early extinguishment of debt	—	—	—	8,101	—
<b>Income from continuing operations before equity in (loss)</b>					
<b>income of unconsolidated entities and income taxes</b>	<b>16,341</b>	<b>18,305</b>	<b>18,351</b>	<b>21,516</b>	<b>13,947</b>
Equity in (loss) income of unconsolidated entities	(758)	(202)	(115)	20	(57)
Income tax expense	(47)	(52)	(70)	(99)	(97)
Income from continuing operations	15,536	18,051	18,166	21,437	13,793
Discontinued operations, net of income taxes	—	—	—	—	(9)
Income before gain on sales of real estate	15,536	18,051	18,166	21,437	13,784
Gain on sales of real estate, net of income taxes	—	—	—	—	4
<b>Net income</b>	<b>15,536</b>	<b>18,051</b>	<b>18,166</b>	<b>21,437</b>	<b>13,788</b>
Less net income attributable to noncontrolling interests					
Common units in the Operating Partnership	(956)	(1,272)	(1,804)	(2,389)	(1,467)
Preferred units in the Operating Partnership	(165)	(165)	(165)	(165)	(165)
Other consolidated entities	40	25	(50)	(40)	90
<b>Net income attributable to COPT</b>	<b>14,455</b>	<b>16,639</b>	<b>16,147</b>	<b>18,843</b>	<b>12,246</b>
Preferred share dividends	(4,025)	(4,026)	(4,025)	(4,026)	(4,025)
<b>Net income available to common shareholders</b>	<b>\$ 10,430</b>	<b>\$ 12,613</b>	<b>\$ 12,122</b>	<b>\$ 14,817</b>	<b>\$ 8,221</b>
For diluted EPS computations:					
<b>Numerator for diluted EPS</b>					
Net income available to common shareholders	\$ 10,430	\$ 12,613	\$ 12,122	\$ 14,817	\$ 8,221
Amount allocable to restricted shares	(253)	(242)	(268)	(200)	(192)
Numerator for diluted EPS	<u>\$ 10,177</u>	<u>\$ 12,371</u>	<u>\$ 11,854</u>	<u>\$ 14,617</u>	<u>\$ 8,029</u>
<b>Denominator:</b>					
Weighted average common shares - basic	57,470	56,637	51,930	51,120	47,273
Dilutive effect of stock option awards	485	546	498	567	779
Weighted average common shares - diluted	<u>57,955</u>	<u>57,183</u>	<u>52,428</u>	<u>51,687</u>	<u>48,052</u>
<b>Diluted EPS</b>	<b>\$ 0.18</b>	<b>\$ 0.22</b>	<b>\$ 0.23</b>	<b>\$ 0.28</b>	<b>\$ 0.17</b>

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**Quarterly Consolidated Reconciliations of FFO, AFFO, EPS**  
and as adjusted amounts  
(in thousands, except per share data)

	2009			2008	
	September 30	June 30	March 31	December 31	September 30
<b>Net income</b>	<b>\$ 15,536</b>	<b>\$ 18,051</b>	<b>\$ 18,166</b>	<b>\$ 21,437</b>	<b>\$ 13,788</b>
Real estate-related depreciation and amortization	26,712	28,708	26,491	27,290	25,583
Depreciation and amortization on unconsolidated real estate entities	160	161	160	159	162
<b>FFO</b>	<b>42,408</b>	<b>46,920</b>	<b>44,817</b>	<b>48,886</b>	<b>39,533</b>
Noncontrolling interests - preferred units in the Operating Partnership					
	(165)	(165)	(165)	(165)	(165)
Noncontrolling interests - other consolidated entities					
	40	25	(50)	(40)	90
Preferred share dividends					
	(4,025)	(4,026)	(4,025)	(4,026)	(4,025)
Depreciation and amortization allocable to noncontrolling interests in other consol. entities					
	(91)	(107)	(53)	(72)	(74)
Basic and diluted FFO allocable to restricted shares					
	(395)	(450)	(453)	(407)	(321)

<b>Basic and diluted FFO available to common share and common unit holders</b>	<b>37,772</b>	<b>42,197</b>	<b>40,071</b>	<b>44,176</b>	<b>35,038</b>
Straight line rent adjustments	(2,665)	(1,718)	(1,140)	(1,927)	(2,850)
Amortization of deferred market rental revenue	(451)	(616)	(380)	(606)	(555)
Recurring capital expenditures	(7,572)	(4,383)	(5,883)	(8,682)	(7,008)
Amortization of discount on Exchangeable Senior Notes, net of amounts capitalized	762	723	698	778	828
Gain on early extinguishment of debt	—	—	—	(8,101)	—
<b>Diluted AFFO available to common share and common unit holders</b>	<b>\$ 27,846</b>	<b>\$ 36,203</b>	<b>\$ 33,366</b>	<b>\$ 25,638</b>	<b>\$ 25,453</b>
Preferred dividends	\$ 4,025	\$ 4,026	\$ 4,025	\$ 4,026	\$ 4,025
Preferred distributions	165	165	165	165	165
Common distributions	1,995	1,894	2,085	2,946	3,021
Common dividends	22,851	21,597	20,264	19,283	19,183
<b>Total dividends/distributions</b>	<b>\$ 29,036</b>	<b>\$ 27,682</b>	<b>\$ 26,539</b>	<b>\$ 26,420</b>	<b>\$ 26,394</b>
<b>Denominator for diluted EPS</b>	<b>57,955</b>	<b>57,183</b>	<b>52,428</b>	<b>51,687</b>	<b>48,052</b>
Common units	5,084	5,483	7,253	7,993	8,130
<b>Denominator for diluted FFO per share</b>	<b>63,039</b>	<b>62,666</b>	<b>59,681</b>	<b>59,680</b>	<b>56,182</b>
<b>Diluted FFO available to common share and common unit holders</b>	<b>\$ 37,772</b>	<b>\$ 42,197</b>	<b>\$ 40,071</b>	<b>\$ 44,176</b>	<b>\$ 35,038</b>
Gain on early extinguishment of debt	—	—	—	(8,101)	—
Gain on early extinguishment of debt allocable to restricted shares	—	—	—	75	—
<b>Diluted FFO available to common share and common unit holders, excluding gain on early extinguishment of debt</b>	<b>\$ 37,772</b>	<b>\$ 42,197</b>	<b>\$ 40,071</b>	<b>\$ 36,150</b>	<b>\$ 35,038</b>
<b>Diluted FFO per share, excluding gain on early extinguishment of debt</b>	<b>\$ 0.60</b>	<b>\$ 0.67</b>	<b>\$ 0.67</b>	<b>\$ 0.61</b>	<b>\$ 0.62</b>
<b>Numerator for diluted EPS computation</b>	<b>\$ 10,177</b>	<b>\$ 12,371</b>	<b>\$ 11,854</b>	<b>\$ 14,617</b>	<b>\$ 8,029</b>
Gain on early extinguishment of debt	—	—	—	(8,101)	—
Minority interests share of gain on early extinguishment of debt	—	—	—	1,123	—
<b>Numerator for diluted EPS computation, excluding gain on early extinguishment of debt</b>	<b>\$ 10,177</b>	<b>\$ 12,371</b>	<b>\$ 11,854</b>	<b>\$ 7,639</b>	<b>\$ 8,029</b>
<b>Diluted EPS, excluding gain on early extinguishment of debt</b>	<b>\$ 0.18</b>	<b>\$ 0.22</b>	<b>\$ 0.23</b>	<b>\$ 0.15</b>	<b>\$ 0.17</b>

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**Quarterly Consolidated Reconciliations of EBITDA, NOI, Discontinued Operations,  
Gains on Sales of Real Estate and Certain Non-GAAP Measures  
(in thousands)**

	2009			2008	
	September 30	June 30	March 31	December 31	September 30
<b>Net income</b>	<b>\$ 15,536</b>	<b>\$ 18,051</b>	<b>\$ 18,166</b>	<b>\$ 21,437</b>	<b>\$ 13,788</b>
Interest expense on continuing and discontinued operations	20,986	18,678	19,424	21,290	22,503
Total income tax expense (1)	47	52	70	99	97
Depreciation of FF&E	458	415	388	393	401
Real estate-related depreciation and other amortization	26,712	28,708	26,491	27,290	25,583
<b>EBITDA</b>	<b>\$ 63,739</b>	<b>\$ 65,904</b>	<b>\$ 64,539</b>	<b>\$ 70,509</b>	<b>\$ 62,372</b>
Add back:					
General and administrative	5,898	5,834	5,543	6,488	5,904
Business development	458	446	646	769	199
Depreciation of FF&E included in general and administrative expense	(458)	(415)	(388)	(393)	(401)
Income from construction contracts and other service operations	(1,516)	(2,163)	(1,566)	(1,293)	(2,345)
Interest and other income	(2,619)	(1,252)	(1,078)	(1,146)	(559)
Gain on early extinguishment of debt	—	—	—	(8,101)	—
Non-operational property sales and real estate services	—	—	—	—	(4)
Equity in loss (income) of unconsolidated entities	758	202	115	(20)	57
<b>NOI</b>	<b>\$ 66,260</b>	<b>\$ 68,556</b>	<b>\$ 67,811</b>	<b>\$ 66,813</b>	<b>\$ 65,223</b>
<b>Discontinued Operations</b>					
Revenues from real estate operations	\$ —	\$ —	\$ —	\$ —	\$ 3
Property operating expenses	—	—	—	—	(12)
<b>Discontinued operations, net</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (9)</b>
<b>Gain on sales of real estate, net, per statements of operations</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 4</b>
Non-operational property sales and real estate services	—	—	—	—	(4)
<b>Gain on sales of operating properties</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

(1) Includes income taxes from continuing operations, discontinued operations and gains on other sales of real estate.

**Quarterly Equity Analysis**  
(Dollars and shares in thousands except per share data)

	2009			2008	
	September 30	June 30	March 31	December 31	September 30
<b>Common Equity - End of Quarter</b>					
Common Shares	58,250	58,017	54,371	51,790	51,530
Common Units	5,084	5,084	5,598	7,908	8,111
<b>Total</b>	<b>63,334</b>	<b>63,101</b>	<b>59,969</b>	<b>59,698</b>	<b>59,641</b>
End of Quarter Common Share Price	\$ 36.88	\$ 29.33	\$ 24.83	\$ 30.70	\$ 40.35
<b>Market Value of Common Shares/Units</b>	<b>\$ 2,335,758</b>	<b>\$ 1,850,752</b>	<b>\$ 1,489,030</b>	<b>\$ 1,832,729</b>	<b>\$ 2,406,514</b>
<b>Common Shares Trading Volume</b>					
Average Daily Volume (Shares)	953	1,520	1,571	1,289	649
Average Daily Volume	\$ 33,091	\$ 44,187	\$ 39,397	\$ 35,680	\$ 24,908
As a Percentage of Weighted Average Common Shares	1.7%	2.7%	3.0%	2.5%	1.4%
<b>Common Share Price Range (price per share)</b>					
Quarterly High	\$ 40.59	\$ 33.14	\$ 30.92	\$ 39.84	\$ 43.50
Quarterly Low	\$ 26.87	\$ 23.13	\$ 20.49	\$ 20.39	\$ 32.00
Quarterly Average	\$ 34.72	\$ 29.07	\$ 25.08	\$ 27.68	\$ 38.37
<b>Convertible Preferred Equity - End of Quarter</b>					
Convertible Series I Preferred Units Outstanding	352	352	352	352	352
Conversion Ratio	0.5000	0.5000	0.5000	0.5000	0.5000
Common Shares Issued Assuming Conversion	176	176	176	176	176
Convertible Series K Preferred Shares Outstanding	532	532	532	532	532
Conversion Ratio	0.8163	0.8163	0.8163	0.8163	0.8163
Common Shares Issued Assuming Conversion	434	434	434	434	434
<b>Nonconvertible Preferred Equity - End of Quarter</b>					
Redeemable Series G Shares Outstanding	2,200	2,200	2,200	2,200	2,200
Redeemable Series H Shares Outstanding	2,000	2,000	2,000	2,000	2,000
Redeemable Series J Shares Outstanding	3,390	3,390	3,390	3,390	3,390
<b>Total Nonconvertible Preferred Equity</b>	<b>7,590</b>	<b>7,590</b>	<b>7,590</b>	<b>7,590</b>	<b>7,590</b>
<b>Convertible Preferred Equity</b>					
Convertible Series K Shares Outstanding	884	884	884	884	884
<b>Total Preferred Equity</b>	<b>8,474</b>	<b>8,474</b>	<b>8,474</b>	<b>8,474</b>	<b>8,474</b>
<b>Nonconvertible Preferred Equity (\$25 par value)</b>					
Redeemable Series G Shares	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000
Redeemable Series H Shares	50,000	50,000	50,000	50,000	50,000
Redeemable Series J Shares	84,750	84,750	84,750	84,750	84,750
<b>Total Nonconvertible Preferred Equity</b>	<b>\$ 189,750</b>	<b>\$ 189,750</b>	<b>\$ 189,750</b>	<b>\$ 189,750</b>	<b>\$ 189,750</b>
<b>Convertible Preferred Equity (\$25 par value)</b>					
Convertible Series I Units	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800
<b>Convertible Preferred Equity (\$50 par value)</b>					
Convertible Series K Shares	26,583	26,583	26,583	26,583	26,583
<b>Total Convertible Preferred Equity</b>	<b>\$ 35,383</b>	<b>\$ 35,383</b>	<b>\$ 35,383</b>	<b>\$ 35,383</b>	<b>\$ 35,383</b>
<b>Total Recorded Book Value of Preferred Equity</b>	<b>\$ 225,133</b>	<b>\$ 225,133</b>	<b>\$ 225,133</b>	<b>\$ 225,133</b>	<b>\$ 225,133</b>
<b>Weighted Average Shares for quarter ended:</b>					
Common Shares Outstanding	57,470	56,637	51,930	51,120	47,273
Dilutive effect of share-based compensation awards	485	546	498	567	779
Common Units	5,084	5,483	7,253	7,993	8,130
<b>Denominator for funds from operations per share - diluted</b>	<b>63,039</b>	<b>62,666</b>	<b>59,681</b>	<b>59,680</b>	<b>56,182</b>
<b>Capitalization</b>					
Recorded Book Value of Preferred Shares/Units	\$ 225,133	\$ 225,133	\$ 225,133	\$ 225,133	\$ 225,133
Market Value of Common Shares/Units	2,335,758	1,850,752	1,489,030	1,832,729	2,406,514
<b>Total Equity Market Capitalization</b>	<b>\$ 2,560,891</b>	<b>\$ 2,075,886</b>	<b>\$ 1,714,164</b>	<b>\$ 2,057,862</b>	<b>\$ 2,631,648</b>
<b>Total Debt</b>	<b>\$ 1,897,852</b>	<b>\$ 1,831,713</b>	<b>\$ 1,868,632</b>	<b>\$ 1,856,751</b>	<b>\$ 1,843,086</b>
<b>Total Market Capitalization</b>	<b>\$ 4,458,743</b>	<b>\$ 3,907,599</b>	<b>\$ 3,582,796</b>	<b>\$ 3,914,613</b>	<b>\$ 4,474,734</b>
Debt to Total Market Capitalization	42.6%	46.9%	52.2%	47.4%	41.2%
Debt to Total Assets	58.7%	57.3%	59.6%	59.6%	59.4%
Debt to Undepreciated Book Value of Real Estate Assets	56.7%	55.2%	57.4%	57.8%	58.0%

