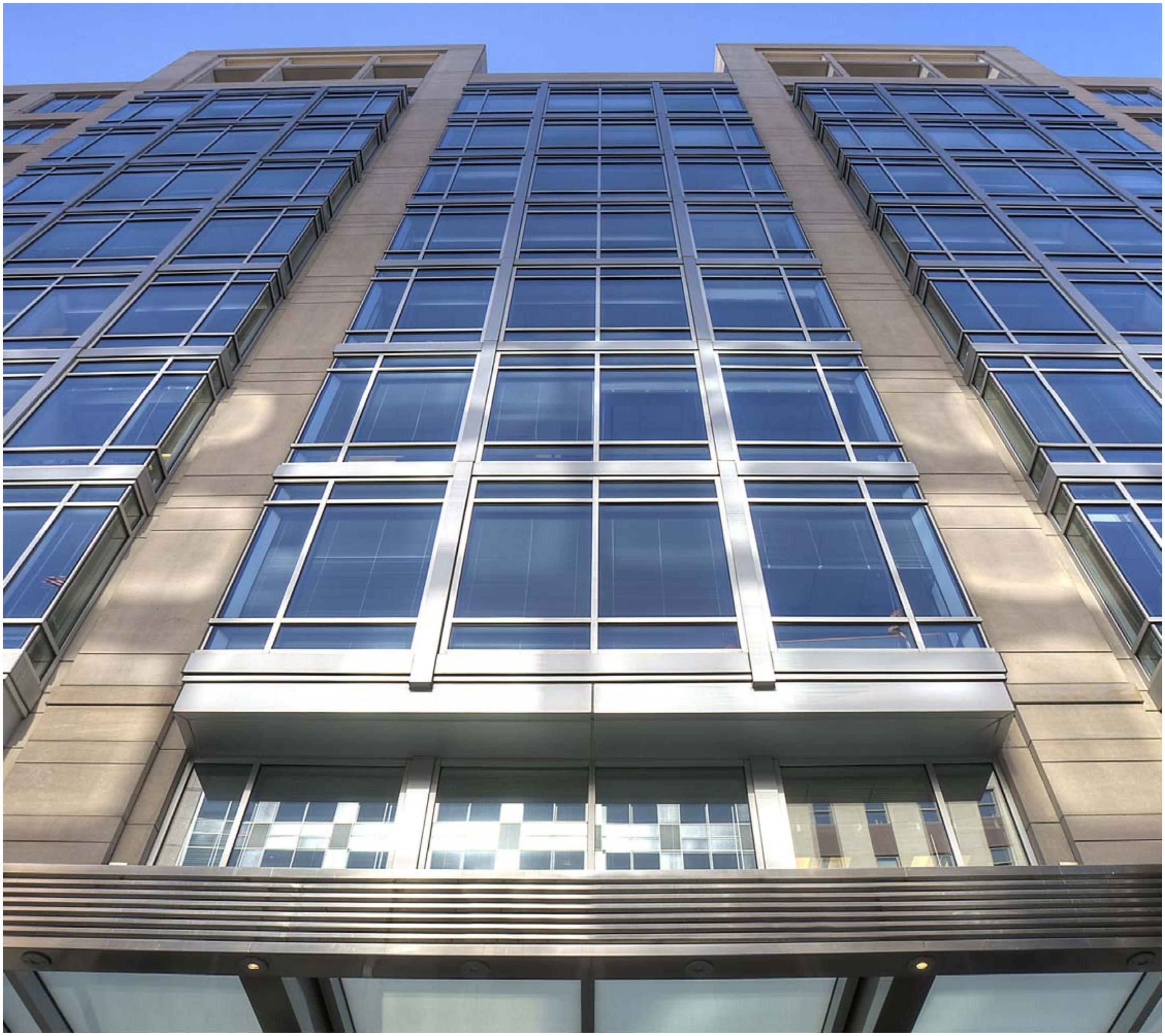

First Quarter 2013
Supplemental Financial Information

FIRST POTOMAC
REALTY TRUST

www.first-potomac.com

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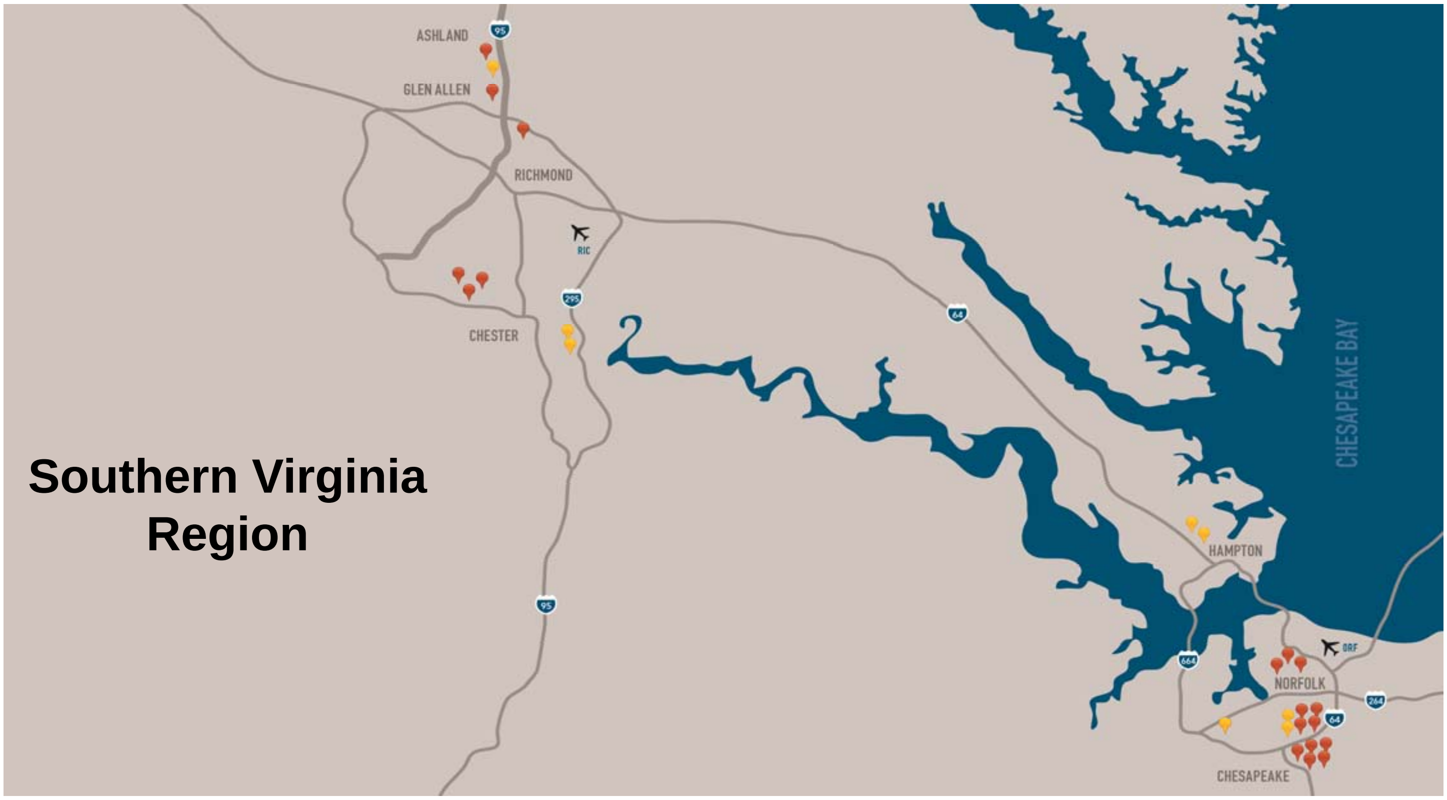
Company Information

First Potomac Realty Trust is a leader in the ownership, management, development and redevelopment of office, business park and industrial properties in the greater Washington, DC region. The Company's focus is on acquiring properties that can benefit from its intensive property management and repositioning of properties to increase their profitability and value.

Corporate Headquarters	7600 Wisconsin Avenue 11th Floor Bethesda, MD 20814
New York Stock Exchange	FPO LISTED NYSE
Web Site	www.first-potomac.com
Investor Relations	Jaime N. Marcus Manager, Investor Relations (301) 986-9200 jmarcus@first-potomac.com

Although the Company believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, there can be no assurance that its expectations will be achieved. Certain factors that could cause actual results to differ materially from the Company's expectations include changes in general or regional economic conditions; the Company's ability to timely lease or re-lease space at current or anticipated rents; changes in interest rates; changes in operating costs; the Company's ability to complete acquisitions and, if applicable, dispositions on acceptable terms; the Company's ability to manage its current debt levels and repay or refinance its indebtedness upon maturity or other required payment dates; the Company's ability to maintain financial covenant compliance under its debt agreements; the Company's ability to maintain effective internal controls over financial reporting and disclosure controls and procedures; the impact of the Company's recent internal investigation, including any remedial actions and enhancement measures implemented in response to the internal investigation; any impact of the informal inquiry initiated by the SEC; the Company's ability to obtain debt and/or financing on attractive terms, or at all; and other risks detailed in the Company's Annual Report on Form 10-K and described from time to time in the Company's other filings with the SEC. Many of these factors are beyond the Company's ability to control or predict. Forward-looking statements are not guarantees of performance. For forward-looking statements herein, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

