July 27, 2017

COPT Reports Second Quarter 2017 Results

COLUMBIA, Md.--(BUSINESS WIRE)-- Corporate Office Properties Trust ("COPT" or the "Company") (NYSE: OFC) announced financial and operating results for the second quarter ended June 30, 2017.

Management Comments

"Our FFO per share, as adjusted for comparability, in the second quarter of $0.49 was at the high end of our guidance due primarily to the timing of certain operating expenses that boosted same office NOI. We have strong visibility on the remaining quarters and, are narrowing our guidance for the full year but maintaining the original mid-point of $2.04. Our second quarter same office cash NOI increase of 2.6% represents our ninth consecutive quarter of increases, and equates to 3.8% growth for the first half of the year," stated Stephen E. Budorick, COPT's President & Chief Executive Officer.

"In May, the fiscal 2017 federal budget was signed into law, giving the Department of Defense ("DOD") a base discretionary budget ("Base Budget") of $532 billion, a 2% increase over 2016's Base Budget. The Administration's Base Budget request for fiscal 2018 of $575 billion would represent an 8% increase over the current year and is slightly higher than the defense industry expectations for average annual growth of 5% through 2021. By unanimous and nearly unanimous votes, the Senate and the House Armed Services Committees, respectively, recommended substantial increases to the DOD's Base Budget beyond the Administration's requested level, which evidences bipartisan support for such growth. Given our portfolio's unique geographic alignment with DOD spending priorities, we believe we are well positioned to benefit from incremental space requirements related to mission growth at our Defense/IT installations," added Mr. Budorick.

Financial Highlights

2nd Quarter Financial Results:

- Diluted earnings (loss) per share ("EPS") was $0.08 for the quarter ended June 30, 2017 as compared to ($0.54) for the second quarter of 2016.
- Diluted funds from operations per share ("FFOPS"), as calculated in accordance with NAREIT's definition, was $0.42 for the second quarter of 2017 as compared to $0.36 for the second quarter of 2016.
- FFOPS, as adjusted for comparability, was $0.49 for the quarter ended June 30, 2017 as compared to $0.52 for the second quarter of 2016.

Adjustments for comparability encompass items such as gains and impairment losses on non-operating properties, gains (losses) on early extinguishment of debt, derivative gains (losses), and write-offs of original issuance costs for redeemed preferred shares.

Operating Performance Highlights

Portfolio Summary:

- At June 30, 2017, the Company's core portfolio of 153 operating office properties was 93.8% occupied and 94.8% leased.
- During the quarter, the Company placed 297,000 square feet of development into service that was 97% leased.
- At June 30, 2017, the Company had nine operating properties and land held for sale with an aggregate book value of $51.3 million. The buildings contain a total of 469,000 square feet that were 95.4% occupied and leased at June 30, 2017.

Same Office Performance:

- At June 30, 2017, COPT's same office portfolio of 137 buildings was 92.7% occupied and 93.6% leased.
- For the quarter and six months ended June 30, 2017, the Company's same office property cash NOI increased 2.6% and 3.8%, respectively, over the prior year's comparable periods.

Leasing: For the six months ended June 30, 2017, the Company leased a total of 936,000 square feet. The 383,000 square feet of development leasing through June 30, 2017, represents approximately half of the Company's goal of leasing 700,000 square feet in development projects during the year.

Detail on the Company's second quarter leasing results are as follows:

- Square Feet Leased—For the three months ended June 30, 2017, the Company leased a total of 696,000 square feet composed of 293,000 square feet of renewing leases, 78,000 square feet of new leases on previously vacant space, and 325,000 square feet in development projects. The bulk of the development leasing in the quarter consisted of two build-to-suit projects totaling 297,000 square feet.
- Renewal Rates & Rent Spreads on Renewing Leases—During the second quarter, the Company renewed 85% of expiring leases; rents on renewed space increased 9.3% on a GAAP basis and decreased 1.0% on a cash basis.
- Lease Terms—In the second quarter, lease terms averaged 3.7 years on renewing space, 6.7 years on vacant space, and 11.6 years on development leasing, for a weighted average lease term of 7.7 years on all leasing.
- Wholesale Data Center Leasing—During the quarter ended June 30, 2017, the Company leased 2.0 megawatts ("MW") in its COPT DC-6 data center, which is now 87.6% leased.

Investment Activity Highlights

Development & Redevelopment Projects:

- As of June 30, 2017, the Company has six properties under construction totaling

970,000 square feet that were 85% leased.

