

CORPORATE OFFICE PROPERTIES TRUST
Form 8-K
July 26, 2001

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) July 26, 2001

CORPORATE OFFICE PROPERTIES TRUST

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation)

0-20047
(Commission File Number)

23-2947217
(IRS Employer
Identification Number)

**8815 Centre Park Drive, Suite 400
Columbia, Maryland 21045**
(Address of principal executive offices)

(410) 730-9092
(Registrant's telephone number, including area code)

Item 7. Financial Statements and Exhibits

The information contained in the attached exhibit is unaudited and should be read in conjunction with the Registrant's annual and quarterly reports filed with the Securities and Exchange Commission.

Exhibit Number	Description
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99.1	Supplemental information dated June 30, 2001 for Corporate Office Properties Trust.
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Item 9. Regulation FD Disclosure

In connection with its release of earnings on July 25, 2001, the Registrant is making available certain additional information pertaining to its properties and operations as of and for the period ended June 30, 2001. This information is filed herewith as Exhibit 99.1 and is incorporated

Financial Statements

Quarterly Selected Financial Summary Data	3
Quarterly Consolidated Balance Sheets	4
Quarterly Consolidated Statements of Operations and Funds From Operations (FFO)	5
Quarterly Consolidated Statements of Operations and FFO per Diluted Share	6
Quarterly Consolidated Statements of Operations and FFO as a Percentage of Total Revenues	7

Selected Financial Analyses

Quarterly Equity Analysis	8
Quarterly Valuation Analysis	9
Quarterly Debt Analysis	10
Quarterly Operating Ratios	11
Quarterly Dividend Analysis	12
Investor Composition and Analyst Coverage	13
Debt Maturity Schedule June 30, 2001	14

Portfolio Summary

Property Summary by Region June 30, 2001	15
Property Occupancy Rates by Region by Quarter	18
Top Twenty Office Tenants as of June 30, 2001	19
Total Rental Revenue and Net Operating Income by Geographic Region by Quarter	20
Same Office Property Cash and GAAP Net Operating Income by Quarter	21
Office Lease Expiration Analysis by Year	22
Year to Date and Quarterly Office Renewal Analysis	23
Acquisition and Disposition Summary as of June 30, 2001	25
Development Summary as of June 30, 2001	26

To Members of the Investment Community:

We prepared this supplemental information package to provide you with additional detail on our properties and operations. The information in this package is unaudited, filed with the Securities and Exchange Commission and should be read in conjunction with our quarterly and annual reports. If you have any questions or comments, please contact Ms. Sara L. Grootwassink, Vice President, Finance and Investor Relations at (410) 992-7324 or sara.grootwassink@copt.com.

Reporting Period Highlights Second Quarter 2001***Financial Results***

Reported FFO diluted of \$10,560,000 or \$.32 per share/unit for the second quarter of 2001 as compared to \$9,250,000 or \$.29 per share/unit for the comparable 2000 period, representing an increase of 10.3% per share/unit. FFO diluted increased \$1,310,000, or 14.2%, over the comparable 2000 period.

Reported AFFO diluted of \$8,591,000 or \$.26 per share/unit for the second quarter of 2001 as compared to \$7,634,000 or \$.24 per share/unit for the comparable 2000 period, representing an increase of 8.3% per share/unit.

For the six months ended June 30, 2001, reported FFO diluted of \$20,723,000 or \$.63 per share/unit as compared to \$18,150,000 or \$.56 per share/unit for the same six month period in 2000, representing an increase of 12.5% per share/unit. Similarly, reported AFFO diluted of \$16,948,000 or \$.51 per share/unit for the same six month period as compared to \$15,063,000 or \$.47 per share/unit, representing an increase of 8.5% per share/unit.

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Our diluted FFO payout ratio improved to 62.4% for the second quarter of 2001 as compared to 66.0% for the comparable 2000 period. For the six months ended June 30, 2001, the diluted FFO payout ratio was 63.4% as compared to 67.4% for the comparable period in 2000.

