

January 26, 2009



# Corporate Office Properties Trust Announces Tax Treatment of 2008 Distributions

COLUMBIA, Md.--(BUSINESS WIRE)-- Corporate Office Properties Trust (COPT) (NYSE: OFC) announced that 94.01 percent of its 2008 Common Share distributions qualifies as ordinary income (including 3.01 percent qualified income dividend), 1.48 percent qualifies as capital gain (specifically, unrecaptured Section 1250 gain) and 4.51 percent qualifies as return of capital. Shareholders generally benefit from the return of capital by deferring income taxes on that portion of the distribution until a share is sold or otherwise transferred. The Company also announced that 98.45 percent of its distributions paid to preferred shares for 2008 qualifies as ordinary income (including 3.15 percent qualified income dividend) and 1.55 percent qualifies as capital gain (specifically, unrecaptured Section 1250 gain). Shareholders are encouraged to consult with their tax advisors as to their specific tax treatment for Corporate Office Properties Trust Common and Preferred Share distributions.

The table below summarizes the income tax treatment for 2008 distributions for the Common Shares of Corporate Office Properties Trust (CUSIP# 22002T108).

Record Date	Payable Date	Distribution Per Share	Ordinary Taxable Dividend	Total Capital Gain(1)	Return of Capital (2)	Qualified Income Dividend (3)
3/31/2008	04/15/2008	\$0.3400	\$0.319635	\$0.005039	\$0.015326	\$0.010223
6/30/2008	7/15/2008	\$0.3400	\$0.319635	\$0.005039	\$0.015326	\$0.010223
9/30/2008	10/15/2008	\$0.3725	\$0.350188	\$0.005520	\$0.016792	\$0.011200
12/31/2008	1/15/2009	\$0.3725	\$0.350188	\$0.005520	\$0.016792	\$0.011200

(1) This gain qualifies entirely as unrecaptured Section 1250 gain.

(2) Represents a return of shareholder investment.

(3) Represents additional characterization of amounts included in Ordinary Taxable Dividend.

The table below summarizes the income tax treatment for 2008 distributions for the Corporate Office Properties Trust Series G Preferred Shares (CUSIP# 22002T504).

Record Date	Payable Date	Distribution Per Share	Ordinary Taxable Dividend	Total Capital Gain(1)	Qualified Income Dividend(2)
3/31/2008	4/15/2008	\$0.5000	\$0.492240	\$0.00776	\$0.015744
6/30/2008	7/15/2008	\$0.5000	\$0.492240	\$0.00776	\$0.015744
9/30/2008	10/15/2008	\$0.5000	\$0.492240	\$0.00776	\$0.015744
12/31/2008	1/15/2009	\$0.5000	\$0.492240	\$0.00776	\$0.015744

(1) This gain qualifies entirely as unrecaptured Section 1250 gain.

(2) Represents additional characterization of amounts included in Ordinary Taxable Dividend.

The table below summarizes the income tax treatment for 2008 distributions for the Corporate Office Properties Trust Series H Preferred Shares (CUSIP# 22002T603).

Record Date	Payable Date	Distribution Per Share	Ordinary Taxable Dividend	Total Capital Gain(1)	Qualified Income Dividend(2)
3/31/2008	4/15/2008	\$0.4688	\$0.461524	\$0.007276	\$0.014761
6/30/2008	7/15/2008	\$0.4688	\$0.461524	\$0.007276	\$0.014761
9/30/2008	10/15/2008	\$0.4688	\$0.461524	\$0.007276	\$0.014761
12/31/2008	1/15/2009	\$0.4688	\$0.461524	\$0.007276	\$0.014761

(1) This gain qualifies entirely as unrecaptured Section 1250 gain.

(2) Represents additional characterization of amounts included in Ordinary Taxable Dividend.

The table below summarizes the income tax treatment for 2008 distributions for the Corporate Office Properties Trust Series J Preferred Shares (CUSIP# 22002T702).

Record Date	Payable Date	Distribution Per Share	Ordinary Taxable Dividend	Total Capital Gain(1)	Qualified Income Dividend(2)
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3/31/2008	4/15/2008	\$0.4766	\$0.469203	\$0.007397	\$0.015007
6/30/2008	7/15/2008	\$0.4766	\$0.469203	\$0.007397	\$0.015007
9/30/2008	10/15/2008	\$0.4766	\$0.469203	\$0.007397	\$0.015007
12/31/2008	1/15/2009	\$0.4766	\$0.469203	\$0.007397	\$0.015007

(1) This gain qualifies entirely as unrecaptured Section 1250 gain.

(2) Represents additional characterization of amounts included in Ordinary Taxable Dividend.

The table below summarizes the income tax treatment for 2008 distributions for the Corporate Office Properties Trust Series K Preferred Shares (CUSIP# 22002T801).

Record Date	Payable Date	Distribution Per Share	Ordinary Taxable Dividend	Total Capital Gain(1)	Qualified Income Dividend(2)
3/31/2008	4/15/2008	\$0.7000	\$0.689136	\$0.010864	\$0.022041
6/30/2008	7/15/2008	\$0.7000	\$0.689136	\$0.010864	\$0.022041
9/30/2008	10/15/2008	\$0.7000	\$0.689136	\$0.010864	\$0.022041
12/31/2008	1/15/2009	\$0.7000	\$0.689136	\$0.010864	\$0.022041

(1) This gain qualifies entirely as unrecaptured Section 1250 gain.

(2) Represents additional characterization of amounts included in Ordinary Taxable Dividend.

## 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, 2008, the Company owned 254 office and data properties totaling 19.1 million rentable square feet, which includes 19 properties totaling 847,000 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. More information on COPT 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;
- 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 1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007.

Source: Corporate Office Properties Trust