Note that certain figures are rounded to the nearest thousands or to a tenth of a percent throughout the document, which may impact footing and/or crossfooting of totals and subtotals.



Note: Properties in yellow are being marketed for disposition in 2013 as part of the industrial portfolio sale.

FIRST POTOMAC REALTY TRUST REPORTS
FIRST QUARTER 2013 RESULTS

Executed 563,000 Square Feet of Leases Bringing Portfolio to 86.3% Leased

BETHESDA, MD. (April 25, 2013) – First Potomac Realty Trust (NYSE: FPO), a leader in the ownership, management, development and redevelopment of office, business park, and industrial properties in the greater Washington, D.C. region, reported results for the first quarter of 2013.

First Quarter 2013

- *Core Funds From Operations of $15.8 million, or $0.30 per diluted share.*
- *Same-property net operating income increased by 1.4% on an accrual basis and 1.3% on a cash basis.*
- *Executed 563,000 square feet of leases, including 218,000 square feet of new leases.*
- *Delivered more than 177,000 square feet of positive net absorption and a strong tenant retention rate of 89%.*
- *Executed credit facility and term loan amendments designed to increase balance sheet flexibility.*

Douglas J. Donatelli, Chairman and CEO of First Potomac Realty Trust, stated, "I'm very pleased with our first quarter results, which provided a solid beginning to 2013. This was the fifth consecutive quarter of positive net absorption in our portfolio, despite a slow leasing environment in our region, as we signed more than 563,000 square feet of leases, including 218,000 square feet of new leases. We also increased our leased and occupied percentages across nearly all geographic regions and property types, and our same-property net operating income was up 1.4%. All of this demonstrates the high quality nature of our portfolio and is a result of continued hard work by our team. Additionally, we are continuing to market our industrial portfolio for sale, and we are pleased with the interest we have seen. We look forward to sharing our progress once the process is completed."

Funds From Operations ("FFO") and Core FFO increased for the three months ended March 31, 2013 compared with the same period in 2012 primarily due to an increase in the Company's net operating income. The increase in net operating income for the three months ended March 31, 2013 compared with the same period in 2012 was largely a result of higher occupancy in the Company's portfolio, particularly at Redland Corporate Center, and an increase in termination fee income.