Financing and Capital Transactions

In April 2001, we issued 1,150,000 Series E cumulative redeemable preferred shares with a liquidation value of \$25.00 per share, raising \$28,750,000 in gross proceeds. These Series E preferred shares have a 10.25% coupon and can be redeemed at par at our option subsequent to July 15, 2006. Net proceeds were primarily used to pay down our Deutsche Bank revolving credit facility.

We closed on three permanent loans for \$73.8 million with a blended fixed interest rate of 7.13% and an average term of 7.4 years. The net proceeds were utilized to repay existing debt. Additionally, our \$50.0 million line of credit with Prudential Securities Corp. expired in June and we repaid the outstanding balance of \$29.1 million.

Our debt to market capitalization is 54.5% and our debt to undepreciated book value of real estate assets is 57.1% as of June 30, 2001. We achieved an EBITDA interest coverage ratio of 2.64x and an EBITDA fixed charge coverage ratio of 2.06x for this quarter.

Operations

We renewed 76.9% of our office leases (based upon square footage) with an average capital cost of \$5.58 per square foot during the 2nd quarter. We realized increases in base and total rents on a straight-line basis of 26.2% and 21.0%, respectively, as measured from the GAAP straight-line rent in effect preceding the renewal date. Base and total rent on a cash basis increased 21.0% and 16.6%, respectively, on this renewed and retented space.

1

Overall occupancy was 96.9% as of June 30, 2001. Occupancy rates approximated 98.0% in the Baltimore/Washington Corridor, which represents 63.4% of our office square footage and 65.1% of our total office revenues for the 2nd quarter of 2001. We were 97.6% leased as of June 30, 2001.

Weighted average lease term of our office portfolio is 4.5 years as of June 30, 2001, with an average contractual rental rate (including tenant reimbursements for operating costs) of \$17.61 per square foot.

Acquisition / Disposition

On May 14, 2001, we acquired two operating properties totaling 110,675 square feet and a 30,855 square foot redevelopment property. The two operating properties are 100% leased, primarily to State Farm Mutual, General Physics Corp. and Arbitron. Our market concentration improves to over 30% in the Columbia Gateway Business Park through our portfolio of 8 operating properties comprising 557,000 square feet.

On June 18, 2001, we sold 19 Commerce, a 65,277 square foot building and development opportunity located in Cranbury, New Jersey, for \$11,525,000.

Development

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In May 2001, we delivered a 43,785 square foot property located in Montpelier Research Park, Columbia, Maryland. This property is 100% leased to Johns Hopkins University and was developed through a joint venture arrangement in which we hold an 80% interest.

During June, we signed a ten-year lease for 29,741 square feet with Titan Systems Corporation in 201 NBP, currently under construction. This building is now 77.1% pre-leased.

Subsequent Events

On July 2, 2001 we paid \$6.9 million to acquire the remaining 60% interest in a joint venture which owned 5 properties totaling 314,594 square feet in the BWI Airport submarket. We now directly own these 5 properties.

Note: This supplemental information contains "forward looking" statements, as defined in the Private Securities Litigation Reform Act of 1995, that are based on the Company's current expectations, estimates and projections about future events and financial trends affecting the financial condition of the business. Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. These statements are not guarantees of future performance, events or results and involve potential risks and uncertainties. Accordingly, actual results may differ materially. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. For further information, please refer to the Company's filings with the Securities and Exchange Commission.