**Quarterly Debt Analysis**  
(Dollars in thousands)

	September 30	June 30	March 31	December 31	September 30
<b>Debt Outstanding</b>					
Mortgage Loans	\$ 1,454,240	\$ 1,204,437	\$ 1,157,252	\$ 1,189,767	\$ 1,193,659
Construction Loans (1)	60,364	115,914	133,892	121,856	82,121
Unsecured Revolving Credit Facility (2)	228,000	357,000	424,000	392,500	380,500
Exchangeable Senior Notes	155,248	154,362	153,488	152,628	186,806
	<u>\$ 1,897,852</u>	<u>\$ 1,831,713</u>	<u>\$ 1,868,632</u>	<u>\$ 1,856,751</u>	<u>\$ 1,843,086</u>
<b>Interest Rate Data</b>					
Fixed-Mortgage Loans	\$ 1,182,967	\$ 933,037	\$ 935,852	\$ 968,367	\$ 972,259
Fixed-Exchangeable Senior Notes	155,248	154,362	153,488	152,628	186,806
Variable	289,637	474,314	459,292	485,756	534,021
Variable Subject to Interest Rate Swaps (3)	270,000	270,000	320,000	250,000	150,000
	<u>\$ 1,897,852</u>	<u>\$ 1,831,713</u>	<u>\$ 1,868,632</u>	<u>\$ 1,856,751</u>	<u>\$ 1,843,086</u>
% of Fixed Rate Loans (3)	84.74%	74.11%	75.42%	73.84%	71.03%
% of Variable Rate Loans (3)	15.26%	25.89%	24.58%	26.16%	28.97%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

#### Average Contract Interest Rates

Mortgage & Construction Loans	5.10%	5.04%	5.38%	5.44%	5.50%
Unsecured Revolving Credit Facility	2.82%	2.85%	2.79%	3.89%	4.25%
Exchangeable Senior Notes (4)	3.50%	3.50%	3.50%	3.50%	3.50%
Total Weighted Average	4.85%	4.68%	4.82%	5.00%	5.11%

#### Coverage Ratios (excluding capitalized interest) — All coverage computations include the effect of discontinued operations

NOI interest coverage ratio	3.32x	3.88x	3.69x	3.30x	3.05x
EBITDA interest coverage ratio	3.20x	3.73x	3.51x	3.48x	2.92x
NOI debt service coverage ratio	2.93x	3.37x	3.19x	2.48x	2.63x
EBITDA debt service coverage ratio	2.82x	3.24x	3.04x	2.62x	2.52x
NOI fixed charge coverage ratio	2.75x	3.14x	3.00x	2.73x	2.55x
EBITDA fixed charge coverage ratio	2.64x	3.01x	2.86x	2.88x	2.44x

- (1) Includes \$43.6 million due under our Revolving Construction Facility at September 30, 2009. This facility provides for the borrowing of up to \$225.0 million to finance construction of the Company's wholly owned buildings.
- (2) As of September 30, 2009, our borrowing capacity under the Revolving Credit Facility was \$600.0 million, of which \$372.0 million was available.
- (3) Includes the effect of the following interest rate swaps in effect during certain of the periods set forth above that hedge the risk of changes in interest rates on certain of our one-month LIBOR-based variable rate debt:

	Notional Amount	One-Month Libor Base	Effective Date	Expiration Date
\$	50,000	5.036%	3/28/06	3/30/09
\$	25,000	5.232%	5/1/06	5/1/09
\$	25,000	5.232%	5/1/06	5/1/09
\$	50,000	4.330%	10/23/07	10/23/09
\$	100,000	2.510%	11/3/08	12/31/09
\$	120,000	1.760%	1/2/09	5/1/2012

- (4) Rate is on the stated face amount of the note.

#### Debt Maturity Schedule - September 30, 2009 (Dollars in thousands)

Year of Maturity	Non-Recourse Debt (1)			Recourse Debt (1)			Revolver (3)	Total Scheduled Payments
	Annual Amortization of Monthly Payments	Balloon Payments Due on Maturity	Weighted Average Interest Rate of Amounts Maturing (2)	Annual Amortization of Monthly Payments	Balloon Payments Due on Maturity	Weighted Average Interest Rate of Amounts Maturing (2)		
October - December	3,009	—	0.00%	332	750	5.95%	—	4,091
Total 2009	<u>\$ 3,009</u>	<u>\$ —</u>	<u>0.00%</u>	<u>\$ 332</u>	<u>\$ 750</u>	<u>5.95%</u>	<u>\$ —</u>	<u>\$ 4,091</u>
2010	(4) \$ 13,216	\$ 52,177		\$ 798	\$ 12,481		\$ —	\$ 78,672
2011	(5) 11,730	102,264		805	60,364		228,000	403,164
2012	10,569	257,523		865	—		—	268,958
2013	7,703	134,843		930	—		—	143,476
2014	(6) 5,611	90,670		640	47,066		—	143,988
2015	4,508	114,558		329	—		—	119,396
2016	3,481	274,605		356	—		—	278,442
2017	193	300,610		385	—		—	301,188
2018	—	—		417	—		—	417
2019	—	—		373	39		—	412
2020	—	—		—	—		—	—
	<u>\$ 60,020</u>	<u>\$ 1,327,251</u>		<u>\$ 6,232</u>	<u>\$ 120,699</u>		<u>\$ 228,000</u>	<u>\$ 1,742,203</u>
		Net premium						401
		Mortgage and Other Loans Payable						<u>\$ 1,742,604</u>
		Exchangeable Senior Notes-Face Amount						\$ 162,500
		Net discount						<u>\$ (7,252)</u>
		Exchangeable Senior Notes (7)						<u>\$ 155,248</u>
		Total Debt						<u>\$ 1,897,852</u>

Notes:

- (1) Certain mortgages contain extension options, generally either for a period of six months or one year, subject to certain conditions. The maturity dates presented above in the table assume that the extension options have not been exercised.
- (2) For the variable rate loans expiring in 2009, the interest rate used for this calculation was the rate at September 30, 2009.
- (3) As of September 30, 2009, our borrowing capacity under the Revolving Credit Facility was \$600.0 million, of which \$372 million was available.
- (4) Includes \$8.5 million maturing on a non-recourse loan that matures in September 2025 but will be called in October 2010.
- (5) Includes \$228.0 million due under our Revolving Credit Facility at September 30, 2009 that may be extended by us for a one-year period, subject to certain conditions. Also includes \$43.6 million due under our Revolving Construction Facility at September 30, 2009 that may be extended by us for a one-year period, subject to certain conditions; this facility provides for the borrowing of up to \$225.0 million to finance construction of the Company's wholly owned buildings.
- (6) We have a \$4.8 million non-recourse loan maturing in March 2034 that may be prepaid in March 2014, subject to certain conditions. The above table includes \$4.3 million due on maturity of this loan in 2014.
- (7) Exchangeable Senior Notes mature in September 2026 but are subject to a put by the holders in September 2011 and every five years thereafter.

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**Quarterly Operating Ratios**  
(Dollars in thousands except per share data and ratios)

	2009			2008	
	September 30	June 30	March 31	December 31	September 30
<b>OPERATING RATIOS — All computations include the effect of discontinued operations</b>					
Net income as a % of Real estate revenues from cont. and discount. operations (Net income / Real estate revenues from cont. and discount. operations)	14.82%	17.07%	17.00%	20.69%	13.64%
NOI as a % of Real estate revenues from cont. and discount. operations (NOI / Real estate revenues from cont. and discount. operations)	63.20%	64.85%	63.47%	64.49%	64.52%
EBITDA as a % of Real estate revenues from cont. and discount. operations (EBITDA / Real estate revenues from cont. and discount. operations)	60.79%	62.34%	60.40%	68.06%	61.70%
G&A as a % of Net income (G&A / Net income)	37.96%	32.32%	30.51%	30.27%	42.82%
G&A as a % of Real estate revenues from cont. and discount. operations (G&A / Real estate revenues from cont. and discount. operations)	5.63%	5.52%	5.19%	6.26%	5.84%
G&A as a % of EBITDA (G&A / EBITDA)	9.25%	8.85%	8.59%	9.20%	9.47%
Recurring Capital Expenditures	\$ 7,572	\$ 4,383	\$ 5,883	\$ 8,682	\$ 7,008
Recurring Capital Expenditures per average square foot of consolidated properties	\$ 0.40	\$ 0.23	\$ 0.32	\$ 0.47	\$ 0.38
Recurring Capital Expenditures as a % of NOI	11.43%	6.39%	8.68%	12.99%	10.74%

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**Quarterly Dividend Analysis**

	2009			2008	
	September 30	June 30	March 31	December 31	September 30
<b>Common Share Dividends</b>					
Dividends per share/unit	\$ 0.3925	\$ 0.3725	\$ 0.3725	\$ 0.3725	\$ 0.3725
Increase over prior quarter	5.4%	0.0%	0.0%	0.0%	9.6%
<b>Common Dividend Payout Ratios</b>					
Earnings Payout	219.1%	171.2%	167.2%	130.1%	233.3%
Diluted FFO Payout	65.8%	55.7%	55.8%	50.3%	63.4%
Diluted AFFO Payout	89.2%	64.9%	67.0%	86.7%	87.2%
Dividend Coverage - Diluted FFO	1.52x	1.80x	1.79x	1.99x	1.58x
Dividend Coverage - Diluted AFFO	1.12x	1.54x	1.49x	1.15x	1.15x
<b>Common Dividend Yields</b>					
Dividend Yield	4.26%	5.08%	6.00%	4.85%	3.69%
<b>Series I Preferred Unit Distributions</b>					
Preferred Unit Distributions Per Unit	\$ 0.46875	\$ 0.46875	\$ 0.46875	\$ 0.46875	\$ 0.46875
Preferred Unit Distributions Yield	7.500%	7.500%	7.500%	7.500%	7.500%

Quarter End Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
<b>Series G Preferred Share Dividends</b>					
Preferred Share Dividends Per Share	\$ 0.50000	\$ 0.50000	\$ 0.50000	\$ 0.50000	\$ 0.50000
Preferred Share Dividend Yield	8.000%	8.000%	8.000%	8.000%	8.000%
Quarter End Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
<b>Series H Preferred Share Dividends</b>					
Preferred Share Dividends Per Share	\$ 0.46875	\$ 0.46875	\$ 0.46875	\$ 0.46875	\$ 0.46875
Preferred Share Dividend Yield	7.500%	7.500%	7.500%	7.500%	7.500%
Quarter End Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
<b>Series J Preferred Share Dividends</b>					
Preferred Share Dividends Per Share	\$ 0.47656	\$ 0.47656	\$ 0.47656	\$ 0.47656	\$ 0.47656
Preferred Share Dividend Yield	7.625%	7.625%	7.625%	7.625%	7.625%
Quarter End Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
<b>Series K Preferred Share Dividends</b>					
Preferred Share Dividends Per Share	\$ 0.70000	\$ 0.70000	\$ 0.70000	\$ 0.70000	\$ 0.70000
Preferred Share Dividend Yield	5.600%	5.600%	5.600%	5.600%	5.600%
Quarter End Recorded Book Value	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00

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**Investor Composition and Analyst Coverage  
as of September 30, 2009**

SHAREHOLDER CLASSIFICATION	Common Shares	Common Units	As if Converted Preferred Shares / Units	Total	Diluted Ownership % of Total
Insiders	1,026,925	4,212,152	—	5,239,077	8.19%
Non-insiders	57,223,370	871,467	610,014	58,704,851	91.81%
	<u>58,250,295</u>	<u>5,083,619</u>	<u>610,014</u>	<u>63,943,928</u>	<u>100.00%</u>

  

RESEARCH COVERAGE	September 30, 2009	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008
Bank of America Merrill Lynch	n/a	n/a	x	x	x
BMO Capital Markets	x	x	x	x	x
Citigroup Global Markets	x	x	x	x	x
Friedman Billings Ramsey & Co.	x	x	x	x	x
Green Street Advisors	x	x	x	x	x
ISI Group	x	x	n/a	n/a	n/a
Macquarie Securities	x	x	x	x	n/a
Raymond James	x	x	x	x	x
RBC Capital Markets	x	x	x	x	x
Robert W. Baird & Co. Incorporated	x	x	x	x	x
Stifel, Nicolaus & Company, Incorporated	x	x	x	x	x
Wells Fargo Securities	x	x	x	x	x

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**Property Summary by Region - September 30, 2009  
Wholly Owned Properties**

