

July 25, 2012



## **COPT Announces July Dispositions of \$179 Million and a \$50 Million Strategic Acquisition**

COLUMBIA, Md.--(BUSINESS WIRE)-- Corporate Office Properties Trust (COPT) (NYSE: OFC), an office real estate investment trust (REIT) that focuses primarily on serving the specialized requirements of U.S. Government and Defense Information Technology tenants, announced that, subsequent to June 30, 2012, it completed the disposition of 24 operating properties and the Fort Ritchie development for gross proceeds of approximately \$179 million. The operating properties contained an aggregate of 1.5 million square feet and were 83.8% occupied (90 leases) at the time of sale. (Please refer to Table 1 for detail.)

Year to date through July 24, 2012, COPT has sold a total of \$317 million of properties and adjacent land containing approximately 2.3 million operational square feet and 162 leases that were 83.2% leased at the time of sale, realizing net proceeds of \$253 million.

Since announcing its Strategic Reallocation Plan (SRP) in April 2011, COPT has disposed of \$394 million of properties containing approximately 3.2 million operational square feet and adjacent land, realizing net proceeds after closing adjustments and repayment of property-specific debt of approximately \$323 million. These properties represent 31% of COPT's total leases but only 15% of its consolidated operating square feet that were in place at March 31, 2011 (the last reporting period before the SRP was announced).

COPT recycled \$49.6 million of the proceeds into the acquisition of a 202,000 square foot property located at 13857 McLearen Road, known as the McLearen Center in Herndon, Virginia. McLearen Center is a five story, Class-A building built in 2007 and is in close proximity to the large US Government controlled campus at Dulles Discovery. The building is 99% leased to a strategic tenant in the Defense Information Technology industry.

"We are pleased with our ability to execute the disposition of non-strategic assets, and to recycle some of the proceeds into McLearen Center, a highly strategic property. We look forward to discussing details of these transactions on our second quarter conference call on July 26<sup>th</sup>," stated Roger A. Waesche, Jr., President and Chief Executive Officer.

**Table 1: Details of July 2012 Dispositions**

<b>Address</b>	<b>Submarket</b>	<b>Operational Square Feet (000s)</b>
<b>Columbia, MD</b>		
9130, 9140, 9150 and 9160 Guilford Road	Howard County Perimeter	109
10270, 10280 and 10290 Old Columbia Road	Howard County Perimeter	42
9020 Mendenhall Court	Howard County Perimeter	48
9700, 9710, 9720, 9730 and 9740 Patuxent Woods Drive	Howard County Perimeter	153
<b>Frederick, MD</b>		
110 Thomas Johnson Drive	Frederick	120
<b>Gaithersburg, MD</b>		
400 Professional Drive	Gaithersburg	130
<b>Hanover, MD</b>		
7240 Parkway Drive	BWI South	75
<b>Hunt Valley, MD</b>		
226 Schilling Circle	Hunt Valley/Rte. 83 Corridor	97
10150 York Road	Hunt Valley/Rte. 83 Corridor	175
11311 McCormick Road	Hunt Valley/Rte. 83 Corridor	215
200 and 201 International Circle	Hunt Valley/Rte. 83 Corridor	204
<b>White Marsh, MD</b>		
7941-7949, 8029 and 8031 Corporate Drive	White Marsh	149
<b>Subtotal - Operating Properties</b>		<b>1,517</b>
<b>Fort Ritchie Development Project</b>		
591 acres in Cascade, MD		

**Conference Call to Discuss Second Quarter 2012 Results**

Earnings Release Date: Thursday, July 26, 2012 at 8:00 a.m. Eastern Time

Conference Call Date: Thursday, July 26, 2012

Time: 11:00 a.m. Eastern Time

Telephone Number: (within the U.S.) 888-679-8033

Telephone Number: (outside the U.S.) 617-213-4846

Passcode: 56197159

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=PAVMDVEGC>

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, July 26 at 3:00 p.m. Eastern Time through Thursday, August 9 at midnight Eastern Time. To access the replay within the United States,

please call 888-286-8010 and use passcode 58125347. To access the replay outside the United States, please call 617-801-6888 and use passcode 58125347.

The conference calls 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 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 strategic customer relationships and specialized tenant requirements in the U.S. Government and Defense Information Technology sectors and Data Centers serving such sectors. The Company acquires, develops, manages and leases office and data center properties that are typically concentrated in large office parks primarily located adjacent to government demand drivers and/or in strong markets that we believe possess growth opportunities. As of March 31, 2012, the Company's consolidated portfolio consisted of 231 office properties totaling 20.2 million rentable square feet. 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," "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 strategic tenants;*

- *the Company's ability to sell properties included in its Strategic Reallocation Plan;*
- *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 or views of market economic conditions or failure to obtain development rights, any of which could result in recognition of 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 dilutive effect 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, 2011.*

Corporate Office Properties Trust (COPT)

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Source: Corporate Office Properties Trust (COPT)