2

Quarterly Selected Financial Summary Data

(Dollars in thousands)

	2001		2000		
	June 30	March 31	December 31	September 30	June 30
Total Revenues from Real Estate Operations	\$ 28,711	\$ 28,851	\$ 27,609	\$ 27,656	\$ 26,417
Net Operating Income from Real Estate Operations	20,153	20,385	19,469	19,606	18,980
EBITDA	20,471	19,490	19,298	18,559	17,772
Net Income before Preferred Dividends	5,081	3,726	4,087	3,685	3,712
Preferred Dividends	(1,613)	(881)	(782)	(781)	(1,119)
Net Income Available to Common Shareholders	\$ 3,468	\$ 2,845	\$ 3,305	\$ 2,904	\$ 2,593
Funds From Operations (FFO) Diluted	\$ 10,560	\$ 10,102	\$ 9,804	\$ 9,550	\$ 9,250
FFO per diluted share	\$ 0.32	\$ 0.31	\$ 0.31	\$ 0.30	\$ 0.29
Adjusted FFO Diluted(A)	\$ 8,591	\$ 8,296	\$ 8,228	\$ 6,691	\$ 7,634
Adjusted FFO per diluted share	\$ 0.26	\$ 0.25	\$ 0.26	\$ 0.23	\$ 0.24
Payout Ratios:					

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	2001		2000		
FFO Diluted(B)	62.43%	64.87%	65.67%	67.42%	66.02%
AFFO Diluted(C)	76.73%	78.99%	78.25%	87.68%	80.00%
Total Dividends/Distributions	\$ 8,069	\$ 7,334	\$ 7,220	\$ 7,220	\$ 6,888

- (A) For the quarter ended September 30, 2000, the Series C convertible preferred units were anti-dilutive for AFFO calculations. Thus, in computing AFFO, the quarterly dividend of \$572 was included in the numerator and the related 2,421 of Series C convertible preferred units (as if already converted into common shares) were excluded from the denominator.
- (B) Computed by dividing total dividends/distributions (except for dividends on Series B and Series E Cumulative Redeemable Preferred Shares which are subtracted to calculate FFO) by FFO diluted.
- (C) Computed by dividing total dividends/distributions (except for dividends on Series B and Series E Cumulative Redeemable Preferred Shares which are subtracted to calculate AFFO) by AFFO diluted. In addition, for the quarter ended September 30, 2000, the quarterly Series C preferred unit dividend of \$572 was excluded from the numerator.

3

Quarterly Consolidated Balance Sheets

(Dollars in thousands except per share data)

	2001		2000		
	June 30	March 31	December 31	September 30	June 30
Assets					
Investment in real estate:					
Land operational	\$ 142,461	\$ 140,620	\$ 140,018	\$ 136,723	\$ 141,646
Land development	24,488	24,683	19,069	21,888	15,888
Construction in progress	30,066	22,228	17,489	21,579	20,300
Buildings and improvements	624,635	615,586	604,666	585,067	575,531
Investment in and advances to real estate joint ventures	12,009	6,877	3,616	8,606	
Less: accumulated depreciation	(41,659)	(37,652)	(33,271)	(29,460)	(25,490)
Net investment in real estate	792,000	772,342	751,587	744,403	727,875
Cash and cash equivalents	2,962	3,806	4,981	3,259	630
Restricted cash	9,633	4,468	2,703	2,007	2,903
Accounts receivable, net	4,855	5,519	3,245	3,571	3,386
Investment in and advances to other unconsolidated entities	2,041	2,159	6,124	4,074	4,095
Deferred rent receivable	9,804	9,335	8,644	7,882	6,010
Deferred charges, net	16,357	15,550	12,905	12,667	10,953
Prepaid and other assets	9,383	6,726	4,501	6,836	4,197
Furniture, fixtures and equipment, net of accumulated depreciation	1,772	1,807	147	166	185