Operating Property Count	Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment	
<b>Office Properties</b>							
<u>Baltimore /Washington Corridor</u>							
1	2730 Hercules Road	BWI Airport	NBP	1990	M	240,336	
2	300 Sentinel Drive (300 NBP)	BWI Airport	NBP	2009	M	45,422	147,332
3	304 Sentinel Drive (304 NBP)	BWI Airport	NBP	2005	M	162,647	
4	306 Sentinel Drive (306 NBP)	BWI Airport	NBP	2006	M	155,883	
5	2720 Technology Drive (220 NBP)	BWI Airport	NBP	2004	M	156,730	
6	302 Sentinel Drive (302 NBP)	BWI Airport	NBP	2007	M	155,669	
7	2711 Technology Drive (211 NBP)	BWI Airport	NBP	2002	M	152,196	
8	320 Sentinel Way (320 NBP)	BWI Airport	NBP	2007	M	125,681	
9	318 Sentinel Way (318 NBP)	BWI Airport	NBP	2005	M	125,681	
10	322 Sentinel Way (322 NBP)	BWI Airport	NBP	2006	M	125,568	
11	140 National Business Parkway	BWI Airport	NBP	2003	M	119,904	
12	132 National Business Parkway	BWI Airport	NBP	2000	M	118,598	
13	2721 Technology Drive (221 NBP)	BWI Airport	NBP	2000	M	118,093	
14	2701 Technology Drive (201 NBP)	BWI Airport	NBP	2001	M	117,450	
15	2691 Technology Drive (191 NBP)	BWI Airport	NBP	2005	M	103,683	
16	134 National Business Parkway	BWI Airport	NBP	1999	M	93,482	
17	135 National Business Parkway	BWI Airport	NBP	1998	M	87,422	
18	133 National Business Parkway	BWI Airport	NBP	1997	M	87,401	
19	141 National Business Parkway	BWI Airport	NBP	1990	M	87,206	
20	131 National Business Parkway	BWI Airport	NBP	1990	M	69,336	
21	114 National Business Parkway	BWI Airport	NBP	2002	S	9,908	
22	314 Sentinel Way (314 NBP)	BWI Airport	NBP	2008	S	4,462	

							2,462,758	147,332
1	1306 Concourse Drive	BWI Airport	APS	1990	M	116,101		
2	870-880 Elkrige Landing Road	BWI Airport	APS	1981	M	105,151		
3	1304 Concourse Drive	BWI Airport	APS	2002	M	101,792		
4	900 Elkrige Landing Road	BWI Airport	APS	1982	M	100,824		
5	1199 Winterson Road	BWI Airport	APS	1988	M	96,636		
6	920 Elkrige Landing Road	BWI Airport	APS	1982	M	96,566		
7	1302 Concourse Drive	BWI Airport	APS	1996	M	84,053		
8	881 Elkrige Landing Road	BWI Airport	APS	1986	M	73,572		
9	1099 Winterson Road	BWI Airport	APS	1988	M	70,583		
10	1190 Winterson Road	BWI Airport	APS	1987	M	68,899		
11	849 International Drive	BWI Airport	APS	1988	M	68,791		
12	911 Elkrige Landing Road	BWI Airport	APS	1985	M	68,296		
13	1201 Winterson Road	BWI Airport	APS	1985	M	67,903		
14	999 Corporate Boulevard	BWI Airport	APS	2000	M	66,837		
15	891 Elkrige Landing Road	BWI Airport	APS	1984	M	57,912		
16	901 Elkrige Landing Road	BWI Airport	APS	1984	M	58,035		
17	930 International Drive	BWI Airport	APS	1986	S	57,409		
18	800 International Drive	BWI Airport	APS	1988	S	57,379		
19	900 International Drive	BWI Airport	APS	1986	S	57,140		
20	921 Elkrige Landing Road	BWI Airport	APS	1983	M	54,175		
21	939 Elkrige Landing Road	BWI Airport	APS	1983	M	54,211		
22	938 Elkrige Landing Road	BWI Airport	APS	1984	M	52,988		
							<b>1,635,253</b>	<b>—</b>
1	7467 Ridge Road	BWI Airport	Comm./Pkwy.	1990	M	74,136		
2	7240 Parkway Drive	BWI Airport	Comm./Pkwy.	1985	M	74,153		
3	7272 Park Circle Drive	BWI Airport	Comm./Pkwy.	1991/1996	M	59,888		
4	7318 Parkway Drive	BWI Airport	Comm./Pkwy.	1984	S	59,204		
5	7320 Parkway Drive	BWI Airport	Comm./Pkwy.	1983	S	56,964		
6	1340 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	46,400		
7	1362 Mellon Road	BWI Airport	Comm./Pkwy.	2006	M	43,283		
8	1334 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	37,317		
9	1331 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	28,998		
10	1350 Dorsey Road	BWI Airport	Comm./Pkwy.	1989	S	19,718		
11	1344 Ashton Road	BWI Airport	Comm./Pkwy.	1989	M	16,964		
12	1341 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	15,947		
13	1343 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	9,962		
14	1348 Ashton Road	BWI Airport	Comm./Pkwy.	1988	S	3,108		
							<b>546,042</b>	<b>—</b>
<b>58</b>	<b>Subtotal (continued on next page)</b>						<b>4,644,053</b>	<b>147,332</b>

The S or M notation indicates single story or multi-story, respectively.

**Property Summary by Region - September 30, 2009 (continued)  
Wholly Owned Properties**

Operating Property Count	Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment	
<b>58</b>	<b>Subtotal (continued from prior page)</b>					<b>4,644,053</b>	<b>147,332</b>
1	5520 Research Park Drive (UMBC) (1)	BWI Airport	bwtech@UMBC	2009	M	105,363	
2	5522 Research Park Drive (UMBC) (1)	BWI Airport	bwtech@UMBC	2007	S	23,500	
						<b>128,863</b>	<b>—</b>
1	2500 Riva Road	Annapolis		2000	M	155,000	
1	Old Annapolis Road	Howard Co. Perimeter	Oakland Ridge	1985	M	171,436	
1	7125 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1973/1999	M	611,379	
2	7000 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1999	M	145,806	
3	6721 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2009	M	131,451	
4	6731 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2002	M	123,847	
5	6711 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2006-2007	M	123,599	
6	6940 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1999	M	109,003	
7	6950 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1998	M	107,778	
8	7067 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	86,027	
9	8621 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2005-2006	M	86,033	
10	6750 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	76,134	
11	6700 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1988	M	75,028	
12	6740 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1992	M	63,480	
13	7015 Albert Einstein Drive	Howard Co. Perimeter	Columbia Gateway	1999	S	61,203	
14	8671 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2002	S	56,350	
15	6716 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1990	M	52,131	
16	8661 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2002	S	49,307	
17	7142 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1994	S	47,668	
18	7130 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1989	S	46,460	
19	6708 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1988	M	39,203	
20	7065 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	S	38,560	
21	7138 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1990	S	38,225	
22	7063 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	S	36,472	
23	6760 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1991	M	36,440	
24	7150 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1991	S	35,812	
25	7061 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	M	29,910	
26	6724 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	28,420	
27	7134 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1990	S	21,991	
28	6741 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2008	S	4,592	
						<b>2,362,309</b>	<b>—</b>
1	7200 Riverwood Drive	Howard Co. Perimeter	Rivers Corporate Park	1986	S	160,000	
2	7160 Riverwood Drive	Howard Co. Perimeter	Rivers Corporate Park	2000	M	61,984	
3	9140 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1983	S	41,180	
4	7150 Riverwood Drive	Howard Co. Perimeter	Rivers Corporate Park	2000	M	39,496	
5	9160 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1984	M	37,034	
6	7170 Riverwood Drive	Howard Co. Perimeter	Rivers Corporate Park	2000	M	29,162	
7	9150 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1984	S	18,592	
8	10280 Old Columbia Road	Howard Co. Perimeter	Rivers Corporate Park	1988/2001	S	16,195	
9	10270 Old Columbia Road	Howard Co. Perimeter	Rivers Corporate Park	1988/2001	S	15,910	
10	9130 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1984	S	13,700	
11	10290 Old Columbia Road	Howard Co. Perimeter	Rivers Corporate Park	1988/2001	S	10,263	



							443,516	—	
1	9720 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M		40,004		
2	9740 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M		38,292		
3	9700 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M		31,220		
4	9730 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M		30,485		
5	9710 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M		15,229		
							155,230	—	
1	9020 Mendenhall Court	Howard Co. Perimeter	Sieling Business Park	1982/2005	S		49,217		
107	<b>Total Baltimore/Washington Corridor</b>							<b>8,109,624</b>	<b>147,332</b>

The S or M notation indicates single story or multi-story building, respectively.

(1) This property is a land-lease property.

**Property Summary by Region - September 30, 2009 (continued)**  
**Wholly Owned Properties**

Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment	
<u>St. Mary's &amp; King George Counties</u>								
1	22309 Exploration Drive	St. Mary's County	Exploration Park	1984/1997	M	98,860		
2	22289 Exploration Drive	St. Mary's County	Exploration Park	2000	M	58,676		
3	22299 Exploration Drive	St. Mary's County	Exploration Park	1998	M	58,363		
4	22300 Exploration Drive	St. Mary's County	Exploration Park	1997	M	44,830		
						260,729	—	
1	46579 Expedition Drive	St. Mary's County	Expedition Park	2002	M	61,156		
2	46591 Expedition Drive	St. Mary's County	Expedition Park	2005-2006	M	59,483		
						120,639	—	
1	44425 Pecan Court	St. Mary's County	Wildewood Tech Park	1997	M	58,981		
2	44408 Pecan Court	St. Mary's County	Wildewood Tech Park	1986	S	50,532		
3	23535 Cottonwood Parkway	St. Mary's County	Wildewood Tech Park	1984	M	46,656		
4	44417 Pecan Court	St. Mary's County	Wildewood Tech Park	1989	S	29,053		
5	44414 Pecan Court	St. Mary's County	Wildewood Tech Park	1986	S	25,444		
6	44420 Pecan Court	St. Mary's County	Wildewood Tech Park	1989	S	25,200		
						235,866	—	
1	16480 Commerce Drive	King George County	Dahlgren Technology Center	2000	M	70,728		
2	16541 Commerce Drive	King George County	Dahlgren Technology Center	1996	S	36,053		
3	16539 Commerce Drive	King George County	Dahlgren Technology Center	1990	S	32,076		
4	16442 Commerce Drive	King George County	Dahlgren Technology Center	2002	S	25,518		
5	16501 Commerce Drive	King George County	Dahlgren Technology Center	2002	S	22,833		
6	16543 Commerce Drive	King George County	Dahlgren Technology Center	2002	S	17,370		
						204,578	—	
18	<b>Total St. Mary's &amp; King George Counties</b>						<b>821,812</b>	—
<u>Northern Virginia</u>								
1	15000 Conference Center Drive	Dulles South	Westfields Corporate Center	1989	M	471,440		
2	15010 Conference Center Drive	Dulles South	Westfields Corporate Center	2006	M	223,610		
3	15059 Conference Center Drive	Dulles South	Westfields Corporate Center	2000	M	145,224		
4	15049 Conference Center Drive	Dulles South	Westfields Corporate Center	1997	M	145,706		
5	14900 Conference Center Drive	Dulles South	Westfields Corporate Center	1999	M	127,329		
6	14280 Park Meadow Drive	Dulles South	Westfields Corporate Center	1999	M	114,126		
7	4851 Stonecroft Boulevard	Dulles South	Westfields Corporate Center	2004	M	88,094		
8	14850 Conference Center Drive	Dulles South	Westfields Corporate Center	2000	M	69,711		
9	14840 Conference Center Drive	Dulles South	Westfields Corporate Center	2000	M	69,710		
						1,454,950	—	
1	13200 Woodland Park Road	Herndon	Woodland Park	2002	M	404,665		
1	13454 Sunrise Valley Road	Herndon	Dulles Tech	1998	M	112,633		
2	13450 Sunrise Valley Road	Herndon	Dulles Tech	1998	M	53,776		
						166,409	—	
1	1751 Pinnacle Drive	Tysons Corner		1989/1995	M	260,469		
2	1753 Pinnacle Drive	Tysons Corner		1976/2004	M	186,707		
						447,176	—	
1	2900 Towerview Road	Route 28 South	Renaissance Park	1982/2008	M	139,877		
15	<b>Total Northern Virginia</b>						<b>2,613,077</b>	—
<u>Other</u>								
1	11751 Meadowville Lane	Richmond Southwest	Meadowville Technology Park	2007	M	193,000		
1	201 Technology Park Drive	Southwest Virginia	Russell Regional Business Tech Park	2007	S	102,842		
1	14303 Lake Royer Drive	Fort Ritchie		1990/2007	S	9,829		
2	14310 Castle Avenue	Fort Ritchie		1993/2008	S	3,014		
3	24949 Lake Wastler	Fort Ritchie		2009	S	1,521		
4	14316 Lake Royer Drive	Fort Ritchie		1953	S	864		
						15,228	—	
6	<b>Total Other</b>						<b>311,070</b>	—

The S or M notation indicates single story or multi-story building, respectively.