A reconciliation between Core FFO and FFO available to common shareholders for the three months ended March 31, 2013 and 2012 is presented below (in thousands, except per share amounts):

	Three Months Ended March 31,			
	2013		2012	
	Amount	Per diluted share[1]	Amount	Per diluted share[1]
Core FFO	$ 15,846	$ 0.30	$ 14,555	$ 0.28
Acquisition costs	-	-	(17)	-
Deferred abatement and straight-line amortization[2]	1,567	0.03	-	-
Legal costs associated with informal SEC inquiry	(336)	(0.01)	-	-
Debt modification fees	-	-	(105)	-
FFO available to common shareholders	$ 17,077	$ 0.32	$ 14,433	$ 0.27
Net income (loss)	$ 1,963		$ (3,474)	
Net loss attributable to common shareholders per diluted common share[3]	$ (0.02)		$ (0.12)	

(1) Numbers may not foot due to rounding.
(2) Represents the accelerated amortization of the straight-line balance and the deferred abatement for Engineering Solutions at I-66 Commerce Center, which terminated its lease prior to completion. The tenant vacated the property at the end of March 2013.
(3) Reflects amounts attributable to non-controlling interests and the impact of dividends on the Company's preferred shares to arrive at net loss attributable to common shareholders.

A reconciliation of net income (loss) to FFO available to common shareholders and Core FFO, as well as definitions and statements of purpose, are included below in the financial tables accompanying this press release and under "Non-GAAP Financial Measures," respectively.

Operating Performance

At March 31, 2013, the Company's consolidated portfolio consisted of 179 buildings totaling approximately 14 million square feet. The Company's consolidated portfolio was 86.3% leased and 83.9% occupied at March 31, 2013, compared with 84.9% leased and 83.0% occupied at both December 31, 2012 and March 31, 2012. On a quarter-over-quarter basis, the increase in both the leased and occupied percentages reflect the lease up of previously vacant space in the Company's portfolio. Excluding Engineering Solutions, which terminated its lease on March 31, 2013, the Company's consolidated portfolio was 84.5% leased and 82.1% occupied at March 31, 2013.

During the first quarter of 2013, the Company executed 563,000 square feet of leases, which consisted of 218,000 square feet of new leases and 345,000 square feet of renewal leases. The 345,000 square feet of renewal leases in the quarter reflects an 89% retention rate.

Same-property net operating income ("Same-Property NOI") increased 1.4% for the three months ended March 31, 2013, compared with the same period in 2012. The increase in Same-Property NOI was primarily due to increases in occupancy at Redland Corporate Center, the back building at Atlantic Corporate Park, Van Buren Office Park and Campus at Metro Park North, which was partially offset by an increase in snow and ice removal costs when compared with the same period in 2012.

A reconciliation of net income (loss) to Same-Property NOI and a definition and statement of purpose are included below in the financial tables accompanying this press release and under "Non-GAAP Financial Measures," respectively.

A list of the Company's properties, as well as additional information regarding the Company's results of operations can be found in the Company's First Quarter 2013 Supplemental Financial Report, which is posted on the Company's website, www.first-potomac.com.

Disposition

In March 2013, the Company entered into a contract to sell a building at Lafayette Business Center, a six-building office park located in Chantilly, Virginia. The sale is expected to be completed in the second quarter of 2013. At March 31, 2013, the Company classified the building as "held-for-sale" on its consolidated balance sheet and reflected the building's operating results as discontinued operations in its consolidated statements of operations for each of the periods presented.

Financing Activity

On January 2, 2013, the Company repaid a $3.2 million mortgage loan that encumbered Prosperity Business Center with proceeds from a draw under its unsecured revolving credit facility.

In February 2013, the Company entered into a senior secured multi-tranche term loan facility (the "Bridge Loan") with KeyBank, National Association and borrowed $37.5 million to repay a $15.4 million mortgage loan that encumbered Cedar Hill, a $13.3 million mortgage loan that encumbered the Merrill Lynch Building and a $7.6 million mortgage loan that encumbered a building at Crossways Commerce Center. The Bridge Loan has a variable interest rate of LIBOR plus a spread of 2.15% and matures in November 2013, with a three-month extension at the Company's option. The Company can repay all or a portion of the Bridge Loan, without penalty, at any time during the term of the loan.

On February 8, 2013, the Company and its bank lenders amended its unsecured revolving credit facility and existing term loans to provide increased flexibility on a short-term basis under certain financial covenants, specifically extending the December 31, 2012 requirements under the consolidated total leverage, unencumbered pool leverage and consolidated debt yield covenants in the near term, and proactively addressing the impact that the potential industrial portfolio sale would have on the covenants relating to tangible net worth and dispositions as a percentage of gross asset value.

Balance Sheet

The Company had $954.9 million of debt outstanding at March 31, 2013, of which $355.4 million was fixed-rate debt and $350.0 million was variable-rate debt that had been swapped to a fixed interest rate. The remainder of the Company's debt, $249.5 million, was variable-rate debt that consisted of one mortgage loan and borrowings under its secured term loans and unsecured revolving credit facility.

Dividends

On April 23, 2013, the Company declared a dividend of $0.15 per common share, equating to an annualized dividend of $0.60 per common share. The dividend will be paid on May 15, 2013 to common shareholders of record as of May 6, 2013. The Company also declared a dividend of $0.484375 per share on its Series A Preferred Shares. The dividend will be paid on May 15, 2013 to preferred shareholders of record as of May 6, 2013.

Core FFO Guidance

The Company maintained its full-year 2013 Core FFO guidance of $1.17 to $1.23 per diluted share. As previously disclosed, the following guidance does not include the impact of the proposed industrial portfolio sale, and at this time, the Company is not providing any guidance with respect to the timing or anticipated proceeds from the industrial portfolio sale. The Company's guidance is also based on a number of other assumptions, many of which are outside the Company's control and all of which are subject to change. The Company may change its guidance as actual and anticipated results vary from these assumptions.