- The Company also has two completed development properties held-for-lease to the U.S. Government. These buildings total 352,000 square feet and currently are 6% leased. Including these two projects, the Company's construction pipeline totals 1.3 million square feet, is 64% leased, and represents a total estimated cost of $302.7 million.
- COPT also has two projects under redevelopment that total 36,000 square feet and represent a total expected cost of $11.0 million. These projects were 39% leased as of June 30, 2017.

Dispositions:

- During the quarter, the Company sold one 37,000 square foot suburban office property for $2.3 million.

Balance Sheet and Capital Transaction Highlights

- As of June 30, 2017, the Company's net debt plus preferred equity to adjusted book ratio was 42.6% and its net debt plus preferred equity to in-place adjusted EBITDA ratio was 6.4x. For the same period, the Company's adjusted EBITDA fixed charge coverage ratio was 3.2x.
- As of June 30, 2017 and including the effect of interest rate swaps, the Company's weighted average effective interest rate was 4.1%; additionally, 90% of the Company's debt was subject to fixed interest rates and the debt portfolio had a weighted average maturity of 5.5 years.
- Effective June 27, 2017, the Company redeemed all of the outstanding shares of its 7.375% Series L Cumulative Preferred Shares (the "Series L Preferred Shares") at a price of $25.00 per share, or $172.5 million in the aggregate, plus accrued and unpaid dividends thereon up to but not including the date of redemption.
- The Company repaid $200 million of the $300 million balance on a term loan scheduled to mature in 2020.
- Also during the quarter, COPT issued 44,260 common shares at a weighted average price of $33.19 per share under its existing at-the-market ("ATM") stock offering program, generating net proceeds totaling $1.4 million. For the six months ended June 30, 2017, the Company realized $19.7 million of net proceeds from the ATM issuance.

2017 Guidance

Management is narrowing its previously issued guidance range for full year EPS and FFOPS, as adjusted for comparability, to revised ranges of $0.62—$0.66 and $2.02—$2.06, respectively. Management also is establishing EPS and FFOPS, as adjusted for comparability, guidance for the third quarter ending September 30, 2017 at ranges of $0.17—$0.19 and $0.51—$0.53, respectively, and also for the fourth quarter ending December 31, 2017, at ranges of $0.19—$0.21 and $0.54—$0.56, respectively. Reconciliations of projected diluted EPS to projected FFOPS are as follows:

	Quarter ending September 30, 2017		Quarter ending December 31, 2017		Year ending December 31, 2017	
	Low	High	Low	High	Low	High
EPS	$ 0.17	$ 0.19	$ 0.19	$ 0.21	$ 0.62	$ 0.66
Real estate depreciation and amortization	0.34	0.34	0.35	0.35	1.34	1.34
Impairment losses on previously depreciated operating properties	-	-	-	-	0.02	0.02
FFOPS, NAREIT definition	0.51	0.53	0.54	0.56	1.98	2.02
Original issuance cost of redeemed preferred stock	-	-	-	-	0.07	0.07
Gains on sales of nonoperating properties and other	-	-	-	-	(0.03)	(0.03)
FFOPS, as adjusted for comparability	$ 0.51	$ 0.53	$ 0.54	$ 0.56	$ 2.02	$ 2.06

Associated Supplemental Presentation

Prior to the call, the Company will post a slide presentation to accompany management's prepared remarks for its second quarter 2017 conference call, the details of which are provided below. The accompanying slide presentation can be viewed on and downloaded from the 'Investors' section of the Company's website (www.copt.com).

Conference Call Information

Management will discuss second quarter 2017 earnings results on its conference call tomorrow at 12:00 p.m. Eastern Time, details of which are listed below:

Conference Call Date:	Friday, July 28, 2017
Time:	12:00 p.m. Eastern Time
Telephone Number: (within the U.S.)	855-463-9057
Telephone Number: (outside the U.S.)	661-378-9894
Passcode:	47698579

Replay Information

A replay of this call will be available beginning at 4:00 p.m. Eastern Time on Friday, July 28, through 4:00 p.m. Eastern Time on Friday, August 11. To access the replay within the United States, please call 855-859-2056 and use passcode 47698579. To access the replay outside the United States, please call 404-537-3406 and use passcode 47698579.

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 call will be immediately available via webcast in the Investor Relations section of the Company's website.

Definitions

For definitions of certain terms used in this press release, please refer to the information furnished in the Company's Supplemental Information Package furnished on a Form 8-K which can be found on its website (www.copt.com). Reconciliations of non-GAAP measures to the most directly comparable GAAP measures are included in the attached tables.