**Property Summary by Region - September 30, 2009 (continued)**  
**Wholly Owned Properties**

Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
<u>Greater Philadelphia</u>							
1	753 Jolly Road	Blue Bell	Unisys campus	1992	S	125,637	292,793
2	785 Jolly Road	Blue Bell	Unisys campus	1996	M	219,065	
	760 Jolly Road	Blue Bell	Unisys campus	1994	M		208,854
3	751 Jolly Road	Blue Bell	Unisys campus	1991	M	114,000	
<b>Total Greater Philadelphia</b>						<b>458,702</b>	<b>501,647</b>
<u>Central New Jersey</u>							
1	431 Ridge Road	Exit 8A — Cranbury	Princeton Tech Cntr.	1998	S	171,200	
2	437 Ridge Road	Exit 8A — Cranbury	Princeton Tech Cntr.	1996	S	30,000	
<b>Total Central New Jersey</b>						<b>201,200</b>	<b>—</b>
<u>San Antonio, Texas</u>							
2	7700 Potranco Road	San Antonio Northwest		1982/1985	M	508,412	
3	7700-5 Potranco-Warehouse	San Antonio Northwest		2009	S	25,056	
4	7700-1 Potranco Road	San Antonio Northwest		2007	S	8,674	
						<b>542,142</b>	<b>—</b>
1	1560 Cable Ranch Road - Building B	San Antonio Northwest	151 Technology Center	1985/2006	M	77,040	
2	1560 Cable Ranch Road - Building A	San Antonio Northwest	151 Technology Center	1985/2007	M	45,935	
						<b>122,975</b>	<b>—</b>
6	<b>Total San Antonio, Texas</b>					<b>665,117</b>	<b>—</b>
<u>Colorado Springs, Colorado</u>							
1	655 Space Center Drive	Colorado Springs East	Patriot Park	2008	M	103,970	
2	985 Space Center Drive	Colorado Springs East	Patriot Park	1989	M	102,812	
3	565 Space Center Drive	Colorado Springs East	Patriot Park		M	1,949	87,824
4	745 Space Center Drive	Colorado Springs East	Patriot Park	2006	M	51,500	
5	980 Technology Court	Colorado Springs East	Patriot Park	1995	S	33,190	
6	525 Babcock Road	Colorado Springs East	Patriot Park	1967	S	14,000	
						<b>307,421</b>	<b>87,824</b>
1	1055 North Newport Road	Colorado Springs East	Aerotech Commerce Park	2007-2008	M	59,763	
1	3535 Northrop Grumman Point	Colorado Springs East	Colorado Springs Airport	2008	M	124,305	
1	1670 North Newport Road	Colorado Springs East		1986-1987	M	67,500	
2	1915 Aerotech Drive	Colorado Springs East		1985	S	37,946	
3	1925 Aerotech Drive	Colorado Springs East		1985	S	37,946	
						<b>143,392</b>	<b>—</b>
1	10807 New Allegiance Drive	I-25 North Corridor	InterQuest Office	2009	M	38,456	107,267
2	12515 Academy Ridge View	I-25 North Corridor	InterQuest Office	2006	M	61,372	
3	9965 Federal Drive	I-25 North Corridor	InterQuest Office	1983/2007	M	74,749	
4	9945 Federal Drive	I-25 North Corridor	InterQuest Office	2009	S	74,004	
5	9950 Federal Drive	I-25 North Corridor	InterQuest Office	2001	S	66,222	
6	9925 Federal Drive	I-25 North Corridor	InterQuest Office	2008	S	53,745	
7	9960 Federal Drive	I-25 North Corridor	InterQuest Office	2001	S	46,948	
						<b>415,496</b>	<b>107,267</b>
1	5775 Mark Dabling Boulevard	Colorado Springs Northwest		1984	M	109,678	
2	5725 Mark Dabling Boulevard	Colorado Springs Northwest		1984	M	108,976	
3	5755 Mark Dabling Boulevard	Colorado Springs Northwest		1989	M	105,997	
						<b>324,651</b>	<b>—</b>
21	<b>Total Colorado Springs, Colorado</b>					<b>1,375,028</b>	<b>195,091</b>

The S or M notation indicates single story or multi-story building, respectively.

**Property Summary by Region - September 30, 2009 (continued)**  
**Wholly Owned Properties**

Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
<u>Suburban Maryland</u>							
1	11800 Tech Road	North Silver Spring	Montgomery Industrial	1989	M	228,179	
1	400 Professional Drive	Gaithersburg	Crown Point	2000	M	129,355	
1	110 Thomas Johnson Drive	Frederick		1987/1999	M	122,491	
1	45 West Gude Drive	Rockville		1987	M	108,588	
2	15 West Gude Drive	Rockville		1986	M	106,694	
						<b>215,282</b>	<b>—</b>
5	<b>Total Suburban Maryland</b>					<b>695,307</b>	<b>—</b>
<u>Suburban Baltimore</u>							
1	11311 McCormick Road	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1984/1994	M	215,364	
2	200 International Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1987	M	127,196	
3	226 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1980	M	98,640	
4	201 International Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1982	M	78,461	

5	11011 McCormick Road	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1974	M	57,550	
6	216 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1988/2001	M	36,003	
7	222 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1978/1997	M	28,747	
8	224 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1978/1997	M	27,574	
9	11101 McCormick Road	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1976	S	23,844	
						<b>693,379</b>	
1	10150 York Road	Hunt Valley/Rte 83 Corridor		1985	M	178,286	
2	9690 Deereco Road	Hunt Valley/Rte 83 Corridor		1988	M	134,268	
3	375 West Padonia Road	Hunt Valley/Rte 83 Corridor		1986	M	110,378	
						<b>422,932</b>	
1	7210 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1972	S	83,435	
2	7152 Windsor Boulevard	Baltimore County Westside	Rutherford Business Center	1986	S	57,855	
3	21 Governor's Court	Baltimore County Westside	Rutherford Business Center	1981/1995	M	56,714	
4	7125 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	M	50,604	
5	7104 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	M	30,081	
6	17 Governor's Court	Baltimore County Westside	Rutherford Business Center	1981	S	14,619	
7	15 Governor's Court	Baltimore County Westside	Rutherford Business Center	1981	S	14,568	
8	7127 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	S	11,630	
9	7129 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	S	11,075	
10	7108 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	S	8,811	
11	7102 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	S	8,879	
12	7106 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	S	8,858	
13	7131 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	S	7,453	
						<b>364,582</b>	
1	502 Washington Avenue	Towson		1984	M	90,813	
2	102 West Pennsylvania Avenue	Towson		1968/2001	M	48,808	
3	100 West Pennsylvania Avenue	Towson		1952/1989	M	18,715	
4	109-111 Allegheny Avenue	Towson		1971	M	18,431	
						<b>176,767</b>	
29	<b>Subtotal (continued on next page)</b>					<b>1,657,660</b>	

The S or M notation indicates single story or multi-story building, respectively.

**Property Summary by Region - September 30, 2009 (continued)**  
**Wholly Owned Properties**

Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
29	<b>Subtotal (continued from prior page)</b>					<b>1,657,660</b>	
1	4940 Campbell Boulevard	White Marsh	Campbell Corporate Center	1990	M	50,393	
1	8140 Corporate Drive	White Marsh	Corporate Place	2003	M	76,116	
2	8110 Corporate Drive	White Marsh	Corporate Place	2001	M	75,687	
						<b>151,803</b>	
1	9910 Franklin Square Drive	White Marsh	Franklin Ridge	2005	S	56,271	
2	9920 Franklin Square Drive	White Marsh	Franklin Ridge	2006	S	42,767	
3	9930 Franklin Square Drive	White Marsh	Franklin Ridge	2001	S	39,750	
4	9900 Franklin Square Drive	White Marsh	Franklin Ridge	1999	S	33,801	
5	9940 Franklin Square Drive	White Marsh	Franklin Ridge	2000	S	32,242	
						<b>204,831</b>	
1	8020 Corporate Drive	White Marsh	McLean Ridge	1997	S	50,089	
2	8094 Sandpiper Circle	White Marsh	McLean Ridge	1998	S	50,812	
3	8098 Sandpiper Circle	White Marsh	McLean Ridge	1998	S	47,680	
4	8010 Corporate Drive	White Marsh	McLean Ridge	1998	S	38,487	
						<b>187,068</b>	
1	5325 Nottingham Ridge Road	White Marsh	Nottingham Ridge	2002	S	35,678	
1	7941-7949 Corporate Drive	White Marsh	Tyler Ridge	1996	S	57,600	
2	8007 Corporate Drive	White Marsh	Tyler Ridge	1995	S	41,810	
3	8019 Corporate Drive	White Marsh	Tyler Ridge	1990	S	33,274	
4	8013 Corporate Drive	White Marsh	Tyler Ridge	1990	S	30,003	
5	8003 Corporate Drive	White Marsh	Tyler Ridge	1999	S	17,599	
6	8015 Corporate Drive	White Marsh	Tyler Ridge	1990	S	15,669	
7	8023 Corporate Drive	White Marsh	Tyler Ridge	1990	S	9,486	
						<b>205,441</b>	
1	5020 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	43,791	
2	5024 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	33,710	
3	5026 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	30,163	
4	5022 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	26,747	
						<b>134,411</b>	
1	10001 Franklin Square Drive	White Marsh	White Marsh Commerce Center	1997	S	218,215	
1	8114 Sandpiper Circle	White Marsh	White Marsh Health Center	1986	S	45,806	
1	4979 Mercantile Road	White Marsh	White Marsh Hi-Tech Center	1985	S	51,198	
2	4969 Mercantile Road	White Marsh	White Marsh Hi-Tech Center	1983	S	47,132	
						<b>98,330</b>	
1	7939 Honeygo Boulevard	White Marsh	White Marsh Professional Center	1984	M	28,206	
2	8133 Perry Hall Boulevard	White Marsh	White Marsh Professional Center	1988	M	27,995	
3	7923 Honeygo Boulevard	White Marsh	White Marsh Professional Center	1985	M	23,482	
						<b>79,683</b>	
1	8031 Corporate Drive	White Marsh		1988/2004	S	66,000	
2	8615 Ridgely's Choice Drive	White Marsh		2005	M	37,764	
3	8029 Corporate Drive	White Marsh		1988/2004	S	25,000	
						<b>128,764</b>	
63	<b>Total Suburban Baltimore</b>					<b>3,198,083</b>	
246	<b>TOTAL WHOLLY-OWNED PORTFOLIO</b>					<b>18,449,020</b>	<b>844,070</b>

The S or M notation indicates single story or multi-story building, respectively.

**Property Summary by Region - September 30, 2009  
Joint Venture Properties**

Operating Property Count	Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment	
<b>Unconsolidated Joint Venture Properties</b>							
<u>Greater Harrisburg</u>							
1	2605 Interstate Drive	East Shore	Commerce Park	1990	M	79,456	
2	2601 Market Place	East Shore	Commerce Park	1989	M	65,411	
						<b>144,867</b>	<b>—</b>
1	6345 Flank Drive	East Shore	Gtwy Corp. Ctr.	1989	S	69,443	
2	6340 Flank Drive	East Shore	Gtwy Corp. Ctr.	1988	S	68,200	
3	6400 Flank Drive	East Shore	Gtwy Corp. Ctr.	1992	S	52,439	
4	6360 Flank Drive	East Shore	Gtwy Corp. Ctr.	1988	S	46,589	
5	6385 Flank Drive	East Shore	Gtwy Corp. Ctr.	1995	S	32,671	
6	6380 Flank Drive	East Shore	Gtwy Corp. Ctr.	1991	S	32,668	
7	6405 Flank Drive	East Shore	Gtwy Corp. Ctr.	1991	S	32,000	
8	95 Shannon Road	East Shore	Gtwy Corp. Ctr.	1999	S	21,976	
9	75 Shannon Road	East Shore	Gtwy Corp. Ctr.	1999	S	20,887	
10	6375 Flank Drive	East Shore	Gtwy Corp. Ctr.	2000	S	19,783	
11	85 Shannon Road	East Shore	Gtwy Corp. Ctr.	1999	S	12,863	
						<b>409,519</b>	<b>—</b>
1	5035 Ritter Road	West Shore	Rossmoyne Bus. Ctr.	1988	S	56,556	
2	5070 Ritter Road - Building A	West Shore	Rossmoyne Bus. Ctr.	1989	S	31,710	
3	5070 Ritter Road - Building B	West Shore	Rossmoyne Bus. Ctr.	1989	S	28,347	
						<b>116,613</b>	<b>—</b>
<b>16</b>	<b>Total Greater Harrisburg</b>					<b>670,999</b>	<b>—</b>
<b>16</b>	<b>Total Unconsolidated Joint Venture Properties</b>					<b>670,999</b>	<b>—</b>
<b>Consolidated Joint Venture Properties</b>							
<u>Suburban Maryland</u>							
1	5825 University Research Court	College Park	M Square Business Park	2008	M	118,519	
	5850 University Research Court	College Park	M Square Business Park		M	—	123,464
						<b>118,519</b>	<b>123,464</b>
1	4230 Forbes Boulevard	Lanham	Forbes 50	2003	S	55,883	
						<b>174,402</b>	<b>123,464</b>
<u>Baltimore/Washington Corridor</u>							
	7468 Candlewood Road	BWI Airport	Baltimore Commons	1979/1982	M		356,000
1	7740 Milestone Parkway	BWI Airport	Arundel Preserve		M	143,939	
						<b>143,939</b>	<b>356,000</b>
<b>3</b>	<b>Total Consolidated Joint Venture Properties</b>					<b>318,341</b>	<b>479,464</b>
<b>19</b>	<b>TOTAL JOINT VENTURE PORTFOLIO</b>					<b>989,340</b>	<b>479,464</b>

The S or M notation indicates single story or multi-story building, respectively.