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	2001		2000		
Total assets	\$ 848,807	\$ 821,712	\$ 794,837	\$ 784,865	\$ 760,234
Liabilities and beneficiaries' equity					
Liabilities:					
Mortgage loans payable	\$ 475,999	\$ 478,913	\$ 474,349	\$ 465,696	\$ 436,679
Accounts payable and accrued expenses	13,361	10,889	10,227	6,435	11,245
Rents received in advance and security deposits	4,023	4,236	3,883	5,351	4,277
Dividends/distributions payable	7,918	7,203	7,090	7,090	6,757
Fair value of derivatives	2,232	1,993			
Other liabilities	10,637	10,243			
Total liabilities	514,170	513,477	495,549	484,572	458,958
Minority interests:					
Preferred Units in the Operating Partnership	24,367	24,367	24,367	24,367	24,367
Common Units in the Operating Partnership	78,900	80,467	81,069	81,402	78,720
Other consolidated partnership	224	166	124	115	109
Total minority interests	103,491	105,000	105,560	105,884	103,196
Commitments and contingencies					
Beneficiaries' equity:					
Preferred Shares (\$0.01 par value; 5,000,000 authorized);					
1,025,000 designated as Series A Convertible Preferred Shares of beneficial interest (1 share issued as of June 30, 2001)					10
1,725,000 designated as Series B Cumulative Redeemable Preferred Shares of beneficial interest (1,250,000 shares issued as of June 30, 2001)	13	13	12	12	12
544,000 designated as Series D Cumulative Redeemable Preferred Shares of beneficial interest (544,000 shares issued as of June 30, 2001)	5	5			
1,150,000 designated as Series E Cumulative Redeemable Preferred Shares of beneficial interest (1,150,000 shares issued as of June 30, 2001)	11				
Common Shares of beneficial interest (\$0.01 par value; 45,000,000 authorized, 20,692,663 shares issued as of June 30, 2001)	208	207	206	206	187
Treasury Shares, at cost (166,600 shares as of June 30, 2001)	(1,415)	(1,415)	(1,415)	(1,415)	(1,415)
Additional paid-in capital	249,617	221,682	209,388	209,384	211,978
Accumulated deficit	(12,776)	(12,222)	(11,064)	(10,379)	(9,293)
Value of unearned restricted Common Share grants	(3,042)	(3,042)	(3,399)	(3,399)	(3,399)
Accumulated comprehensive loss	(1,475)	(1,993)			
Total beneficiaries' equity	231,146	203,235	193,728	194,409	198,080
Total beneficiaries' equity and minority interests	334,637	308,235	299,288	300,293	301,276
Total liabilities and beneficiaries' equity	\$ 848,807	\$ 821,712	\$ 794,837	\$ 784,865	\$ 760,234

Note: Prior to January 1, 2001, other unconsolidated entities include Corporate Office Services, Inc. (COS); Corporate Office Management, Inc. (COMI); Corporate Development Services, LLC (CDS); MediTract, LLC; Corporate Management Services, LLC (CMS); Corporate Realty Management, LLC

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(CRM); and Martin G. Knott and Associates, LLC (MGK). Subsequent to January 1, 2001, other unconsolidated entities consist solely of Meditract, LLC and Paragon Smart Technologies, LLC.

4

Quarterly Consolidated Statements of Operations and Funds From Operations (FFO)

(Dollars and units in thousands)

	2001		2000		
	June 30	March 31	December 31	September 30	June 30
Revenues					
Rental revenue	\$ 25,960	\$ 25,619	\$ 24,269	\$ 23,980	\$ 23,154
Tenant recoveries and other revenue	2,751	3,232	3,340	3,676	3,263
Total Revenues from Real Estate Operations	28,711	28,851	27,609	27,656	26,417
Expenses					
Property operating	3,492	3,448	3,220	3,596	3,049
Repairs and maintenance	3,595	3,518	3,491	3,018	3,065
Real estate taxes	1,471	1,500	1,429	1,436	1,323
Total Property Expenses from Real Estate Operations	8,558	8,466	8,140	8,050	7,437
Net Operating Income from Real Estate Operations	20,153	20,385	19,469	19,606	18,980
General and administrative	(1,329)	(1,446)	(1,040)	(1,319)	(1,160)
Equity in income of unconsol. real estate joint ventures	124	30			
Earnings from service companies	143	(329)			
Income from real estate services	1,380	850	1,067	383	
Equity in (loss) income of other unconsolidated entities			(198)	(111)	(48)
EBITDA	20,471	19,490	19,298	18,559	17,772
Interest expense	(7,762)	(8,194)	(8,266)	(7,850)	(7,404)
Series B & E Preferred Share dividends	(1,477)	(781)	(782)	(781)	(780)
Amortization of deferred financing costs	(546)	(383)	(416)	(349)	(311)
Income tax (expense) benefit	(44)	122			
Income on options assumed to be converted		(61)			
Depreciation on unconsolidated real estate entities	70	(4)	(4)	(3)	(3)
Minority interestholders' share of operations	(58)	4	(9)	(6)	(4)
Depreciation of corporate FF&E	(94)	(91)	(17)	(20)	(20)
Funds From Operations (FFO) Diluted	10,560	10,102	9,804	9,550	9,250
Depreciation and other amortization	(4,863)	(4,809)	(4,485)	(4,275)	(4,287)
Gain on property sales	416		50		57
Loss on early extinguishment of debt	(99)	(106)	(2)	(109)	(42)
Cumulative effect adjustment for accounting change		(263)			
Income on options assumed to be converted		61			
Depreciation on unconsolidated real estate entities	(70)	4	4	3	3
Minority interestholders' share of operations	58	(4)	9	6	4