The following is a summary of the assumptions that the Company used in arriving at its guidance (unaudited, amounts in thousands except percentages and per share amounts):

	Expected Ranges[1]		
Portfolio NOI[2]	$ 125,000	-	$ 128,000
Interest and Other Income		6,000	
FFO from Unconsolidated Joint Ventures	5,000	-	5,500
Interest Expense	$ 39,000	-	$ 42,000
G&A	19,500	-	20,500
Preferred Dividends		12,400	
Weighted Average Shares	53,000	-	53,500
Average Occupancy	83.5%	-	84.5%
Year-End Occupancy	84.0%	-	85.5%
Same-Property NOI – Accrual Basis	(2.0)%	-	0%

(1) The Company's guidance reflects the disposition of a building at Lafayette Business Center, but does not take into consideration any additional dispositions, acquisitions or capital raising activities.
(2) Does not include the $1.5 million straight-line amortization rent impact associated with Engineering Solutions at I-66 Commerce Center. The tenant terminated its lease at the end of March 2013.

Guidance Range for 2013	Low Range	High Range
Net loss attributable to common shareholders per diluted share	$ (0.19)	$ (0.13)
Real estate depreciation[1]	1.40	1.40
I-66 Commerce Center accelerated amortization	(0.03)	(0.03)
Net loss attributable to noncontrolling interests and items excluded from Core FFO per diluted share[2]	(0.01)	(0.01)
Core FFO per diluted share	$ 1.17	$ 1.23

[1] Includes the Company's pro-rata share of depreciation from its unconsolidated joint ventures.
[2] Items excluded from Core FFO consist of costs associated with the potential industrial portfolio sale and the informal SEC inquiry, contingent consideration, debt retirement charges and debt modification charges.

Investor Conference Call and Webcast

First Potomac will host a conference call on April 26, 2013 at 9:00 AM ET to discuss first quarter results. The conference call can be accessed by dialing (877) 705-6003 or (201) 493-6725 for international participants. A replay of the call will be available from 12:00 Noon ET on April 26, 2013, until midnight ET on May 3, 2013. The replay can be accessed by dialing (877) 870-5176 or (858) 384-5517 for international callers, and entering pin number 411457.

A live broadcast of the conference call will also be available online at the Company's website, www.first-potomac.com, on April 26, 2013, beginning at 9:00 AM ET. An online replay will follow shortly after the call and will continue for 90 days.

Annual Meeting of Shareholders

First Potomac Realty Trust will hold its 2013 Annual Meeting of Shareholders on Wednesday, May 22, 2013, at 11:00 a.m. ET at the Company's corporate headquarters at 7600 Wisconsin Avenue, 10th Floor in Bethesda, Maryland for shareholders of record as of the close of business on March 18, 2013. The Company's proxy statement was filed on April 4, 2013 with the Securities and Exchange Commission.

About First Potomac Realty Trust

First Potomac Realty Trust is a self-administered, self-managed real estate investment trust that focuses on owning, operating, developing and redeveloping office, business park, and industrial properties in the greater Washington, D.C. region. As of March 31, 2013, the Company's consolidated portfolio totaled approximately 14 million square feet. Based on annualized cash basis rent, the Company's portfolio consists of 43% office properties, 34% business parks and 23% industrial properties. A key element of First Potomac's overarching strategy is its dedication to sustainability. Nearly a million square feet of First Potomac property is LEED Certified, with the potential for another one million square feet in future development projects. Approximately half of the portfolio's total square footage of multi-story office property is either LEED or Energy Star Certified and 81% of First Potomac's Washington, DC portfolio is Energy Star Certified. FPO common shares (NYSE:FPO) and preferred shares (NYSE:FPO-PA) are publicly traded on the New York Stock Exchange.

Non-GAAP Financial Measures

Funds from Operations – Funds from operations ("FFO") represents net income (computed in accordance with U.S. generally accepted accounting principles ("GAAP")), excluding gains (losses) on sales of real estate and impairments of real estate assets, plus real estate-related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. On October 31, 2011, NAREIT issued revised guidance regarding the exclusion of impairment write-downs of depreciable assets reported in FFO. As a result, the Company began excluding impairment losses from FFO in the fourth quarter of 2011 and has restated FFO from prior periods to exclude such charges consistent with NAREIT's guidance. The Company also excludes, from its FFO calculation, any depreciation and amortization related to third parties from its consolidated joint ventures. The Company considers FFO a useful measure of performance for an equity REIT because it facilitates an understanding of the operating performance of its properties without giving effect to real estate depreciation and amortization, which assume that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, the Company believes that FFO provides a meaningful indication of its performance. The Company also considers FFO an appropriate performance measure given its wide use by investors and analysts. The Company computes FFO in accordance with standards established by the Board of Governors of NAREIT in its March 1995 White Paper (as amended in November 1999, April 2002 and January 2012), which may differ from the methodology for calculating FFO utilized by other equity real estate investment trusts ("REITs") and, accordingly, may not be comparable to such other REITs. Further, FFO does not represent amounts available for management's discretionary use because of needed capital replacement or expansion, debt service obligations or other commitments and uncertainties, nor is it indicative of funds available to fund the Company's cash needs, including its ability to make distributions. The Company presents FFO per diluted share calculations that are based on the outstanding dilutive common shares plus the outstanding Operating Partnership units for the periods presented.

The Company's presentation of FFO in accordance with the NAREIT white paper, or as adjusted by the Company, should not be considered as an alternative to net income (computed in accordance with GAAP) as an indicator of the Company's financial performance or to cash flow from operating activities (computed in accordance with GAAP) as an indicator of its liquidity. The Company's FFO calculations are reconciled to net income in the Company's Consolidated Statements of Operations included in this release.