**Property Occupancy Rates by Region by Quarter  
Wholly Owned Properties**

	Baltimore / Washington Corridor	Northern Virginia	Suburban Baltimore	Suburban Maryland	St. Mary's & King George Counties	Colorado Springs	San Antonio	Greater Philadelphia	Central New Jersey	Other	Total Portfolio
<b>September 30, 2009</b>											
Number of Buildings	107	15	63	5	18	21	6	3	2	6	246
Rentable Square Feet	8,109,624	2,613,077	3,198,083	695,307	821,812	1,375,028	665,117	458,702	201,200	311,070	18,449,020
Occupied %	90.64%	97.02%	81.95%	92.03%	97.32%	87.07%	100.00%	100.00%	100.00%	99.29%	90.94%
Leased %	91.31%	97.11%	82.69%	92.32%	97.79%	87.21%	100.00%	100.00%	100.00%	99.57%	91.42%
<b>June 30, 2009</b>											
Number of Buildings	106	15	63	5	18	19	5	4	2	6	243
Rentable Square Feet	7,992,471	2,616,302	3,206,243	694,017	824,137	1,293,770	640,061	960,349	201,200	311,070	18,739,620
Occupied %	92.99%	94.70%	82.13%	92.78%	97.52%	92.97%	100.00%	100.00%	100.00%	99.29%	92.34%
Leased %	93.54%	97.40%	83.32%	92.78%	99.12%	93.12%	100.00%	100.00%	100.00%	99.29%	93.23%
<b>March 31, 2009</b>											
Number of Buildings	105	15	63	5	18	17	5	4	2	6	240
Rentable Square Feet	7,860,050	2,616,830	3,206,204	694,017	824,137	1,189,223	640,061	960,349	201,200	311,070	18,503,141
Occupied %	93.26%	95.80%	82.67%	97.43%	95.13%	94.31%	100.00%	100.00%	100.00%	99.29%	92.85%
Leased %	93.80%	98.34%	84.38%	97.43%	97.21%	95.37%	100.00%	100.00%	100.00%	99.29%	93.89%
<b>December 31, 2008</b>											

Number of Buildings	104	15	63	5	18	17	5	4	2	5	238
Rentable Square Feet	7,834,175	2,609,030	3,207,050	690,619	824,137	1,189,232	640,061	960,349	201,200	306,090	18,461,943
Occupied %	93.35%	97.36%	83.14%	97.72%	95.17%	94.26%	100.00%	100.00%	100.00%	100.00%	93.21%
Leased %	93.74%	97.40%	85.01%	97.72%	96.07%	94.26%	100.00%	100.00%	100.00%	100.00%	93.74%

**September 30, 2008**

Number of Buildings	103	14	63	5	18	17	5	4	2	4	235
Rentable Square Feet	7,830,380	2,471,993	3,205,153	694,476	824,137	1,189,023	600,643	960,349	201,200	305,226	18,282,580
Occupied %	92.38%	99.20%	84.28%	97.18%	93.48%	95.30%	100.00%	100.00%	100.00%	100.00%	93.17%
Leased %	93.33%	99.34%	87.81%	97.18%	95.31%	95.30%	100.00%	100.00%	100.00%	100.00%	94.29%

**Property Occupancy Rates by Region by Quarter  
Joint Venture Properties**

	Unconsolidated Greater Harrisburg	Baltimore/Wash Corridor	Consolidated Suburban Maryland	Northern Virginia	Total Portfolio
<b>September 30, 2009</b>					
Number of Buildings	16	1	2	—	19
Rentable Square Feet	670,999	143,939	174,402	—	989,340
Occupied %	79.75 %	6.02 %	69.39 %	0.00 %	67.20 %
Leased %	79.75 %	100.00 %	75.81 %	0.00 %	68.33 %
<b>June 30, 2009</b>					
Number of Buildings	16	1	2	—	19
Rentable Square Feet	671,763	8,626	171,949	—	852,338
Occupied %	86.21 %	100.00 %	65.62 %	0.00 %	82.20 %
Leased %	86.21 %	100.00 %	65.62 %	0.00 %	82.20 %
<b>March 31, 2009</b>					
Number of Buildings	16	1	2	—	19
Rentable Square Feet	671,759	8,626	171,949	—	852,334
Occupied %	87.06 %	100.00 %	65.62 %	0.00 %	82.86 %
Leased %	87.54 %	100.00 %	65.62 %	0.00 %	82.86 %
<b>December 31, 2008</b>					
Number of Buildings	16	—	2	—	18
Rentable Square Feet	671,759	—	97,366	—	769,125
Occupied %	89.38 %	—	94.79 %	0.00 %	90.07 %
Leased %	89.88 %	—	94.79 %	0.00 %	90.50 %
<b>September 30, 2008</b>					
Number of Buildings	16	—	2	1	19
Rentable Square Feet	671,759	—	97,366	78,171	847,296
Occupied %	89.90 %	—	90.68 %	100.00 %	90.92 %
Leased %	90.40 %	—	94.79 %	100.00 %	91.79 %

**Reconciliation of Wholly Owned Properties to Entire  
Portfolio as of September 30, 2009**

	Count	Square Feet	Occupied %	Leased %
Wholly Owned Properties	246	18,449,020	90.94 %	91.42 %
Add: Consolidated Joint Venture Properties	3	318,341	40.73 %	44.25 %
Subtotal	249	18,767,361	89.79 %	90.33 %
Add: Unconsolidated Joint Venture Properties	16	670,999	79.75 %	79.75 %
Entire Portfolio	<b>265</b>	<b>19,438,360</b>	<b>89.73 %</b>	<b>90.25 %</b>

**Top Twenty Office Tenants of Wholly Owned Properties as of September 30, 2009 (1)  
(Dollars in thousands)**

Tenant	Number of Leases	Total Occupied Square Feet	Percentage of Total Occupied Square Feet	Total Annualized Rental Revenue (2) (3)	Percentage of Total Annualized Rental Revenue	Weighted Average Remaining Lease Term (4)	
United States of America	(5)	67	2,649,894	15.8%	75,570	18.7%	6.2
Northrop Grumman Corporation	(6)	15	1,135,642	6.8%	30,218	7.5%	6.0
Booz Allen Hamilton, Inc.	(9)	9	738,284	4.4%	21,545	5.3%	5.5
Computer Sciences Corporation	(6)	3	454,986	2.7%	12,475	3.1%	1.8

L-3 Communications Holdings, Inc.	(6)	5	266,943	1.6%	9,877	2.4%	4.5
General Dynamics Corporation	(6)	10	299,153	1.8%	8,302	2.1%	1.3
Wells Fargo & Company	(6)	7	218,199	1.3%	7,764	1.9%	8.4
The Aerospace Corporation	(6)	3	245,935	1.5%	7,523	1.9%	5.3
ITT Corporation	(6)	8	305,689	1.8%	7,223	1.8%	4.8
Integral Systems, Inc.	(6)	4	241,504	1.4%	6,062	1.5%	10.4
Comcast Corporation	(6)	7	306,123	1.8%	6,011	1.5%	4.1
AT&T Corporation	(6)	5	306,932	1.8%	5,955	1.5%	3.7
Unisys Corporation		2	258,498	1.5%	4,631	1.1%	0.5
The Boeing Company	(6)	4	144,227	0.9%	4,467	1.1%	4.0
Ciena Corporation		4	229,842	1.4%	4,391	1.1%	3.7
BAE Systems PLC	(6)	7	211,805	1.3%	3,235	0.8%	5.8
The Johns Hopkins Institutions	(6)	4	128,827	0.8%	3,234	0.8%	3.1
Merck & Co., Inc.	(6)	2	225,900	1.3%	2,772	0.7%	7.0
Lockheed Martin Corporation		5	143,943	0.9%	2,683	0.7%	2.8
Magellan Health Services, Inc.		2	113,727	0.7%	2,681	0.7%	2.6
<b>Subtotal Top 20 Office Tenants</b>		<b>173</b>	<b>8,626,053</b>	<b>51.4%</b>	<b>226,619</b>	<b>56.2%</b>	<b>5.3</b>
All remaining tenants		702	8,151,421	48.6%	176,721	43.8%	3.6
Total/Weighted Average		<u>875</u>	<u>16,777,474</u>	<u>100.0%</u>	<u>\$ 403,340</u>	<u>100.0%</u>	<u>4.5</u>

- (1) Table excludes owner occupied leasing activity which represents 164,257 square feet with a weighted average remaining lease term of 5.8 years as of September 30, 2009.
- (2) Total Annualized Rental Revenue is the monthly contractual base rent as of September 30, 2009, multiplied by 12, plus the estimated annualized expense reimbursements under existing office leases.
- (3) Order of tenants is based on Annualized Rent.
- (4) The weighting of the lease term was computed using Total Rental Revenue.
- (5) Many of our government leases are subject to early termination provisions which are customary to government leases. The weighted average remaining lease term was computed assuming no exercise of such early termination rights.
- (6) Includes affiliated organizations or agencies.

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**Real Estate Revenues from Continuing and Discontinued Operations  
(Dollars in thousands)**

	<u>Nine Months Ended September 30,</u>	
	<u>2009</u>	<u>2008</u>
<b>Office Properties:</b>		
Baltimore/Washington Corridor	\$ 148,691	\$ 138,142
Northern Virginia	60,728	57,454
Suburban Baltimore	42,161	41,324
Suburban Maryland	14,970	14,457
Colorado Springs	16,956	14,475
St. Mary's and King George Counties	10,433	9,622
San Antonio	9,761	6,548
Greater Philadelphia	6,356	7,519
Central New Jersey	1,823	1,929
Other	8,326	7,609
Subtotal	<u>320,205</u>	<u>299,079</u>
Eliminations / other	<u>(2,800)</u>	<u>(2,687)</u>
<b>Real estate revenues from cont. and discont. operations</b>	<b><u>\$ 317,405</u></b>	<b><u>\$ 296,392</u></b>

**NOI by Geographic Region  
(Dollars in thousands)**

	<u>Nine Months Ended September 30,</u>	
	<u>2009</u>	<u>2008</u>
<b>Office Properties:</b>		
Baltimore/Washington Corridor	\$ 94,718	\$ 89,778
Northern Virginia	37,905	35,697
Suburban Baltimore	23,857	23,316
Suburban Maryland	8,814	9,208
Colorado Springs	12,129	9,296
St. Mary's and King George Counties	7,904	7,276
San Antonio	6,730	4,976
Greater Philadelphia	5,683	7,372
Central New Jersey	1,697	1,624
Other	5,731	5,220
Subtotal	<u>205,168</u>	<u>193,763</u>
Eliminations / other	<u>(2,541)</u>	<u>(1,934)</u>
<b>NOI</b>	<b><u>\$ 202,627</u></b>	<b><u>\$ 191,829</u></b>

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**Real Estate Revenues from Continuing and Discontinued Operations  
by Quarter  
(Dollars in thousands)**

	2009			2008	
	September 30	June 30	March 31	December 31	September 30
<b>Office Properties:</b>					
Baltimore/Washington Corridor	\$ 49,568	\$ 49,531	\$ 49,592	\$ 48,317	\$ 46,139
Northern Virginia	19,158	19,211	22,359	19,563	19,523
Suburban Baltimore	14,540	13,793	13,828	13,475	13,912
Suburban Maryland	4,754	5,179	5,037	4,889	4,966
Colorado Springs	6,275	5,803	4,878	5,897	5,612
St. Mary's and King George Counties	3,545	3,478	3,410	3,317	3,328
San Antonio	3,269	3,547	2,945	2,763	2,641
Greater Philadelphia	1,343	2,507	2,506	2,506	2,507
Central New Jersey	601	601	621	638	591
Other	2,731	2,897	2,698	3,099	2,775
Subtotal	105,784	106,547	107,874	104,464	101,994
Eliminations / other	(941)	(829)	(1,030)	(865)	(905)
<b>Real estate revenues from cont. and discont. operations</b>	<b>\$ 104,843</b>	<b>\$ 105,718</b>	<b>\$ 106,844</b>	<b>\$ 103,599</b>	<b>\$ 101,089</b>

**NOI by Geographic Region by Quarter  
(Dollars in thousands)**

	2009			2008	
	September 30	June 30	March 31	December 31	September 30
<b>Office Properties:</b>					
Baltimore/Washington Corridor	\$ 31,731	\$ 32,037	\$ 30,950	\$ 31,208	\$ 29,676
Northern Virginia	11,707	11,701	14,497	11,801	12,005
Suburban Baltimore	8,756	7,975	7,126	7,503	7,918
Suburban Maryland	2,687	3,149	2,978	3,036	2,968
Colorado Springs	4,479	4,085	3,565	3,791	3,753
St. Mary's and King George Counties	2,680	2,686	2,538	2,417	2,471
San Antonio	2,038	2,584	2,108	1,909	1,945
Greater Philadelphia	769	2,506	2,408	2,451	2,464
Central New Jersey	558	554	585	599	533
Other	1,834	2,024	1,873	2,299	2,039
Subtotal	67,239	69,301	68,628	67,014	65,772
Eliminations / other	(979)	(745)	(817)	(201)	(549)
<b>NOI</b>	<b>\$ 66,260</b>	<b>\$ 68,556</b>	<b>\$ 67,811</b>	<b>\$ 66,813</b>	<b>\$ 65,223</b>

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**Same Office Property Cash NOI by Year to Date Period  
(Dollars in thousands)**

	Nine Months Ended September 30,	
	2009	2008
<b>Office Properties: (1)</b>		
Baltimore/Washington Corridor	\$ 90,574	\$ 85,761
Northern Virginia	37,726	33,600
Suburban Baltimore	22,495	21,682
Suburban Maryland	8,077	8,285
Colorado Springs	6,490	6,629
St. Mary's and King George Counties	7,685	7,112
San Antonio	206	91
Greater Philadelphia	1,897	1,875
Central New Jersey	1,692	1,606
Other	5,670	5,119
<b>Total Office Properties</b>	<b>\$ 182,512</b>	<b>\$ 171,760</b>
Less: Lease termination fees, gross	(5,184)	(368)
<b>Same office property cash NOI, excluding gross lease termination fees</b>	<b>\$ 177,328</b>	<b>\$ 171,392</b>

**Same Office Property GAAP NOI by Year  
(Dollars in thousands)**

	Nine Months Ended September 30,	
	2009	2008
<b>Office Properties: (1)</b>		
Baltimore/Washington Corridor	\$ 90,864	\$ 88,655
Northern Virginia	37,406	35,022

Suburban Baltimore	24,032	23,274
Suburban Maryland	8,486	8,920
Colorado Springs	6,743	6,901
St. Mary's and King George Counties	7,909	7,281
San Antonio	227	115
Greater Philadelphia	1,787	1,714
Central New Jersey	1,708	1,658
Other	6,498	6,020
<b>Total Office Properties</b>	<b>\$ 185,660</b>	<b>\$ 179,560</b>
<b>GAAP net operating income for same office properties</b>	<b>\$ 185,660</b>	<b>\$ 179,560</b>
Less: Straight-line rent adjustments	(2,204)	(6,683)
Less: Amortization of deferred market rental revenue	(944)	(1,117)
<b>Same office property cash NOI</b>	<b>\$ 182,512</b>	<b>\$ 171,760</b>
Less: Lease termination fees, gross	(5,184)	(368)
<b>Same office property cash NOI, excluding gross lease termination fees</b>	<b>\$ 177,328</b>	<b>\$ 171,392</b>

(1) Same office properties represent buildings owned and 100% operational since January 1, 2008. Amounts reported do not include the effects of eliminations.