Company Information

COPT is an office REIT that owns, manages, develops and selectively acquires office and data center properties in locations that support the United States Government and its contractors, most of whom are engaged in national security, defense and information technology ("IT") related activities servicing priority missions ("Defense/IT Locations"). The Company also owns a portfolio of office properties located in select urban/urban-like submarkets within its regional footprint with durable Class-A office fundamentals and characteristics ("Regional Office Properties"). As of June 30, 2017, the Company derived 87% of core portfolio annualized revenue from Defense/IT Locations and 13% from its Regional Office Properties. As of June 30, 2017, and including six buildings that are owned through an unconsolidated joint venture, its core portfolio of 153 office properties, encompassed 16.6 million square feet and was 94.8% leased. As of the same date, it also owned one wholesale data center with a critical load of 19.25 megawatts.

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, 2016.

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues				
Real estate revenues	$128,297	$ 133,924	$ 255,064	$ 267,011
Construction contract and other service revenues	23,138	12,003	36,172	23,223
Total revenues	151,435	145,927	291,236	290,234
Expenses				
Property operating expenses	48,628	48,141	97,147	100,016
Depreciation and amortization associated with real estate operations	32,793	33,248	65,852	67,775
Construction contract and other service expenses	22,315	11,478	34,801	22,172
Impairment losses	1,625	69,692	1,625	72,138
General and administrative expenses	6,017	6,512	12,764	16,642
Leasing expenses	1,842	1,514	3,706	3,267
Business development expenses and land carry costs	1,597	2,363	3,290	4,781
Total operating expenses	114,817	172,948	219,185	286,791
Operating income	36,618	(27,021)	72,051	3,443
Interest expense	(19,163)	(22,639)	(38,157)	(46,198)
Interest and other income	1,583	1,330	3,309	2,486
(Loss) gain on early extinguishment of debt	(513)	5	(513)	22
Income (loss) before equity in income of unconsolidated entities and income taxes	18,525	(48,325)	36,690	(40,247)
Equity in income of unconsolidated entities	718	10	1,443	20
Income tax (expense) benefit	(48)	(1)	(88)	7
Gain on sales of real estate	12	—	4,250	—
Net income (loss)	19,207	(48,316)	42,295	(40,220)
Net (income) loss attributable to noncontrolling interests				
Common units in the Operating Partnership (“OP”)	(273)	1,976	(907)	1,849
Preferred units in the OP	(165)	(165)	(330)	(330)
Other consolidated entities	(907)	(914)	(1,841)	(1,892)
Net income (loss) attributable to COPT	17,862	(47,419)	39,217	(40,593)
Preferred share dividends	(3,039)	(3,553)	(6,219)	(7,105)
Issuance costs associated with redeemed preferred shares	(6,847)	—	(6,847)	—
Net income (loss) attributable to COPT common shareholders	$ 7,976	$ (50,972)	$ 26,151	$ (47,698)
Earnings per share (“EPS”) computation:				
Numerator for diluted EPS:				
Net income attributable to common shareholders	$ 7,976	$ (50,972)	$ 26,151	$ (47,698)
Amount allocable to share-based compensation awards	(117)	(96)	(242)	(214)
Numerator for diluted EPS	$ 7,859	$ (51,068)	$ 25,909	$ (47,912)
Denominator:				
Weighted average common shares - basic	99,036	94,300	98,725	94,251
Dilutive effect of share-based compensation awards	160	—	158	—
Weighted average common shares - diluted	99,196	94,300	98,883	94,251
Diluted EPS	$ 0.08	$ (0.54)	$ 0.26	$ (0.51)