Core FFO – Management believes that the computation of FFO in accordance with NAREIT's definition includes certain items that are not indicative of the results provided by the Company's operating portfolio and affect the comparability of the Company's period-over-period performance. These items include, but are not limited to, gains and losses on the retirement of debt, legal and accounting costs related to the Company's internal investigation and the informal SEC inquiry, personnel separations costs, contingent consideration charges and acquisition costs. The Company provides a reconciliation of FFO to Core FFO in the financial tables accompanying this press release.

NOI – The Company defines net operating income (“NOI”) as operating revenues (rental income, tenant reimbursements and other income) less property and related expenses (property expenses, real estate taxes and insurance). Management believes that NOI is a useful measure of the Company’s property operating performance as it provides a performance measure of the revenues and expenses directly associated with owning, operating, developing and redeveloping office and industrial properties, and provides a perspective not immediately apparent from net income or FFO. Other REITs may use different methodologies for calculating NOI, and accordingly, the Company’s NOI may not be comparable to other REITs. The Company’s NOI calculations are reconciled to total revenues and total operating expenses at the end of this release.

Same-Property NOI – Same-Property Net Operating Income (“Same-Property NOI”), defined as operating revenues (rental, tenant reimbursements and other revenues) less operating expenses (property operating expenses, real estate taxes and insurance) from the properties owned by the Company for the entirety of the periods compared, is a primary performance measure the Company uses to assess the results of operations at its properties. As an indication of the Company’s operating performance, Same-Property NOI should not be considered an alternative to net income calculated in accordance with GAAP. A reconciliation of the Company’s Same-Property NOI to net income from its consolidated statements of operations is presented below. The Same-Property NOI results exclude corporate-level expenses, as well as certain transactions, such as the collection of termination fees, as these items vary significantly period-over-period thus impacting trends and comparability. Also, the Company eliminates depreciation and amortization expense, which are property level expenses, in computing Same-Property NOI as these are non-cash expenses that are based on historical cost accounting assumptions and do not offer the investor significant insight into the operations of the property. This presentation allows management and investors to distinguish whether growth or declines in net operating income are a result of increases or decreases in property operations or the acquisition of additional properties. While this presentation provides useful information to management and investors, the results below should be read in conjunction with the results from the consolidated statements of operations to provide a complete depiction of total Company performance.

Forward Looking Statements

The forward-looking statements contained in this press release, including statements regarding the Company's 2013 Core FFO guidance and related assumptions, the potential sale of the Company's industrial portfolio and the timing of such sale, and anticipated debt repayment, are subject to various risks and uncertainties. Although the Company believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, there can be no assurance that its expectations will be achieved. Certain factors that could cause actual results to differ materially from the Company's expectations include changes in general or regional economic conditions; the Company's ability to timely lease or re-lease space at current or anticipated rents; changes in interest rates; changes in operating costs; the Company's ability to complete acquisitions on acceptable terms; the Company's ability to manage its current debt levels and repay or refinance its indebtedness upon maturity or other required payment dates; the Company's ability to maintain financial covenant compliance under its debt agreements; the Company's ability to maintain effective internal controls over financial reporting and disclosure controls and procedures; the impact of the recent internal investigation, including any remedial actions and enhancement measures implemented in response to the internal investigation; any impact of the informal inquiry initiated by the U.S. Securities and Exchange Commission (the "SEC"); the Company's ability to obtain debt and/or financing on attractive terms, or at all; changes in the assumptions underlying the Company's earnings and Core FFO guidance and other risks detailed in the Company's Annual Report on Form 10-K and described from time to time in the Company's filings with the SEC. Many of these factors are beyond the Company's ability to control or predict. Forward-looking statements are not guarantees of performance. For forward-looking statements herein, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

FIRST POTOMAC REALTY TRUST
Consolidated Statements of Operations
(unaudited, amounts in thousands, except per share amounts)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Revenues:		
Rental	$ 40,187	$ 37,401
Tenant reimbursements and other	11,190	9,133
Total revenues	51,377	46,534
Operating expenses:		
Property operating	12,905	11,608
Real estate taxes and insurance	5,403	4,574
General and administrative	5,267	4,897
Acquisition costs	-	17
Depreciation and amortization	16,885	16,018
Impairment of real estate assets	-	1,949
Total operating expenses	40,460	39,063
Operating income	10,917	7,471
Other expenses, net:		
Interest expense	10,530	11,159
Interest and other income	(1,531)	(1,508)
Equity in (earnings) losses of affiliates	(28)	46
Total other expenses, net	8,971	9,697
Income (loss) from continuing operations before income taxes	1,946	(2,226)
Provision for income taxes	-	(61)
Income (loss) from continuing operations	1,946	(2,287)
Income (loss) from discontinued operations	17	(1,187)
Net income (loss)	1,963	(3,474)
Less: Net loss attributable to noncontrolling interests	59	318
Net income (loss) attributable to First Potomac Realty Trust	2,022	(3,156)
Less: Dividends on preferred shares	(3,100)	(2,664)
Net loss attributable to common shareholders	$ (1,078)	$ (5,820)
Depreciation and amortization:		
Real estate assets	16,885	16,018
Discontinued operations	23	103
Unconsolidated joint ventures	1,352	1,484
Consolidated joint ventures	(51)	(38)
Impairment of real estate assets	-	3,021
Net loss attributable to noncontrolling interests in the Operating Partnership	(54)	(335)
Funds from operations available to common shareholders	$ 17,077	$ 14,433