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**Same Office Property Cash NOI by Quarter**  
(Dollars in thousands)

	2009			2008	
	September 30	June 30	March 31	December 31	September 30
<b>Office Properties: (1)</b>					
Baltimore/Washington Corridor	\$ 31,145	\$ 31,021	\$ 30,359	\$ 30,473	\$ 28,851
Northern Virginia	11,236	11,440	15,051	11,468	11,235
Suburban Baltimore	8,299	7,587	6,608	7,187	7,344
Suburban Maryland	2,472	2,896	2,709	2,652	2,852
Colorado Springs	3,250	3,681	3,469	3,460	3,298
St. Mary's and King George Counties	2,655	2,556	2,474	2,329	2,400
San Antonio	339	759	246	286	371
Greater Philadelphia	634	686	577	628	632
Central New Jersey	556	553	583	595	525
Other	1,904	1,895	1,853	2,090	1,895
<b>Total Office Properties</b>	<b>\$ 62,490</b>	<b>\$ 63,074</b>	<b>\$ 63,929</b>	<b>\$ 61,168</b>	<b>\$ 59,403</b>
Less: Lease termination fees, gross	(966)	(558)	(3,660)	(201)	(209)
<b>Same Office Property Cash NOI, excluding gross lease termination fees</b>	<b>\$ 61,524</b>	<b>\$ 62,516</b>	<b>\$ 60,269</b>	<b>\$ 60,967</b>	<b>\$ 59,194</b>

**Same Office Property GAAP NOI by Quarter**  
(Dollars in thousands)

	2009			2008	
	September 30	June 30	March 31	December 31	September 30
<b>Office Properties: (1)</b>					
Baltimore/Washington Corridor	\$ 30,765	\$ 31,301	\$ 30,846	\$ 31,341	\$ 29,727
Northern Virginia	11,426	11,579	14,401	11,594	11,811
Suburban Baltimore	8,812	8,032	7,188	7,533	7,964
Suburban Maryland	2,591	3,034	2,861	2,835	3,037
Colorado Springs	3,523	3,974	3,683	3,684	3,596
St. Mary's and King George Counties	2,681	2,688	2,539	2,418	2,472
San Antonio	421	842	330	375	461
Greater Philadelphia	647	624	516	567	570
Central New Jersey	561	558	589	600	539
Other	2,181	2,191	2,128	2,463	2,235
<b>Total Office Properties</b>	<b>\$ 63,608</b>	<b>\$ 64,823</b>	<b>\$ 65,081</b>	<b>\$ 63,410</b>	<b>\$ 62,412</b>
<b>GAAP net operating income for same office properties</b>	<b>\$ 63,608</b>	<b>\$ 64,823</b>	<b>\$ 65,081</b>	<b>\$ 63,410</b>	<b>\$ 62,412</b>
Less: Straight-line rent adjustments	(733)	(1,207)	(847)	(1,711)	(2,529)
Less: Amortization of deferred market rental revenue	(385)	(542)	(305)	(531)	(480)
<b>Same office property cash NOI</b>	<b>\$ 62,490</b>	<b>\$ 63,074</b>	<b>\$ 63,929</b>	<b>\$ 61,168</b>	<b>\$ 59,403</b>
Less: Lease termination fees, gross	(966)	(558)	(3,660)	(201)	(209)
<b>Same office property cash NOI, excluding gross lease termination fees</b>	<b>\$ 61,524</b>	<b>\$ 62,516</b>	<b>\$ 60,269</b>	<b>\$ 60,967</b>	<b>\$ 59,194</b>

(1) Same office properties represent buildings owned and 100% operational for a minimum of five reporting quarters. Amounts reported do not include the effects of eliminations.

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**Average Occupancy Rates by Region for Same Office Properties for Quarter (1)**

	Baltimore / Washington Corridor	Northern Virginia	Suburban Baltimore	Suburban Maryland	St. Mary's and King George Counties	Colorado Springs	San Antonio	Greater Philadelphia	Central New Jersey	Other	Total Office
<b>3rd Quarter 2009 Average</b>											
Number of Buildings	103	14	63	6	18	16	3	1	2	4	230
Rentable Square Feet	7,823,614	2,472,989	3,198,184	751,173	821,816	1,145,502	131,649	219,065	201,200	308,685	17,073,877
Percent Occupied	92.07%	96.92%	82.59%	91.24%	96.98%	90.40%	100%	100%	100.00%	99.28%	91.47%
<b>2nd Quarter 2009 Average</b>											
Number of Buildings	103	14	63	6	18	16	3	1	2	4	230
Rentable Square Feet	7,828,397	2,471,817	3,206,205	749,883	824,137	1,145,502	131,649	219,065	201,200	308,685	17,086,540
Percent Occupied	92.59%	97.64%	82.53%	95.51%	97.21%	94.27%	100.00%	100.00%	100.00%	99.28%	92.26%
<b>1st Quarter 2009 Average</b>											
Number of Buildings	103	14	63	6	18	16	3	1	2	4	230
Rentable Square Feet	7,828,793	2,471,993	3,206,596	747,618	824,137	1,145,502	131,649	219,065	201,200	306,793	17,083,346
Percent Occupied	93.29%	98.25%	82.85%	97.13%	95.15%	94.09%	100.00%	100.00%	100.00%	99.72%	92.69%
<b>4th Quarter 2008 Average</b>											
Number of Buildings	103	14	63	6	18	16	3	1	2	4	230
Rentable Square Feet	7,829,797	2,471,993	3,206,476	746,456	824,137	1,145,511	131,649	219,065	201,200	305,226	17,081,510
Percent Occupied	93.28%	99.60%	82.64%	97.09%	94.41%	94.64%	100.00%	100.00%	100.00%	100.00%	92.85%
<b>3rd Quarter 2008 Average</b>											
Number of Buildings	103	14	63	6	18	16	3	1	2	4	230
Rentable Square Feet	7,827,994	2,470,303	3,206,439	747,741	824,137	1,144,917	131,649	219,065	201,200	305,226	17,078,671
Percent Occupied	92.35%	99.29%	84.98%	96.23%	93.78%	95.21%	100.00%	100.00%	100.00%	100.00%	92.78%

(1) Same office properties represent buildings owned and 100% operational for a minimum of five reporting quarters.

**Office Lease Expiration Analysis by Year for Wholly Owned Properties  
As of September 30, 2009 (1)**

Year and Region of Lease Expiration (2)	Number of Leases Expiring	Square Footage of Leases Expiring	Percentage of Annual Occupied Square Feet	Percentage of Total Occupied Square Feet	Total Annualized Rental Revenue of Expiring Leases (3) <small>(000's)</small>	Percentage of Total Annualized Rental Revenue Expiring	Total Annual Rental Revenue of Expiring Leases per Occupied Square Foot
Baltimore/Washington Corridor	33	545,028	68.8%	3.2%	\$ 8,584	2.1%	\$ 15.75
Northern Virginia	3	21,249	2.7%	0.1%	635	0.2%	29.89
Suburban Baltimore	14	54,059	6.8%	0.3%	1,254	0.3%	23.21
Suburban Maryland	—	—	0.0%	0.0%	—	0.0%	0.00
St. Mary's and King George Cos.	4	80,960	10.2%	0.5%	1,184	0.3%	14.62
Greater Philadelphia	—	—	0.0%	0.0%	—	0.0%	0.00
Colorado Springs	7	89,950	11.4%	0.5%	1,789	0.4%	19.89
Other	1	864	0.1%	0.0%	4	0.0%	4.75
<b>2009</b>	<b>62</b>	<b>792,110</b>	<b>100.0%</b>	<b>4.7%</b>	<b>13,451</b>	<b>3.3%</b>	<b>16.98</b>
Baltimore/Washington Corridor	91	957,109	38.9%	5.7%	24,172	6.0%	25.25
Northern Virginia	38	723,180	29.4%	4.3%	19,013	4.7%	26.29
Suburban Baltimore	61	330,756	13.4%	2.0%	6,954	1.7%	21.03
Suburban Maryland	11	233,045	9.5%	1.4%	4,242	1.1%	18.20
St. Mary's and King George Cos.	15	187,968	7.6%	1.1%	3,182	0.8%	16.93
Greater Philadelphia	—	—	0.0%	0.0%	—	0.0%	0.00
Colorado Springs	5	23,437	1.0%	0.1%	461	0.1%	19.66
Other	3	7,612	0.3%	0.0%	128	0.0%	16.82
<b>2010</b>	<b>224</b>	<b>2,463,107</b>	<b>100.0%</b>	<b>14.7%</b>	<b>58,151</b>	<b>14.4%</b>	<b>23.61</b>
Baltimore/Washington Corridor	69	893,901	51.2%	5.3%	20,160	5.0%	22.55
Northern Virginia	10	79,141	4.5%	0.5%	2,547	0.6%	32.19
Suburban Baltimore	80	451,472	25.9%	2.7%	9,577	2.4%	21.21
Suburban Maryland	8	51,605	3.0%	0.3%	1,539	0.4%	29.81
St. Mary's and King George Cos.	9	73,302	4.2%	0.4%	1,244	0.3%	16.97
Colorado Springs	10	195,451	11.2%	1.2%	3,472	0.9%	17.77
<b>2011</b>	<b>186</b>	<b>1,744,872</b>	<b>100.0%</b>	<b>10.4%</b>	<b>38,540</b>	<b>9.6%</b>	<b>22.09</b>
Baltimore/Washington Corridor	74	1,207,974	44.2%	7.2%	31,683	7.9%	26.23
Northern Virginia	18	129,475	4.7%	0.8%	3,983	1.0%	30.76
Suburban Baltimore	67	693,699	25.4%	4.1%	13,274	3.3%	19.14
Suburban Maryland	4	42,510	1.6%	0.3%	1,128	0.3%	26.53
St. Mary's and King George Cos.	18	283,986	10.4%	1.7%	5,199	1.3%	18.31
Greater Philadelphia	2	219,065	8.0%	1.3%	2,616	0.6%	11.94
Colorado Springs	8	76,488	2.8%	0.5%	1,633	0.4%	21.35
San Antonio	3	78,359	2.9%	0.5%	1,540	0.4%	19.66
Other	1	1,521	0.1%	0.0%	23	0.0%	15.00
<b>2012</b>	<b>195</b>	<b>2,733,077</b>	<b>100.0%</b>	<b>16.3%</b>	<b>61,079</b>	<b>15.1%</b>	<b>22.35</b>
Baltimore/Washington Corridor	88	1,106,877	60.8%	6.6%	34,733	8.6%	31.38
Northern Virginia	7	104,339	5.7%	0.6%	3,024	0.7%	28.99
Suburban Baltimore	42	387,070	21.3%	2.3%	7,150	1.8%	18.47
Suburban Maryland	3	7,069	0.4%	0.0%	215	0.1%	30.39
St. Mary's and King George Cos.	10	105,753	5.8%	0.6%	1,753	0.4%	16.57
Colorado Springs	6	105,491	5.8%	0.6%	2,232	0.6%	21.16
Other	1	3,014	0.2%	0.0%	45	0.0%	15.00
<b>2013</b>	<b>157</b>	<b>1,819,613</b>	<b>100.0%</b>	<b>10.8%</b>	<b>49,152</b>	<b>12.2%</b>	<b>27.01</b>
Baltimore/Washington Corridor	165	2,624,175	36.5%	15.6%	71,973	17.8%	27.43
Northern Virginia	83	1,476,750	20.6%	8.8%	46,286	11.5%	31.34
Suburban Baltimore	83	685,321	9.5%	4.1%	13,820	3.4%	20.17
Suburban Maryland	22	305,687	4.3%	1.8%	6,847	1.7%	22.40
St. Mary's and King George Cos.	13	64,023	0.9%	0.4%	1,369	0.3%	21.38

Greater Philadelphia	2	239,637	3.3%	1.4%	4,079	1.0%	17.02
Colorado Springs	42	706,377	9.8%	4.2%	13,580	3.4%	19.22
San Antonio	4	586,758	8.2%	3.5%	13,377	3.3%	22.80
Central New Jersey	2	201,200	2.8%	1.2%	2,350	0.6%	11.68
Other	3	295,842	4.1%	1.8%	8,796	2.2%	29.73
<b>Thereafter</b>	<b>419</b>	<b>7,185,770</b>	<b>100.0%</b>	<b>42.8%</b>	<b>182,476</b>	<b>45.2%</b>	<b>25.39</b>
Other (4)	13	38,925	100.0%	0.2%	495	0.1%	12.72
<b>Total / Average</b>	<b>1,256</b>	<b>16,777,474</b>			<b>\$ 403,344</b>	<b>100.0%</b>	<b>\$ 24.04</b>

NOTE: As of September 30, 2009, the weighted average lease term for the wholly owned properties is 4.5 years.

- (1) This expiration analysis includes the effect of early renewals completed on existing leases but excludes the effect of new tenant leases on 89,332 square feet yet to commence as of September 30, 2009.
- (2) Many of our government leases are subject to certain early termination provisions which are customary to government leases. The year of lease expiration was computed assuming no exercise of such early termination rights.
- (3) Total Annualized Rental Revenue is the monthly contractual base rent as of September 30, 2009 multiplied by 12 plus the estimated annualized expense reimbursements under existing office leases.
- (4) Month-to-month leases and leases which have expired but the tenant remains in holdover are included in this line as the exact expiration date is unknown.