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	2001		2000		
Series B & E Preferred Share dividends	1,477	781	782	781	780
Income Before Minority Interests and Preferred Share dividends	7,479	5,766	6,162	5,956	5,765
Minority Interests:					
Preferred Units in Operating Partnership	(572)	(572)	(572)	(572)	(548)
Common Units in Operating Partnership	(1,768)	(1,472)	(1,494)	(1,693)	(1,501)
Other consolidated partnership	(58)	4	(9)	(6)	(4)
Preferred Share dividends	(1,613)	(881)	(782)	(781)	(1,119)
Net Income Available to Common Shareholders	\$ 3,468	\$ 2,845	\$ 3,305	\$ 2,904	\$ 2,593
Funds From Operations (FFO) Diluted	\$ 10,560	\$ 10,102	\$ 9,804	\$ 9,550	\$ 9,250
Preferred Units in Operating Partnership(1)				(572)	
Straight line rents	(816)	(690)	(800)	(1,872)	(693)
Non-incremental capital expenditures	(1,153)	(1,116)	(776)	(415)	(923)
Adjusted Funds from Operations Diluted	\$ 8,591	\$ 8,296	\$ 8,228	\$ 6,691	\$ 7,634
Preferred dividends/distributions(2)	2,185	1,453	1,353	1,353	1,668
Common dividends/distributions	5,884	5,881	5,867	5,867	5,220
Total Dividends/Distributions	\$ 8,069	\$ 7,334	\$ 7,220	\$ 7,220	\$ 6,888

- (1) For the quarter ended September 30, 2000, the Series C convertible preferred units were anti-dilutive for AFFO calculations. Thus, in computing AFFO, the quarterly dividend of \$572 was included in the numerator and the related 2,421 of Series C convertible preferred units (as if already converted into common shares) were excluded from the denominator.
- (2) Includes Series B and E Cumulative Redeemable Preferred Share dividends deducted for FFO/AFFO computations.

Quarterly Consolidated Statements of Operations and FFO per Diluted Share

(Shares in thousands)

	2001		2000		
	June 30	March 31	December 31	September 30	June 30
Revenues					
Rental revenue	\$ 0.78	\$ 0.78	\$ 0.76	\$ 0.75	\$ 0.71
Tenant recoveries and other revenue	0.08	0.10	0.10	0.11	0.10
Total Revenues from Real Estate Operations	0.86	0.88	0.86	0.86	0.82

