September 1, 2015

COPT $150 Million "WTP" Secured Loan Resolved

COLUMBIA, Md.--(BUSINESS WIRE)-- Corporate Office Properties Trust (“COPT” or the “Company”) (NYSE: OFC) announced that the ownership of two operating properties, 15000 & 15010 Conference Center Drive (together, “WTP”), in Northern Virginia has been transferred to the lender. As a result of this transfer, COPT will remove $150 million of non-recourse secured indebtedness from its balance sheet.

In the third quarter of 2015, the Company expects to recognize a non-cash accounting gain estimated to be approximately $83 million. This gain will affect the Company’s third quarter 2015 diluted earnings per share (“EPS”) and diluted FFO per share (“FFOPS”) as defined by NAREIT, but not its FFOPS, as adjusted for comparability.

2015 FFOPS Guidance Update:

Management is reiterating its previously issued guidance ranges for full year, third quarter, and fourth quarter FFOPS, as adjusted for comparability, at $2.00—$2.04, $0.51—$0.53 and $0.52—$0.54, respectively. To reflect the completed transfer of WTP, management is updating its guidance for EPS and FFOPS, per NAREIT, for the third and fourth quarter as follows:

	Three months ending September 30, 2015		Three months ending December 31, 2015		Year ending December 31, 2015	
	Low	High	Low	High	Low	High
EPS	$ 0.90	$ 0.92	$ 0.14	$ 0.16	$ 1.26	$ 1.30
Real estate depreciation and amortization	0.36	0.36	0.38	0.38	1.46	1.46
Impairment losses on previously depreciated properties	-	-	-	-	0.01	0.01
FFOPS, NAREIT definition	1.26	1.28	0.52	0.54	2.73	2.77
Operating property acquisition costs	0.01	0.01	-	-	0.02	0.02
Demolition costs on redevelopment properties	0.01	0.01	-	-	0.02	0.02
NOI from properties to be conveyed (a)	(0.01)	(0.01)	-	-	(0.03)	(0.03)
Interest expense on loan secured by properties to be conveyed (a)	0.02	0.02	-	-	0.08	0.08
Gains on sales of undepreciated properties	-	-	-	-	(0.04)	(0.04)
Net gains on extinguishment of debt (b)	(0.78)	(0.78)	-	-	(0.78)	(0.78)
FFOPS, as adjusted for comparability	$ 0.51	$ 0.53	$ 0.52	$ 0.54	$ 2.00	$ 2.04

a. These amounts represent the Company's net operating income generated by WTP and interest expense (accrued at the default rate) in 2015 that was associated with the properties’ non-recourse secured indebtedness.

b. Represents debt and accrued interest in excess of the book value of the assets transferred.

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 June 30, 2015, COPT derived 75% of its annualized revenue from its strategic tenant niche properties and 22% 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 June 30, 2015, the Company's consolidated portfolio consisted of 179 office properties totaling 18.0 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 prolonged 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;*
- *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, 2014.

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