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Net income	$19,207	$(48,316)	$42,295	$(40,220)
Real estate-related depreciation and amortization	32,793	33,248	65,852	67,775
Impairment losses on previously depreciated operating properties	1,610	55,124	1,610	55,971
Gain on sales of previously depreciated operating properties	(12)	—	(31)	—
Depreciation and amortization on unconsolidated real estate JV	311	—	622	—
Funds from operations ("FFO")	53,909	40,056	110,348	83,526
Preferred share dividends	(3,039)	(3,553)	(6,219)	(7,105)
Noncontrolling interests - preferred units in the OP	(165)	(165)	(330)	(330)
FFO allocable to other noncontrolling interests	(906)	(1,014)	(1,884)	(2,041)
Issuance costs associated with redeemed preferred shares	(6,847)	—	(6,847)	—
Basic and diluted FFO allocable to share-based compensation awards	(185)	(130)	(401)	(296)
Basic and Diluted FFO available to common share and common unit holders ("Diluted FFO")	42,767	35,194	94,667	73,754
Gain on sales of non-operating properties	—	—	(4,219)	—
Impairment losses on non-operating properties	15	14,568	15	16,167
Loss (gain) on interest rate derivatives	444	319	(9)	1,870
Loss (gain) on early extinguishment of debt	513	(5)	513	(22)
Issuance costs associated with redeemed preferred shares	6,847	—	6,847	—
Demolition costs on redevelopment properties	72	370	294	578
Executive transition costs	31	247	730	4,384
Diluted FFO comparability adjustments allocable to share-based compensation awards	(31)	(63)	(17)	(94)
Diluted FFO available to common share and common unit holders, as adjusted for comparability	50,658	50,630	98,821	96,637
Straight line rent adjustments and lease incentive amortization	1,517	480	1,950	(485)
Amortization of intangibles included in net operating income	325	338	684	676
Share-based compensation, net of amounts capitalized	1,309	1,485	2,558	3,117
Amortization of deferred financing costs	922	1,178	1,931	2,354
Amortization of net debt discounts, net of amounts capitalized	343	325	682	644
Accum. other comprehensive loss on derivatives amortized to expense	36	—	36	—
Replacement capital expenditures	(11,269)	(11,546)	(24,318)	(23,266)
Diluted AFFO adjustments allocable to other noncontrolling interests	25	47	51	95
Diluted AFFO adjustments on unconsolidated real estate JV	(179)	—	(361)	—
Diluted adjusted funds from operations available to common share and common unit holders ("Diluted AFFO")	$43,687	$ 42,937	$82,034	$ 79,772
Diluted FFO per share	$ 0.42	$ 0.36	$ 0.93	$ 0.75
Diluted FFO per share, as adjusted for comparability	$ 0.49	$ 0.52	$ 0.97	$ 0.99
Dividends/distributions per common share/unit	$ 0.275	$ 0.275	$ 0.550	$ 0.550

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

	June 30, 2017	December 31, 2016
Balance Sheet Data		
Properties, net of accumulated depreciation	$3,134,559	$ 3,073,362
Total assets	3,574,887	3,780,885
Debt, per balance sheet	1,897,734	1,904,001
Total liabilities	2,132,332	2,163,242
Redeemable noncontrolling interest	23,731	22,979
Equity	1,418,824	1,594,664
Net debt to adjusted book	42.4%	38.3%
Core Portfolio Data (as of period end) (1)		
Number of operating properties	153	152
Total net rentable square feet owned (in thousands)	16,568	16,301
Occupancy %	93.8%	92.9%
Leased %	94.8%	94.4%

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Payout ratios				
Diluted FFO	65.9%	76.6%	59.5%	73.0%
Diluted FFO, as adjusted for comparability	55.6%	53.2%	57.0%	55.7%
Diluted AFFO	64.5%	62.7%	68.7%	67.5%
Adjusted EBITDA fixed charge coverage ratio	3.2x	2.9x	3.1x	2.8x
Net debt to in-place adjusted EBITDA ratio (2)	6.4x	6.6x	N/A	N/A
Net debt plus preferred equity to in-place adjusted EBITDA ratio (3)	6.4x	7.2x	N/A	N/A
Reconciliation of denominators for per share measures				
Denominator for diluted EPS	99,196	94,300	98,883	94,251
Weighted average common units	3,405	3,676	3,425	3,676
Anti-dilutive EPS effect of share-based compensation awards	—	117	—	107
Denominator for diluted FFO per share and as adjusted for comparability	102,601	98,093	102,308	98,034

(1) Represents Defense/IT Locations and Regional Office properties excluding properties held for sale, and includes six properties owned through an unconsolidated joint venture totaling 962,000 square feet that were 100% occupied and leased.

(2) Represents net debt as of period end divided by in-place adjusted EBITDA for the period, as annualized (i.e. three month periods are multiplied by four).

(3) Represents net debt plus the total liquidation preference of preferred equity as of period end divided by in-place adjusted EBITDA for the period, as annualized (i.e. three month periods are multiplied by four).

