January 7, 2014

COPT Announces 2014 FFO Per Share Guidance

COLUMBIA, Md.--(BUSINESS WIRE)-- Corporate Office Properties Trust ("COPT" or the "Company") (NYSE: OFC) is establishing guidance for diluted FFO per share ("FFOPS"), as adjusted for comparability, for the year ending December 31, 2014, in the range of $1.84−$1.92, and diluted earnings per share ("EPS") for 2014 in the range of $1.10−$1.18.

"In 2013, we completed our strategic repositioning initiatives, which greatly improved the quality of our portfolio and the strength of our balance sheet. The stage is set for us to grow by executing and expanding our pipeline of low-risk development opportunities," stated Roger A. Waesche, Jr., COPT's President & Chief Executive Officer. "The recent federal budget agreement provided certainty for defense spending levels and should support a normalized contract awarding process between the Department of Defense and defense contractors. We are well positioned, financially and geographically, to capitalize on new opportunities both within our strategic tenant niche and within our strategic markets in the greater Baltimore-Washington region," he added.

2014 Guidance

A reconciliation of projected EPS to projected FFOPS, in accordance with NAREIT and as adjusted for comparability, for the year ending December 31, 2014 is provided as follows:

	Year Ending December 31, 2014	
	Low	High
EPS	$ 1.10	$ 1.18
Real estate depreciation and amortization	1.30	1.30
FFOPS, NAREIT definition	2.40	2.48
Net operating income from properties to be conveyed (a)	(0.02)	(0.02)
Accrued interest expense on loan secured by properties to be conveyed (a)	0.14	0.14
Net gains on early extinguishment of debt (b)	(0.68)	(0.68)
FFOPS, as adjusted for comparability	$ 1.84	$ 1.92

a. The Company expects to transfer two operating properties in satisfaction of non-recourse secured indebtedness. These amounts represent the Company's forecast of net operating income generated by these assets and interest expense (accrued at the default rate) from April 1st through year-end, and assuming a transfer date of December 31, 2014.

b. Represents debt and accrued interest in excess of the book value of the assets to be conveyed.

Assumptions Underpinning 2014 Guidance

The table below presents the assumptions that underpin the Company's 2014 FFOPS and EPS guidance:

Portfolio Metrics (a)		**Investment Activity** (a)		**Yield**
Change in Same Office:		Acquisitions:		
Cash NOI	1% − 2%	Operating properties	None	--
Average occupancy	0% − 1%	Land	$15 − $25	--
Cash rental rates on renewing leases	(4%) − (3%)			
Core portfolio average occupancy (b)	89% - 89.5%	Dispositions (e)	$150	4%
Revenue at Risk (as of 12/31/2013) (c)	$19.3	Developments & Redevelopments:		
- Portion in lease negotiation	($8.2)	Placed into service (f)	$200 - $220	8% − 10%
Remaining revenue at risk	$11.1	Starts	$200 - $220	--
NOI from developments placed into service (d)	$15	Spend	$200 - $250	--
Other (a)				
Development fee and interest income	$8.0 − $9.5	Capitalized interest expense	$7.5	
COPT DC-6 cash NOI	$4.5 − $6.0	GAAP straight lined rent	$11.5	
Lease termination fee income	$1.5−$3.0	Other GAAP adjustments	($3)	
G&A, Selling Costs and New Business Costs	$35−$36	Recurring Capital Expenditures	$45−$47	

a. Dollars in millions.
b. Excludes two properties slated for disposition.
c. Revenue at risk is revenue not represented by an executed lease (renewal or re-tenanting) to achieve the mid-point of guidance.
d. This amount represents cash NOI from developments placed into service during 2013 and 2014, 95% of which was under executed leases as of December 31, 2013.
e. The Company expects to transfer two properties in satisfaction of non-recourse secured indebtedness. Please refer to Footnote (a) associated with the 2014 Guidance reconciliation table, above.
f. Yields on developments placed into service are initial stabilized cash yields.

Details for Conference Call to Discuss Fourth Quarter & Year-End 2013 Results

Management is not hosting a conference call to discuss 2014 guidance, but is available to answer questions. The Company's next scheduled conference call will take place as follows:

Earnings Release Date:	Friday, February 7, 2014 at 6:00 a.m. Eastern Time
Conference Call Date:	Friday, February 7, 2014
Time:	12:00 p.m. Eastern Time
Telephone Number: (within the U.S.)	888-679-8018
Telephone Number: (outside the U.S.)	617-213-4845
Passcode:	33175148

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=PYUVAPM97

You may also pre-register in the Investor Relations section of the Company's website at 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 Friday, February 7 at 4:00 p.m. Eastern Time through Friday, February 21 at midnight Eastern Time. To access the replay within the United States, please call 888-286-8010 and use passcode 66260281. To access the replay outside the United States, please call 617-801-6888 and use passcode 66260281.

The conference call will also be available via live webcast in the Investor Relations section of the Company's website at www.copt.com. A replay of the conference calls will be immediately available via webcast in the Investor Relations section of the Company's website.

Company Information

COPT is an office REIT that focuses primarily on serving the specialized requirements of U.S. Government agencies and defense contractors, most of which are engaged in defense information technology and national security-related activities. As of September 30, 2013, COPT derived 64% of its annualized revenue from its strategic tenant niche properties and 21% from its regional office properties. The Company generally acquires, develops, manages and leases office and data center properties concentrated in large office parks primarily located near knowledge-based government demand drivers and/or in targeted markets or submarkets in the Greater Washington, DC/Baltimore region. As of September 30, 2013, the Company's consolidated portfolio consisted of 210 office properties totaling 19.2 million rentable square feet. COPT is an S&P MidCap 400 company.

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," "could," "believe," "anticipate," "expect," "estimate," "plan" 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:

- *general economic and business conditions, which will, among other things, affect office property and data center demand and rents, tenant creditworthiness, interest rates, financing availability and property values;*
- *adverse changes in the real estate markets including, among other things, increased competition with other companies;*
- *governmental actions and initiatives, including risks associated with the impact of a government shutdown or budgetary reductions or impasses, such as a reduction in rental revenues, non-renewal of leases, and/or a curtailment of demand for additional space by the Company's strategic customers;*
- *the Company's ability to borrow on favorable terms;*
- *risks of real estate acquisition and development activities, 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;

- *the Company's ability to sell properties included in its Strategic Reallocation Plan;*
- *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;*
- *changes in the Company's plans for properties or views of market economic conditions or failure to obtain development rights, either of which could result in recognition of significant impairment losses;*
- *the Company's ability to satisfy and operate effectively under Federal income tax rules relating to real estate investment trusts and partnerships;*
- *the Company's ability to achieve projected results;*
- *the dilutive effects of issuing additional common shares; 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, 2012.

Corporate Office Properties Trust
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