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#### Quarter and Year to Date Office Renewal Analysis for Wholly Owned Properties as of September 30, 2009

	Baltimore/ Washington Corridor	Northern Virginia	Suburban Baltimore	Suburban Maryland	St. Mary's and King George Counties	Colorado Springs	Other	Total Office
<b>Quarter Ended September 30, 2009:</b>								
Expiring Square Feet	434,103	18,613	235,807	37,541	39,756	11,813	—	777,633
Vacated Square Feet	148,383	14,000	36,939	37,541	—	11,813	—	248,676
Renewed Square Feet	285,720	4,613	198,868	—	39,756	—	—	528,957
Retention Rate (% based upon square feet)	65.82%	24.78%	84.34%	0.00%	100.00%	0.00%	0.00%	68.02%
<i>Renewed Space Only:</i>								
Average Committed Cost per Square Foot	\$ 7.55	\$ 1.05	\$ 2.52	\$ —	\$ 0.11	\$ —	\$ —	\$ 5.04
Weighted Average Lease Term in years	4.0	1.0	2.0	—	1.2	—	—	3.0
Change in Total Rent - GAAP	-7.82%	5.49%	2.45%	0.00%	4.95%	0.00%	0.00%	-3.64%
Change in Total Rent - Cash	-12.04%	5.49%	-1.54%	0.00%	2.50%	0.00%	0.00%	-7.66%
<i>Renewed &amp; Retenanted Space:</i>								
Average Committed Cost per Square Foot	\$ 8.62	\$ 2.66	\$ 4.38	\$ 0.76	\$ 0.11	\$ 5.53	\$ —	\$ 6.09
Weighted Average Lease Term in years	4.0	1.7	2.3	1.0	1.2	5.1	—	3.2
Change in Total Rent - GAAP	-8.10%	4.36%	1.35%	-41.14%	4.95%	-8.05%	—	-6.28%
Change in Total Rent - Cash	-12.23%	2.76%	-2.94%	-43.92%	2.50%	-36.86%	0.00%	-11.90%
<b>Nine Months Ended September 30, 2009:</b>								
Expiring Square Feet	1,062,769	71,578	416,703	150,765	103,250	78,332	1,466	1,884,863
Vacated Square Feet	237,741	51,795	147,263	73,684	11,452	11,813	—	533,748
Renewed Square Feet	825,028	19,783	269,440	77,081	91,798	66,519	1,466	1,351,115
Retention Rate (% based upon square feet)	77.63%	27.64%	64.66%	51.13%	88.91%	84.92%	100.00%	71.68%
<i>Renewed Space Only:</i>								
Average Committed Cost per Square Foot	\$ 6.45	\$ 10.42	\$ 2.82	\$ 3.66	\$ 8.55	\$ 14.01	\$ —	\$ 6.14
Weighted Average Lease Term in years	3.5	3.6	2.5	4.9	2.6	5.9	—	3.4
Change in Total Rent - GAAP	3.23%	24.40%	-0.21%	4.79%	13.30%	12.93%	32.72%	4.04%
Change in Total Rent - Cash	-3.42%	9.79%	-5.26%	-3.67%	7.36%	1.50%	32.72%	-2.70%
<i>Renewed &amp; Retenanted Space:</i>								
Average Committed Cost per Square Foot	\$ 7.64	\$ 13.91	\$ 6.53	\$ 2.83	\$ 10.67	\$ 9.53	\$ —	\$ 7.67
Weighted Average Lease Term in years	3.5	3.7	3.2	3.8	3.3	5.5	—	3.6
Change in Total Rent - GAAP	2.47%	-5.84%	-0.70%	-9.05%	9.86%	4.43%	32.72%	1.47%
Change in Total Rent - Cash	-3.80%	-12.64%	-9.95%	-15.83%	-1.11%	-12.28%	32.72%	-6.37%

Notes: No renewal or retenanting activity transpired in our San Antonio, Central New Jersey or Greater Philadelphia regions. Activity is exclusive of owner occupied space and leases with less than a one-year term.

Expiring square feet includes early renewals and excludes leases terminated greater than 12 months prior to lease expiration.

**Year to Date Wholly Owned Acquisition Summary as of September 30, 2009 (1)**  
(Dollars in thousands)

	<u>Submarket</u>	<u>Acquisition Date</u>	<u>Building Count</u>	<u>Square Feet at 9/30/09</u>	<u>Occupancy Percentage at Acquisition</u>	<u>Contractual Purchase Price</u>
12515 Academy Ridge	Colorado Springs Northeast	6/26/2009	1	60,714	100.0%	\$ 12,500
<b>Total</b>			<b>1</b>	<b>60,714</b>		<b>\$ 12,500</b>

(1) Includes operational buildings only.

**Development Summary as of September 30, 2009**  
(Dollars in thousands)

<u>Property and Location</u>	<u>Submarket</u>	<u>Wholly Owned or Joint Venture (JV)</u>	<u>Total Rentable Square Feet</u>	<u>Percentage Leased</u>	<u>Anticipated Total Cost (1)</u>	<u>Cost to date</u>	<u>Outstanding Loan</u>	<u>Actual or Anticipated Construction Completion Date (2)</u>	<u>Anticipated Operational Date (3)</u>
<b>Under Construction</b>									
5850 University Research Court College Park, Maryland	College Park	JV	123,464	100%	\$ 25,813	\$ 23,982	—	4Q 09	1Q 10
324 Sentinel Way (324 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	125,129	0%	27,437	17,274	—	1Q 10	3Q 10
8000 Potranco Road San Antonio, Texas	San Antonio Northwest	Owned	125,005	0%	24,104	13,955	—	2Q 10	4Q 10
8030 Potranco Road San Antonio, Texas	San Antonio Northwest	Owned	125,005	0%	24,104	16,334	—	2Q 10	4Q 10
<b>Subtotal Government</b>			<b>498,603</b>	<b>25%</b>	<b>\$ 101,457</b>	<b>\$ 71,545</b>	<b>\$ —</b>		
<b>% of Total Drivers</b>			<b>43%</b>						
10807 New Allegiance Drive (Epic One) Colorado Springs, Colorado	(4) I-25 North Corridor	Owned	145,723	32%	31,213	24,669	—	2Q 09	2Q 10
300 Sentinel Drive (300 NBP) Annapolis Junction, Maryland	(5) BWI Airport	Owned	192,754	39%	50,243	40,267	21,162	2Q 09	2Q 10
565 Space Center Drive (Patriot Park 7) Colorado Springs, Colorado	(6) Colorado Springs East	Owned	89,773	2%	17,266	12,621	8,544	2Q 09	2Q 10
209 Research Boulevard Aberdeen, Maryland	Harford County	Owned	78,220	69%	18,033	6,207	—	2Q 10	2Q 11
308 Sentinel Drive (308 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	150,843	0%	32,193	5,519	—	4Q 10	4Q 11
<b>Subtotal Defense Information Technology</b>			<b>657,313</b>	<b>27%</b>	<b>\$ 148,948</b>	<b>\$ 89,283</b>	<b>\$ 29,706</b>		
<b>% of Total Drivers</b>			<b>57%</b>						
<b>Total Under Construction</b>			<b>1,155,916</b>	<b>26%</b>	<b>\$ 250,405</b>	<b>\$ 160,828</b>	<b>\$ 29,706</b>		
<b>Regions</b>			<b>% of Total Regions</b>		<b>Total Rentable Square Feet</b>		<b>Percentage Leased</b>		
<b>Baltimore/Washington Corridor</b>			<b>41%</b>		<b>468,726</b>		<b>16%</b>		
<b>Suburban Maryland</b>			<b>11%</b>		<b>123,464</b>		<b>100%</b>		
<b>Suburban Baltimore</b>			<b>7%</b>		<b>78,220</b>		<b>69%</b>		
<b>Colorado Springs</b>			<b>20%</b>		<b>235,496</b>		<b>21%</b>		
<b>San Antonio</b>			<b>22%</b>		<b>250,010</b>		<b>0%</b>		
<b>Total Under Construction by Region</b>			<b>100%</b>		<b>1,155,916</b>		<b>26%</b>		

- (1) Anticipated Total Cost includes land, construction and leasing costs.
- (2) Actual or anticipated construction completion date is the estimated date of completion of the building shell.
- (3) Anticipated operational date is the estimated date when leases have commenced on 100% of a property's space or one year from the cessation of major construction activities.
- (4) Although classified as "Under Construction," 38,456 square feet are operational.
- (5) Although classified as "Under Construction," 45,422 square feet are operational.
- (6) Although classified as "Under Construction," 1,949 square feet are operational.

**Demand Driver Categories (as classified by COPT management):**

Defense Information Technology: Development opportunity created through our current and future relationships with defense information technology contractors and, possibly, minor Government tenancy.

Government: Development opportunity created through our existing and future relationship with various agencies of the government of the United States of America.

Excludes Government tenancy included in Defense Information Technology.

Market Demand: Development opportunity created through perceived unfulfilled space requirements within a specific submarket; potential submarket demand exceeds existing supply.

Research Park: Development opportunity created through specific research park relationship.

**Development Summary as of September 30, 2009 (continued)**  
**(Dollars in thousands)**

<u>Property and Location</u>	<u>Submarket</u>	<u>Wholly Owned or Joint Venture (JV)</u>	<u>Total Rentable Square Feet</u>	<u>Percentage Leased</u>	<u>Anticipated Total Cost (1)</u>	<u>Cost to date</u>	<u>Actual or Anticipated Construction Completion Date (2)</u>	<u>Anticipated Operational Date (3)</u>
<b>Redevelopment</b>								
7468 Candlewood Road Hanover, Maryland	BWI Airport	JV	356,000	0%	\$ 43,554	\$ 28,643	3Q 10	3Q 11
<b>Subtotal Baltimore/Washington Corridor</b>			<b>356,000</b>		<b>\$ 43,554</b>	<b>\$ 28,643</b>		
760 Jolly Road (Lakeside I) Blue Bell, PA	Greater Philadelphia	Owned	208,854	75%	30,395	4,546	3Q 10	3Q 11
<b>Subtotal Greater Philadelphia</b>			<b>208,854</b>		<b>\$ 30,395</b>	<b>\$ 4,546</b>		
<b>Total Redevelopment</b>			<b>564,854</b>		<b>\$ 73,949</b>	<b>\$ 33,189</b>		
<b>Under Development</b>								
316 Sentinel Way (316 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	125,000		26,500	3,504	4Q 10	4Q 11
Riverwood Columbia, Maryland	Howard Co. Perimeter	Owned	70,000		17,100	2,246	2Q 11	2Q 12
<b>Subtotal Government</b>			<b>195,000</b>		<b>\$ 43,600</b>	<b>\$ 5,750</b>		
<b>% of Total Drivers</b>			<b>28%</b>					
North Gate Business Park (Lot C) Aberdeen, Maryland	Harford County	Owned	78,856		16,445	3,545	4Q 10	4Q 11
North Gate Business Park (Lot D) Aberdeen, Maryland	Harford County	Owned	120,000		27,500	1,750	1Q 11	1Q 12
North Gate Business Park (Lot I) Aberdeen, Maryland	Harford County	Owned	120,000		24,000	1,750	1Q 11	1Q 12
Military Drive Business Park (Bldg A) San Antonio, Texas	San Antonio Northwest	Owned	85,000		14,875	2,019	4Q 10	4Q 11
430 National Business Parkway Annapolis Junction, Maryland	BWI Airport	Owned	110,000		27,500	3,831	1Q 11	1Q 12
<b>Subtotal Defense Information Technology</b>			<b>513,856</b>		<b>\$ 110,320</b>	<b>\$ 12,895</b>		
<b>% of Total Drivers</b>			<b>72%</b>					
<b>Total Under Development</b>			<b>708,856</b>		<b>\$ 153,920</b>	<b>\$ 18,645</b>		
<b>Regions</b>		<b>% of Total Regions</b>	<b>Total Rentable Square Feet</b>					
<b>Baltimore/Washington Corridor</b>		<b>43 %</b>	<b>305,000</b>					
<b>Suburban Baltimore</b>		<b>45 %</b>	<b>318,856</b>					
<b>San Antonio</b>		<b>12 %</b>	<b>85,000</b>					
<b>Total Under Development by Region</b>		<b>100 %</b>	<b>708,856</b>					

- (1) Anticipated Total Cost includes land, construction and leasing costs except for properties that we previously operated prior to placing into redevelopment in which case only incremental costs of redevelopment are included.
- (2) Actual or anticipated construction completion date is the estimated date of completion of the building shell.
- (3) Anticipated operational date is the estimated date when leases have commenced on 100% of a property's space or one year from the cessation of major construction activities.

**Demand Driver Categories (as classified by COPT management):**

Defense Information Technology: Development opportunity created through our current and future relationships with defense information technology contractors and, possibly, minor Government tenancy.

Government: Development opportunity created through our existing and future relationship with various agencies of the government of the United States of America. Excludes Government tenancy included in Defense Information Technology.

Market Demand: Development opportunity created through perceived unfulfilled space requirements within a specific submarket; potential submarket demand exceeds existing supply.

Research Park: Development opportunity created through a specific research park relationship.