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Reconciliation of common share dividends to dividends and distributions for payout ratios				
Common share dividends - unrestricted shares	$27,241	$ 25,938	$ 54,460	$ 51,857
Common unit distributions	936	1,004	1,872	2,015
Dividends and distributions for payout ratios	$28,177	$ 26,942	$ 56,332	$ 53,872
Reconciliation of GAAP net income to adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA") and in-place adjusted EBITDA				
Net income (loss)	$19,207	$(48,316)	$ 42,295	$ (40,220)
Interest expense	19,163	22,639	38,157	46,198
Income tax expense (benefit)	48	1	88	(7)
Real estate-related depreciation and amortization	32,793	33,248	65,852	67,775
Depreciation of furniture, fixtures and equipment	585	524	1,096	1,126
Impairment losses	1,625	69,692	1,625	72,138
Loss (gain) on early extinguishment of debt	513	(5)	513	(22)
Gain on sales of operating properties	(12)	—	(31)	—
Gain on sales of non-operational properties	—	—	(4,219)	—
Net gain on investments in unconsolidated entities included in interest and other income	—	(36)	—	(59)
Business development expenses	995	1,261	1,933	2,640
Demolition costs on redevelopment properties	72	370	294	578
Adjustments from unconsolidated real estate JV	575	—	1,147	—
Executive transition costs	31	247	730	4,384
Adjusted EBITDA	$75,595	$ 79,625	$149,480	$154,531
Proforma net operating income adjustment for property changes within period	421	109		
In-place adjusted EBITDA	$76,016	$ 79,734		
Reconciliation of interest expense to the denominators for fixed charge coverage-Adjusted EBITDA				
Interest expense	$19,163	$ 22,639	$ 38,157	$ 46,198
Less: Amortization of deferred financing costs	(922)	(1,178)	(1,931)	(2,354)
Less: Amortization of net debt discounts, net of amounts capitalized	(343)	(325)	(682)	(644)
Less: Accum. other comprehensive loss on derivatives amortized to expense	(36)	—	(36)	—
Less: (Loss) gain on interest rate derivatives	(444)	(319)	9	(1,870)
COPT's share of interest expense of unconsolidated real estate JV, excluding deferred financing costs	258	—	513	—
Scheduled principal amortization	955	1,732	1,913	3,532
Capitalized interest	1,611	1,309	3,142	3,062
Preferred share dividends	3,039	3,553	6,219	7,105
Preferred unit distributions	165	165	330	330
Denominator for fixed charge coverage-Adjusted EBITDA	$23,446	$ 27,576	$ 47,634	$ 55,359

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Reconciliations of tenant improvements and incentives, capital improvements and leasing costs for operating properties to replacement capital expenditures				
Tenant improvements and incentives	$ 6,148	$ 6,784	$ 10,888	$ 15,550
Building improvements	5,972	5,302	9,202	9,255
Leasing costs	1,666	1,613	2,817	2,796
Net additions to (exclusions from) tenant improvements and incentives	626	(885)	7,422	(2,238)
Excluded building improvements	(3,143)	(1,121)	(6,011)	(1,678)
Excluded leasing costs	—	(147)	—	(419)
Replacement capital expenditures	$11,269	$11,546	$ 24,318	$ 23,266
Same office property cash NOI	**$71,313**	**$69,485**	**$141,746**	**$136,601**
Straight line rent adjustments and lease incentive amortization	(1,106)	(2,724)	(1,368)	(3,618)
Amortization of acquired above- and below-market rents	(270)	(190)	(573)	(380)
Amortization of below-market cost arrangements	(146)	(239)	(292)	(478)
Lease termination fee, gross	517	336	1,223	1,289
Tenant funded landlord assets	628	2,848	895	3,411
Same office property NOI	**$70,936**	**$69,516**	**$141,631**	**$136,825**

	June 30, 2017	December 31, 2016
Reconciliation of total assets to adjusted book		
Total assets	$3,574,887	$ 3,780,885
Accumulated depreciation	755,208	706,385
Accumulated depreciation included in assets held for sale	8,148	9,566
Accumulated amortization of real estate intangibles and deferred leasing costs	183,199	210,692
Accumulated amortization of real estate intangibles and deferred leasing costs included in assets held for sale	9,951	11,575
COPT's share of liabilities of unconsolidated real estate JV	29,888	29,873
COPT's share of accumulated depreciation and amortization of unconsolidated real estate JV	2,064	938
Less: Cash and cash equivalents	(10,606)	(209,863)
COPT's share of cash of unconsolidated real estate JV	(377)	(283)
Adjusted book	$4,552,362	$ 4,539,768
Reconciliation of debt outstanding to net debt and net debt plus preferred equity		
Debt outstanding (excluding net debt discounts and deferred financing costs)	$1,942,216	$ 1,950,229
Less: Cash and cash equivalents	(10,606)	(209,863)
COPT's share of cash of unconsolidated real estate JV	(377)	(283)
Net debt	$1,931,233	$ 1,740,083
Preferred equity	8,800	207,883
Net debt plus preferred equity	$1,940,033	$ 1,947,966

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Corporate Office Properties Trust
IR Contacts:
Stephanie Krewson-Kelly, 443-285-5453
stephanie.kelly@copt.com

or
Michelle Layne, 443-285-5452
michelle.layne@copt.com

Source: Corporate Office Properties Trust