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	2001		2000		
Expenses					
Property operating	0.10	0.10	0.10	0.11	0.09
Repairs and maintenance	0.11	0.11	0.11	0.09	0.09
Real estate taxes	0.04	0.05	0.04	0.04	0.04
Total Property Expenses from Real Estate Operations	0.26	0.26	0.25	0.25	0.23
Net Operating Income from Real Estate Operations	0.60	0.62	0.61	0.61	0.59
General and administrative	(0.04)	(0.04)	(0.03)	(0.04)	(0.04)
Equity in income of unconsol. real estate joint ventures	0.00	0.00			
Earnings from service companies	0.00	(0.01)			
Income from real estate services	0.04	0.03	0.03	0.01	
Equity in (loss) income of other unconsolidated entities			(0.01)	(0.00)	(0.00)
EBITDA	0.61	0.59	0.60	0.58	0.55
Interest expense	(0.23)	(0.25)	(0.26)	(0.25)	(0.23)
Series B & E Preferred Share dividends	(0.04)	(0.02)	(0.02)	(0.02)	(0.02)
Amortization of deferred financing costs	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)
Income tax (expense) benefit	(0.00)	0.00			
Income on options assumed to be converted		(0.00)			
Depreciation on unconsolidated real estate entities	0.00	(0.00)	(0.00)	(0.00)	(0.00)
Minority interestholders' share of operations	(0.00)	0.00	(0.00)	(0.00)	(0.00)
Depreciation of corporate FF&E	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Funds From Operations (FFO) Diluted	0.32	0.31	0.31	0.30	0.29
Depreciation and other amortization	(0.15)	(0.15)	(0.14)	(0.13)	(0.13)
Gain on property sales	0.01		0.00		0.00
Loss on early extinguishment of debt	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Cumulative effect adjustment for accounting change		(0.01)			
Income on options assumed to be converted		0.00			
Depreciation on unconsolidated real estate entities	(0.00)	0.00	0.00	0.00	0.00
Minority interestholders' share of operations	0.00	(0.00)	0.00	0.00	0.00
Series B & E Preferred Share dividends	0.04	0.02	0.02	0.02	0.02
Income Before Minority Interests and Preferred Share dividends	0.22	0.18	0.19	0.19	0.18
Minority Interests:					
Preferred Units in Operating Partnership	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Common Units in Operating Partnership	(0.05)	(0.04)	(0.05)	(0.05)	(0.05)
Other consolidated partnership	(0.00)	0.00	(0.00)	(0.00)	(0.00)
Preferred Share dividends	(0.05)	(0.03)	(0.02)	(0.02)	(0.03)
Net Income Available to Common Shareholders	\$ 0.10	\$ 0.09	\$ 0.10	\$ 0.09	\$ 0.08
Funds From Operations (FFO) Diluted	\$ 0.32	\$ 0.31	\$ 0.31	\$ 0.30	\$ 0.29
Preferred Units in Operating Partnership				(0.02)	
Straight line rents	(0.02)	(0.02)	(0.02)	(0.06)	(0.02)
Non-incremental capital expenditures	(0.03)	(0.03)	(0.02)	(0.01)	(0.03)

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	2001		2000		
Adjusted Funds from Operations Diluted	\$ 0.26	\$ 0.25	\$ 0.26	\$ 0.23	\$ 0.24
For FFO Computations:					
Weighted Average Converted Preferred Shares/Units	3,618	3,299	2,421	2,421	4,642
Weighted Average Common Shares/Units Outstanding	29,746	29,643	29,611	29,561	27,750
Weighted Average Diluted Shares Outstanding	33,364	32,942	32,032	31,982	32,393
For AFFO Computations:					
Weighted Average Converted Preferred Shares/Units	3,618	3,299	2,421		4,642
Weighted Average Common Shares/Units Outstanding	29,746	29,643	29,611	29,561	27,750
Weighted Average Diluted Shares Outstanding	33,364	32,942	32,032	29,561	32,393

6

Quarterly Consolidated Statements of Operations and FFO as a Percentage of Total Revenues