FIRST POTOMAC REALTY TRUST
Consolidated Statements of Operations
(unaudited, amounts in thousands, except per share amounts)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Funds from operations (FFO)	$ 20,177	$ 17,097
Less: Dividends on preferred shares	(3,100)	(2,664)
FFO available to common shareholders	17,077	14,433
Acquisition costs	-	17
Deferred abatement and straight-line amortization	(1,567)	-
Legal costs associated with informal SEC inquiry	336	-
Debt modification fees	-	105
Core FFO	$ 15,846	$ 14,555
FFO available to common shareholders per share – basic and diluted	$ 0.32	$ 0.27
Core FFO per share – diluted	$ 0.30	$ 0.28
Weighted average common shares and units outstanding:		
Basic	53,002	52,701
Diluted	53,106	52,805
Basic and diluted earnings per common share:		
Loss from continuing operations	$ (0.02)	$ (0.10)
Income (loss) from discontinued operations	-	(0.02)
Net loss	$ (0.02)	$ (0.12)
Weighted average common shares outstanding:		
Basic	50,404	49,781
Diluted	50,507	49,781

FIRST POTOMAC REALTY TRUST

Consolidated Balance Sheets

(Amounts in thousands, except per share amounts)

	March 31, 2013 (unaudited)	December 31, 2012
Assets:		
Rental property, net	$ 1,445,114	$ 1,450,679
Assets held-for-sale	2,301	-
Cash and cash equivalents	17,794	9,374
Escrows and reserves	10,160	13,421
Accounts and other receivables, net of allowance for doubtful accounts of $1,954 and $1,799, respectively	14,290	15,271
Accrued straight-line rents, net of allowance for doubtful accounts of $568 and $530, respectively	30,862	28,133
Notes receivable, net	54,748	54,730
Investment in affiliates	50,072	50,596
Deferred costs, net	40,624	40,370
Prepaid expenses and other assets	8,219	8,597
Intangible assets, net	44,180	46,577
Total assets	$ 1,718,364	$ 1,717,748
Liabilities:		
Mortgage loans	$ 377,387	$ 418,864
Secured term loans	47,500	10,000
Unsecured term loan	300,000	300,000
Unsecured revolving credit facility	230,000	205,000
Accounts payable and other liabilities	55,933	64,920
Accrued interest	2,531	2,653
Rents received in advance	6,394	9,948
Tenant security deposits	6,069	5,968
Deferred market rent, net	3,344	3,535
Total liabilities	1,029,158	1,020,888
Noncontrolling interests in the Operating Partnership	39,042	34,367
Equity:		
Preferred Shares, $0.001 par value, 50,000 shares authorized; Series A Preferred Shares, $25 liquidation preference, 6,400 shares issued and outstanding	160,000	160,000
Common shares, $0.001 par value, 150,000 shares authorized; 51,266 and 51,047 shares issued and outstanding, respectively	51	51
Additional paid-in capital	799,952	804,584
Noncontrolling interests in consolidated partnerships	3,723	3,728
Accumulated other comprehensive loss	(9,876)	(10,917)
Dividends in excess of accumulated earnings	(303,686)	(294,953)
Total equity	650,164	662,493
Total liabilities, noncontrolling interests and equity	$ 1,718,364	$ 1,717,748

FIRST POTOMAC REALTY TRUST
Same-Property Analysis
(Unaudited, dollars in thousands)

Same-Property NOI[1][2]	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Total base rent	$ 37,827	$ 37,266
Tenant reimbursements and other	10,060	8,680
Property operating expenses	(11,923)	(11,179)
Real estate taxes and insurance	(5,259)	(4,495)
Same-Property NOI - accrual basis	30,705	30,272
Straight-line revenue, net	(280)	(245)
Deferred market rental revenue, net	(18)	(20)
Same-Property NOI - cash basis	$ 30,407	$ 30,007
Change in same-property NOI - accrual basis	1.4%	
Change in same-property NOI - cash basis	1.3%	
Same-property percentage of total portfolio (sf)	98.1%	

Reconciliation of Consolidated NOI to Same-Property NOI	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Total revenues	$ 51,377	$ 46,534
Property operating expenses	(12,905)	(11,608)
Real estate taxes and insurance	(5,403)	(4,574)
NOI	33,069	30,352
Less: Non-same property NOI[3]	(2,364)	(80)
Same-Property NOI – accrual basis	$ 30,705	$ 30,272

Change in Same-Property NOI by Region (accrual basis)	Three Months Ended March 31, 2013	Percentage of Base Rent
Washington, D.C.	0.3%	12%
Maryland	1.1%	31%
Northern Virginia	2.7%	29%
Southern Virginia	1.1%	28%
Change in Same-Property NOI by Property Type (accrual basis)		
Business Park	(2.3)%	33%
Industrial	(2.8)%	22%
Office / Office Park	6.9%	45%

(1) Same-property comparisons are based upon those consolidated properties owned for the entirety of the periods presented. Same-property results exclude the operating results of the following non same-properties: Three Flint Hill, 440 First Street, NW, Davis Drive and a building at Lafayette Business Center.
(2) Same-property comparisons do not include the $1.5 million straight-line rent amortization impact associated with Engineering Solutions at I-66 Commerce Center, which was recorded in the first quarter of 2013.
(3) Non-same property NOI has been adjusted to reflect a normalized management fee percentage in lieu of an administrative overhead allocation for comparative purposes.