**Total Development Placed into Service as of September 30, 2009**  
**(Dollars in thousands)**

<u>Wholly Owned or</u>	<u>Total Rentable</u>	<u>Development Square Feet Placed Into Service</u>	<u>Percentage of Development Square</u>
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Property and Location	Submarket	Joint Venture (JV)	Square Feet	Year 2009			Feet Placed Into Service Leased	
				Year 2008	1st Quarter	2nd Quarter		3rd Quarter
5825 University Research Court College Park, Maryland	College Park	JV	118,519	41,500	77,019	—	64 %	
7740 Milestone Parkway Hanover, Maryland	BWI Airport	JV	143,939	—	8,659	—	135,280	6 %
6721 Columbia Gateway Drive Columbia, Maryland	Howard Co. Perimeter	Owned	131,451	—	—	131,451	—	100 %
10807 New Allegiance Drive (Epic One) Colorado Springs, Colorado	I-25 North Corridor	Owned	145,723	—	—	33,809	4,647	100 %
9925 Federal Drive (Hybrid II) Colorado Springs, Colorado	I-25 North Corridor	Owned	53,745	43,721	—	10,024	—	91 %
9945 Federal Drive (Hybrid I) Colorado Springs, Colorado	I-25 North Corridor	Owned	74,004	—	—	—	74,004	0 %
5520 Research Park Drive (UMBC) Baltimore, Maryland	BWI Airport	Land Lease	105,670	—	29,112	—	76,558	28 %
565 Space Center Drive (Patriot Park 7) Colorado Springs, Colorado	Colorado Springs East	Owned	89,773	—	—	—	1,949	100 %
300 Sentinel Drive (300 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	192,754	—	—	—	45,422	100 %
<b>Total Development Placed Into Service</b>			<b>1,055,578</b>	<b>85,221</b>	<b>114,790</b>	<b>175,284</b>	<b>337,860</b>	<b>53 %</b>

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### Land Inventory as of September 30, 2009

Location	Submarket	Status	Non-Wholly Owned		Wholly Owned	
			Acres	Developable Square Feet	Acres	Developable Square Feet
National Business Park (Phase II)	BWI Airport	owned	—	—	16	345,000
National Business Park (Phase III)	BWI Airport	owned	—	—	173	1,367,000
1243 Winterson Road (AS 22)	BWI Airport	owned	—	—	2	30,000
940 Elkridge Landing Road (AS 7)	BWI Airport	owned	—	—	3	53,941
Arundel Preserve	BWI Airport	under contract/JV	56	up to 1,651,870	—	—
1460 Dorsey Road	BWI Airport	owned	—	—	6	60,000
Columbia Gateway Parcel T-11	Howard Co. Perimeter	owned	—	—	14	220,000
7125 Columbia Gateway Drive	Howard Co. Perimeter	owned	—	—	5	120,000
<b>Total Baltimore / Washington Corridor</b>			<b>56</b>	<b>1,651,870</b>	<b>219</b>	<b>2,195,941</b>
Westfields Corporate Center	Dulles South	owned	—	—	23	400,460
Westfields - Park Center	Dulles South	owned	—	—	33	674,163
Woodland Park	Herndon	owned	—	—	5	225,000
<b>Total Northern Virginia</b>			<b>—</b>	<b>—</b>	<b>61</b>	<b>1,299,623</b>
White Marsh	White Marsh	owned	—	—	152	1,692,000
37 Allegheny Avenue	Towson	owned	—	—	0.3	40,000
North Gate Business Park	Harford County	owned	—	—	33	367,900
<b>Total Suburban Baltimore</b>			<b>—</b>	<b>—</b>	<b>185</b>	<b>2,099,900</b>
Thomas Johnson Drive	Frederick	owned	—	—	6	170,000
Route 15 / Biggs Ford Road	Frederick	owned	—	—	107	1,000,000
Rockville Corporate Center	Rockville	owned	—	—	10	220,000
M Square Research Park	College Park	JV - 45% ownership	49	510,453	—	—
<b>Total Suburban Maryland</b>			<b>49</b>	<b>510,453</b>	<b>123</b>	<b>1,390,000</b>
Arborcrest	Blue Bell	owned	—	—	8	160,000
<b>Total Greater Philadelphia</b>			<b>—</b>	<b>—</b>	<b>8</b>	<b>160,000</b>
Princeton Technology Center	Exit 8A - Cranbury	owned	—	—	19	250,000
<b>Total Central New Jersey</b>			<b>—</b>	<b>—</b>	<b>19</b>	<b>250,000</b>
Dahlgren Technology Center	King George County	owned	—	—	39	122,000
Expedition Park	St. Mary's County	owned	—	—	6	60,000
<b>Total St. Mary's &amp; King George Counties</b>			<b>—</b>	<b>—</b>	<b>46</b>	<b>182,000</b>
InterQuest	I-25 North Corridor	owned	—	—	113	1,626,592
9965 Federal Drive	I-25 North Corridor	owned	—	—	4	30,000
Patriot Park	Colorado Springs East	owned	—	—	71	756,257
Aerotech Commerce	Colorado Springs East	owned	—	—	6	90,000
<b>Total Colorado Springs</b>			<b>—</b>	<b>—</b>	<b>194</b>	<b>2,502,849</b>
San Antonio	San Antonio Northwest	owned	—	—	9	125,000
Northwest Crossroads	San Antonio Northwest	owned	—	—	31	375,000
Military Drive Business Park	San Antonio Northwest	owned	—	—	40	660,000
<b>Total San Antonio</b>			<b>—</b>	<b>—</b>	<b>80</b>	<b>1,160,000</b>
Indian Head	Charles County, MD	JV - 75% ownership	192	967,250	—	—
Fort Ritchie (1)	Fort Ritchie	owned	—	—	591	1,700,000
<b>Total Other</b>			<b>192</b>	<b>967,250</b>	<b>591</b>	<b>1,700,000</b>
<b>TOTAL</b>			<b>297</b>	<b>3,129,573</b>	<b>1,524</b>	<b>12,940,313</b>

This land inventory schedule excludes all properties listed as under construction, redevelopment or under development as detailed on pages 38 and 39.

(1) The Fort Ritchie acquisition includes 283,565 square feet of existing office space targeted for future redevelopment and 110 existing usable residential units.

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(Dollars in thousands)

Consolidated Properties

<u>Property and Location</u>	<u>Joint Venture Interest Held By COPT</u>	<u>Status</u>	<u>Square Feet</u>	<u>Acreage</u>	<u>Total Assets (1)</u>	<u>Consolidated Debt as of 9/30/09</u>
4230 Forbes Boulevard Lanham, Maryland	50.0%	Operating	55,866	5 acres	\$ 3,802	\$ —
7468 Candlewood Road (2) Hanover, Maryland	92.5%	Redevelopment	356,000	19 acres	28,749	—
Indian Head Technology Center Business Park Indian Head, Maryland	75.0%	Land Inventory	967,250	192 acres	7,045	—
7740-7744 Milestone Parkway (3) Hanover, Maryland	50.0%	Construction/ Land Inventory	451,730	23 acres	30,066	16,753
5825 University Research Court College Park, Maryland	45.0%	Construction	118,519	8 acres	20,939	—
5850 University Research Court College Park, Maryland	45.0%	Construction	123,464	8 acres	22,264	—
M Square Research Park College Park, Maryland	45.0%	Land Inventory	508,017	49 acres	3,235	—
<b>TOTAL</b>					<b>\$ 116,100</b>	<b>\$ 16,753</b>

Unconsolidated Properties

<u>Property and Location</u>	<u>Joint Venture Interest Held By COPT</u>	<u>Status</u>	<u>Square Feet</u>	<u>COPT Investment</u>	<u>Off-Balance Sheet Debt as of 9/30/09</u>
Greater Harrisburg Portfolio Harrisburg and Mechanicsburg, Pennsylvania	20.0%	Operating	670,999	\$ (4,966)	\$ 66,600

- (1) Total assets includes any outside investment basis related to the applicable joint venture plus the total assets recorded on the books of the consolidated joint venture.  
(2) The 7468 Candlewood Road project is currently being redeveloped into approximately 356,000 rentable square feet of warehouse/flex space.  
(3) In this joint venture entity, one building totaling 143,939 square feet was fully placed in service during the third quarter 2009.

**Reconciliations of Year to Date Non GAAP Measurements**  
(Dollars in thousands)

	<u>Nine Months Ended September 30,</u>	
	<u>2009</u>	<u>2008</u>
<b>GAAP revenues from real estate operations from continuing operations</b>	<b>\$ 317,405</b>	<b>\$ 296,034</b>
Revenues from discontinued operations	—	358
<b>Real estate revenues from continuing and discontinued operations</b>	<b>\$ 317,405</b>	<b>\$ 296,392</b>
<b>GAAP revenues from real estate operations from continuing operations</b>	<b>\$ 317,405</b>	<b>\$ 296,034</b>
Property operating expenses	(114,778)	(104,353)
Revenues from discontinued operations	—	358
Property operating expenses from discontinued operations	—	(210)
<b>NOI</b>	<b>\$ 202,627</b>	<b>\$ 191,829</b>
<b>Depreciation and amortization assoc. with real estate operations from continuing operations</b>	<b>\$ 81,911</b>	<b>\$ 75,430</b>
Depreciation and amortization from discontinued operations	—	52
<b>Real estate-related depreciation and amortization</b>	<b>\$ 81,911</b>	<b>\$ 75,482</b>
<b>Total tenant improvements and incentives on operating properties</b>	<b>\$ 11,604</b>	<b>\$ 14,883</b>
Total capital improvements on operating properties	6,763	6,827
Total leasing costs for operating properties	4,431	2,764
Less: Nonrecurring tenant improvements and incentives on operating properties	(2,780)	(4,077)
Less: Nonrecurring capital improvements on operating properties	(1,340)	(2,667)
Less: Nonrecurring leasing costs for operating properties	(916)	(269)
Add: Recurring capital expenditures on operating properties held through joint ventures	76	150
<b>Recurring capital expenditures</b>	<b>\$ 17,838</b>	<b>\$ 17,611</b>
<b>Interest expense from continuing operations</b>	<b>\$ 59,088</b>	<b>\$ 65,580</b>
Interest expense from discontinued operations	—	51
<b>Total interest expense</b>	<b>\$ 59,088</b>	<b>\$ 65,631</b>

Less: Amortization of deferred financing costs		(3,089)	(2,805)
<b>Denominator for interest coverage</b>	\$	<b>55,999</b>	\$ <b>62,826</b>
Scheduled principal amortization		8,200	10,810
<b>Denominator for debt service coverage</b>	\$	<b>64,199</b>	\$ <b>73,636</b>
Scheduled principal amortization		(8,200)	(10,810)
Preferred dividends - redeemable non-convertible		12,076	12,076
Preferred distributions		495	495
<b>Denominator for fixed charge coverage</b>	\$	<b>68,570</b>	\$ <b>75,397</b>
<b>Common dividends for earnings payout ratio</b>	\$	<b>64,712</b>	\$ <b>51,553</b>
Common distributions		5,974	8,564
<b>Dividends and distributions for FFO and AFFO payout ratios</b>	\$	<b>70,686</b>	\$ <b>60,117</b>
<b>Income tax expense from continuing operations</b>	\$	<b>169</b>	\$ <b>102</b>
Income tax expense from gain on other sales of real estate		—	578
<b>Total income tax expense</b>	\$	<b>169</b>	\$ <b>680</b>

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**Reconciliations of Quarter to Date Non GAAP Measurements**  
(Dollars in thousands)

	2009			2008	
	September 30	June 30	March 31	December 31	September 30
<b>Total Assets or Denominator for Debt to Total Assets</b>	\$ 3,230,647	\$ 3,198,675	\$ 3,137,290	\$ 3,114,239	\$ 3,100,831
Accumulated depreciation	402,125	382,385	362,318	343,110	339,429
Intangible assets on real estate acquisitions, net	75,506	81,090	85,774	91,848	98,282
Assets other than assets included in properties, net	(361,940)	(344,539)	(327,878)	(335,773)	(362,132)
<b>Denominator for Debt to Undepreciated Book Value of Real Estate Assets</b>	\$ 3,346,338	\$ 3,317,611	\$ 3,257,504	\$ 3,213,424	\$ 3,176,410
<b>GAAP revenues from real estate operations from continuing operations</b>	\$ 104,843	\$ 105,718	\$ 106,844	\$ 103,599	\$ 101,086
Revenues from discontinued operations	—	—	—	—	3
<b>Real estate revenues from continuing and discontinued operations</b>	\$ 104,843	\$ 105,718	\$ 106,844	\$ 103,599	\$ 101,089
<b>GAAP revenues from real estate operations from continuing operations</b>	\$ 104,843	\$ 105,718	\$ 106,844	\$ 103,599	\$ 101,086
Property operating expenses	(38,583)	(37,162)	(39,033)	(36,786)	(35,854)
Revenues from discontinued operations	—	—	—	—	3
Property operating expenses from discontinued operations	—	—	—	—	(12)
<b>NOI</b>	\$ 66,260	\$ 68,556	\$ 67,811	\$ 66,813	\$ 65,223
<b>Depreciation and amortization assoc. with real estate operations from continuing operations</b>	\$ 26,712	\$ 28,708	\$ 26,491	\$ 27,290	\$ 25,583
Depreciation and amortization from discontinued operations	—	—	—	—	—
<b>Real estate-related depreciation and amortization</b>	\$ 26,712	\$ 28,708	\$ 26,491	\$ 27,290	\$ 25,583
<b>Total tenant improvements and incentives on operating properties</b>	\$ 3,553	\$ 3,826	\$ 4,225	\$ 5,472	\$ 6,305
Total capital improvements on operating properties	2,927	2,323	1,513	4,434	3,179
Total leasing costs for operating properties	1,855	950	1,626	1,269	999
Less: Nonrecurring tenant improvements and incentives on operating properties	(711)	(2,028)	(41)	(1,615)	(1,995)
Less: Nonrecurring capital improvements on operating properties	(58)	(694)	(588)	(836)	(1,299)
Less: Nonrecurring leasing costs for operating properties	—	(16)	(900)	(49)	(217)
Add: Recurring capital expenditures on operating properties held through joint ventures	6	22	48	7	36
<b>Recurring capital expenditures</b>	\$ 7,572	\$ 4,383	\$ 5,883	\$ 8,682	\$ 7,008
<b>Interest expense from continuing operations</b>	\$ 20,986	\$ 18,678	\$ 19,424	\$ 21,290	\$ 22,503
Interest expense from discontinued operations	—	—	—	—	—
<b>Total interest expense</b>	\$ 20,986	\$ 18,678	\$ 19,424	\$ 21,290	\$ 22,503
Less: Amortization of deferred financing costs	(1,056)	(1,009)	(1,024)	(1,038)	(1,143)
<b>Denominator for interest coverage</b>	\$ 19,930	\$ 17,669	\$ 18,400	\$ 20,252	\$ 21,360
Scheduled principal amortization	2,691	2,662	2,847	6,678	3,424
<b>Denominator for debt service coverage</b>	\$ 22,621	\$ 20,331	\$ 21,247	\$ 26,930	\$ 24,784
Scheduled principal amortization	(2,691)	(2,662)	(2,847)	(6,678)	(3,424)
Preferred dividends - redeemable non-convertible	4,025	4,026	4,025	4,026	4,025
Preferred distributions	165	165	165	165	165
<b>Denominator for fixed charge coverage</b>	\$ 24,120	\$ 21,860	\$ 22,590	\$ 24,443	\$ 25,550
<b>Common dividends for earnings payout ratio</b>	\$ 22,851	\$ 21,597	\$ 20,264	\$ 19,283	\$ 19,183
Common distributions	1,995	1,894	2,085	2,946	3,021
<b>Dividends and distributions for FFO and AFFO payout ratios</b>	\$ 24,846	\$ 23,491	\$ 22,349	\$ 22,229	\$ 22,204

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