	2001		2000		
	June 30	March 31	December 31	September 30	June 30
Revenues					
Rental revenue	90 %	89 %	88 %	87 %	88 %
Tenant recoveries and other revenue	10 %	11 %	12 %	13 %	12 %
Total Revenues from Real Estate Operations	100 %	100 %	100 %	100 %	100 %
Expenses					
Property operating	12 %	12 %	12 %	13 %	12 %
Repairs and maintenance	13 %	12 %	13 %	11 %	12 %
Real estate taxes	5 %	5 %	5 %	5 %	5 %
Total Property Expenses from Real Estate Operations	30 %	29 %	29 %	29 %	28 %
Net Operating Income from Real Estate Operations	70 %	71 %	71 %	71 %	72 %
General and administrative	(5)%	(5)%	(4)%	(5)%	(4)%
Equity in income of unconsol. real estate joint ventures	0 %	0 %	0 %	0 %	0 %
Earnings from service companies	0 %	(1)%	0 %	0 %	0 %
Income from real estate services	5 %	3 %	4 %	1 %	0 %
Equity in (loss) income of other unconsolidated entities	0 %	0 %	(1)%	(0)%	(0)%
EBITDA	71 %	68 %	70 %	67 %	67 %
Interest expense	(27)%	(28)%	(30)%	(28)%	(28)%
Series B & E Preferred Share dividends	(5)%	(3)%	(3)%	(3)%	(3)%
Amortization of deferred financing costs	(2)%	(1)%	(2)%	(1)%	(1)%
Income tax (expense) benefit	(0)%	0 %	0 %	0 %	0 %
Income on options assumed to be converted	0 %	(0)%	0 %	0 %	0 %
Depreciation on unconsolidated real estate entities	0 %	(0)%	(0)%	(0)%	(0)%

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	2001		2000		
Minority interestholders' share of operations	(0)%	0 %	(0)%	(0)%	(0)%
Depreciation of corporate FF&E	(0)%	(0)%	(0)%	(0)%	(0)%
Funds From Operations (FFO) Diluted	37 %	35 %	36 %	35 %	35 %
Depreciation and other amortization	(17)%	(17)%	(16)%	(15)%	(16)%
Gain on property sales	1 %	0 %	0 %	0 %	0 %
Loss on early extinguishment of debt	(0)%	(0)%	(0)%	(0)%	(0)%
Cumulative effect adjustment for accounting change	0 %	(1)%	0 %	0 %	0 %
Income on options assumed to be converted	0 %	0 %	0 %	0 %	0 %
Depreciation on unconsolidated real estate entities	(0)%	0 %	0 %	0 %	0 %
Minority interestholders' share of operations	0 %	(0)%	0 %	0 %	0 %
Series B & E Preferred Share dividends	5 %	3 %	3 %	3 %	3 %
Income Before Minority Interests and Preferred Share dividends	26 %	20 %	22 %	22 %	22 %
Minority Interests:					
Preferred Units in Operating Partnership	(2)%	(2)%	(2)%	(2)%	(2)%
Common Units in Operating Partnership	(6)%	(5)%	(5)%	(6)%	(6)%
Other consolidated partnership	(0)%	0 %	(0)%	(0)%	(0)%
Preferred Share dividends	(6)%	(3)%	(3)%	(3)%	(4)%
Net Income Available to Common Shareholders	12 %	10 %	12 %	11 %	10 %
Funds From Operations (FFO) Diluted	37 %	35 %	36 %	35 %	35 %
Preferred Units in Operating Partnership	0 %	0 %	0 %	(2)%	0 %
Straight line rents	(3)%	(2)%	(3)%	(7)%	(3)%
Non-incremental capital expenditures	(4)%	(4)%	(3)%	(2)%	(3)%
Adjusted Funds from Operations Diluted	30 %	29 %	30 %	24 %	29 %

7

Quarterly Equity Analysis

(Amounts in thousands, except per share data, share prices and ratios)

	2001		2000		
	June 30	March 31	December 31	September 30	June 30
Common Equity End of Quarter					
Common Shares(1)	20,526	20,429	20,409	20,407	18,544
Common Units	9,307	9,388	9,388	9,388	9,388
Total	29,833	29,817	29,797	29,795	27,932

2001

2000

Convertible Preferred Equity End of Quarter