(unaudited, dollars in thousands, except per share data)

	Q1-2013	Q4-2012	Q3-2012	Q2-2012	Q1-2012
Performance Metrics					
FFO available to common shareholders[(1)]	$ 17,077	$ 16,601	$ 19,931	$ 1,152	$ 14,433
Core FFO[(1)]	$ 15,846	$ 16,805	$ 15,297	$ 16,929	$ 14,555
FFO available to common shareholders per share	$ 0.32	$ 0.31	$ 0.38	$ 0.02	$ 0.27
Core FFO per share	$ 0.30	$ 0.32	$ 0.29	$ 0.32	$ 0.28
Operating Metrics					
Change in Same-Property NOI					
Cash Basis	1.3%	5.3%	1.6%	3.0%	2.8%
Accrual Basis	1.4%	6.3%	3.2%	3.5%	2.0%
Assets					
Total Assets	$ 1,718,364	$ 1,717,748	$ 1,714,237	$ 1,728,479	$ 1,738,610
Debt Balances					
Unhedged Variable Rate Debt	$ 249,500	$ 165,000	$ 129,000	$ 194,000	$ 152,000
Hedged Variable Rate Debt[(2)]	350,000	350,000	350,000	350,000	275,000
Fixed Rate Debt	355,387	418,864	442,267	384,752	483,241
Total	**$ 954,887**	**$ 933,864**	**$ 921,267**	**$ 928,752**	**$ 910,241**
Leasing Metrics					
Net Absorption (Square Feet)[(3)]	177,460	48,946	54,841	12,445	133,916
Tenant Retention Rate	89%	58%	75%	76%	51%
Leased %	86.3%	84.9%	84.9%	85.4%	84.9%
Occupancy %	83.9%	83.0%	83.2%	84.0%	83.0%

(1) See page 18 for a reconciliation of the Company's FFO available to common shareholders and Core FFO to net income (loss) attributable to common shareholders.
(2) As of March 31, 2013, the Company had fixed LIBOR at a weighted averaged rate of 1.5% on $350.0 million of its variable rate debt through twelve interest rate swap agreements.
(3) Net Absorption includes adjustments made for pre-leasing, deals signed in advance of an existing lease expiration and unforeseen terminations.

FIRST POTOMAC REALTY TRUST

Quarterly Financial Results

(unaudited, dollars in thousands)
(percentages are representative of total revenues)

	Three Months Ended									
	March 31, 2013		December 31, 2012		September 30, 2012		June 30, 2012		March 31, 2012	
OPERATING REVENUES										
Rental	$ 40,187	78.2%	$ 40,221	80.2%	$ 39,739	81.9%	$ 37,521	78.5%	$ 37,401	80.4%
Tenant reimbursements and other	11,190	21.8%	9,903	19.8%	8,807	18.1%	10,292	21.5%	9,133	19.6%
	51,377	100.0%	50,124	100.0%	48,546	100.0%	47,813	100.0%	46,534	100.0%
PROPERTY EXPENSES										
Property operating	12,905	25.1%	11,877	23.7%	12,013	24.7%	10,323	21.6%	11,608	24.9%
Real estate taxes and insurance	5,403	10.5%	4,544	9.1%	4,429	9.1%	4,679	9.8%	4,574	9.8%
NET OPERATING INCOME	33,069	64.4%	33,703	67.2%	32,104	66.2%	32,811	68.6%	30,352	65.3%
OTHER (EXPENSES) INCOME										
General and administrative	(5,267)	10.3%	(5,781)	11.5%	(5,645)	11.6%	(7,245)	15.2%	(4,897)	10.5%
Acquisition costs	-	0.0%	-	0.0%	(8)	0.0%	(23)	0.0%	(17)	0.0%
Interest and other income	1,531	3.0%	1,522	3.0%	1,522	3.1%	1,499	3.1%	1,508	3.2%
Equity in earnings (losses) of affiliates	28	0.1%	92	0.2%	(30)	0.0%	24	0.1%	(46)	0.0%
EBITDA	29,361	57.2%	29,536	58.9%	27,943	57.7%	27,066	56.6%	26,900	58.0%
Depreciation and amortization	(16,885)		(17,416)		(16,609)		(16,145)		(16,018)	
Interest expense	(10,530)		(10,668)		(10,555)		(10,940)		(11,159)	
Loss on debt extinguishment	-		(466)		-		(13,221)		-	
Contingent consideration related to acquisition of property	-		(39)		(112)		-		-	
Impairment of real estate assets	-		-		(496)		-		(1,949)	
Gain on sale of investment[(1)]	-		-		2,951		-		-	
Income (loss) from continuing operations before income taxes	1,946		947		3,122		(13,240)		(2,226)	
Benefit (provision) from income taxes	-		-		4,304		(101)		(61)	
Income (loss) from continuing operations	1,946		947		7,426		(13,341)		(2,287)	
DISCONTINUED OPERATIONS										
Income (loss) from operations	17		(67)		9		(39)		(1,187)	
Gain on sale of real estate property	-		-		-		161		-	
Income (loss) from discontinued operations	17		(67)		9		122		(1,187)	
NET INCOME (LOSS)	1,963		880		7,435		(13,219)		(3,474)	
Less: Net loss (income) attributable to noncontrolling interests	59		110		(232)		789		318	
NET INCOME (LOSS) ATTRIBUTABLE TO FIRST POTOMAC REALTY TRUST	2,022		990		7,203		(12,430)		(3,156)	
Less: Dividends on preferred shares	(3,100)		(3,100)		(3,100)		(3,100)		(2,664)	
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ (1,078)		$ (2,110)		$ 4,103		$ (15,530)		$ (5,820)	

Supplemental Financial Results Items:

The following items were included in the determination of net income (loss):

	Three Months Ended				
	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Termination fees	$ 721	$ 606	$ 63	$ 1,141	$ 179
Capitalized interest	344	334	603	727	752
Change in tax regulations[(2)]	-	-	4,327	-	-
Snow and ice removal costs (excluding reimbursements)[(3)]	(1,129)	(76)	-	-	(341)
Reserves for bad debt expense	(261)	(119)	(335)	(178)	(60)
Internal investigation costs	-	(27)	(743)	(2,533)	-
Legal costs associated with informal SEC inquiry	(336)	(110)	-	-	-
Personnel separation costs	-	(731)	(397)	-	-
Discontinued Operations[(4)]					
Revenues	$ 79	$ 17	$ 205	$ 260	$ 446
Operating expenses	(39)	(66)	(93)	(146)	(378)
Depreciation and amortization expense	(23)	(24)	(24)	(75)	(104)
Interest expense, net of interest income	-	6	(79)	(78)	(79)
Impairment of real estate assets	-	-	-	-	(1,072)
Gain on sale of real estate property	-	-	-	161	-
	$ 17	$ (67)	$ 9	$ 122	$ (1,187)

(1) During the third quarter of 2012, the Company recorded a $3.0 million gain on the sale of its 95% interest in 1200 17th Street, NW, an office building in Washington, D.C.
(2) Reflects the one-time non-cash impact of new tax regulations enacted by the District of Columbia that became effective in September 2012, which is included in Benefit (provision) from income taxes in the above Quarterly Financial Results.
(3) The Company recovered approximately 65% of these costs.
(4) Represents the operating results of a building at Lafayette Business Center, which is expected to be sold in the second quarter of 2013, two buildings at Owings Mills Business Park, which were sold in the fourth quarter of 2012, Goldenrod Lane and Woodlands Business Center, which were both sold in the second quarter of 2012, and Airpark Place Business Center, which was sold in the first quarter of 2012.

(unaudited, amounts in thousands, except per share data)

	Three Months Ended				
FUNDS FROM OPERATIONS ("FFO")	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Net (loss) income attributable to common shareholders	$ (1,078)	$ (2,110)	$ 4,103	$ (15,530)	$ (5,820)
Depreciation and amortization:					
Real estate assets	16,885	17,416	16,609	16,145	16,018
Discontinued operations	23	24	24	75	103
Unconsolidated joint ventures	1,352	1,428	1,487	1,484	1,484
Consolidated joint ventures	(51)	(49)	(46)	(44)	(38)
Net (loss) income attributable to noncontrolling interests in the Operating Partnership	(54)	(108)	209	(817)	(335)
Impairment of real estate assets	-	-	496	-	3,021
Gain on sale	-	-	(2,951)	(161)	-
FFO available to common shareholders	17,077	16,601	19,931	1,152	14,433
Dividends on preferred shares	3,100	3,100	3,100	3,100	2,664
FFO	$ 20,177	$ 19,701	$ 23,031	$ 4,252	$ 17,097
FFO available to common shareholders	17,077	16,601	19,931	1,152	14,433
Acquisition costs	-	-	8	23	17
Development costs[1]	-	397	-	-	-
Loss on debt extinguishment[2]	-	466	-	13,221	105
Internal investigation costs[3]	-	27	743	2,533	-
Legal costs associated with informal SEC inquiry	336	110	-	-	-
Personnel separation costs	-	732	397	-	-
Change in tax regulations[4]	-	-	(4,327)	-	-
Deferred abatement and straight-line amortization[5]	(1,567)	(1,567)	(1,567)	-	-
Contingent consideration related to acquisition of property	-	39	112	-	-
Core FFO	$ 15,846	$ 16,805	$ 15,297	$ 16,929	$ 14,555
ADJUSTED FUNDS FROM OPERATIONS ("AFFO")					
Core FFO	$ 15,846	$ 16,805	$ 15,297	$ 16,929	$ 14,555
Non-cash share-based compensation expense	771	1,271	856	749	696
Straight-line rent, net[6]	(292)	(226)	(361)	(39)	(250)
Deferred market rent, net	(18)	(74)	228	10	(20)
Non-real estate depreciation and amortization[7]	242	245	251	155	245
Debt fair value amortization	(8)	(24)	(35)	(176)	(215)
Provision for income taxes	-	-	23	101	61
Amortization of finance costs	756	777	683	721	717
Tenant improvements[8]	(3,544)	(4,898)	(3,108)	(4,485)	(5,133)
Leasing commissions[8]	(1,352)	(941)	(830)	(2,208)	(944)
Capital expenditures[8]	(2,010)	(4,034)	(1,634)	(1,105)	(975)
AFFO	$ 10,391	$ 8,901	$ 11,370	$ 10,652	$ 8,737
Total weighted average common shares and OP units:					
Basic	53,002	52,927	52,869	52,834	52,701
Diluted	53,106	53,026	52,947	52,889	52,805
FFO available to common shareholders and units per share:					
FFO - basic and diluted	$ 0.32	$ 0.31	$ 0.38	$ 0.02	$ 0.27
Core FFO - diluted	$ 0.30	$ 0.32	$ 0.29	$ 0.32	$ 0.28
AFFO per share:					
AFFO - basic	$ 0.20	$ 0.17	$ 0.22	$ 0.20	$ 0.17
AFFO - diluted	$ 0.20	$ 0.17	$ 0.21	$ 0.20	$ 0.17

(1) During the fourth quarter of 2012, the Company expensed development costs related to a project that was deferred at Greenbrier Business Park.
(2) The Company incurred a $0.5 million charge in the fourth quarter of 2012 related to the defeasance of a mortgage loan that encumbered four buildings at Owings Mills Business Park, of which two buildings were sold on November 7, 2012. During the second quarter of 2012, the Company recorded a $10.2 million make-whole payment associated with the extinguishment of its Series A and Series B Senior Notes and the expensing of unamortized deferred financing costs and legal and bank fees associated with amending certain loan agreements. During the first quarter of 2012, the Company incurred legal fees as a result of the expansion of the Company's $300.0 million unsecured term loan.
(3) Represents legal and accounting fees incurred as a result of the Company's internal investigation.
(4) Reflects the one-time non-cash impact of new tax regulations enacted by the District of Columbia that became effective in September 2012.
(5) Represents the accelerated amortization of the straight line balance and the deferred abatement for Engineering Solutions at I-66 Commerce Center, which terminated its lease prior to completion. The tenant vacated the property on March 31, 2013.
(6) Includes the Company's amortization of the following: straight-line rents and associated uncollectable amounts, rent abatements and lease incentives.
(7) Most non-real estate depreciation is classified in general and administrative expense.
(8) Does not include first generation costs, which the Company defines as tenant improvement, leasing commissions and capital expenditure costs that were taken into consideration when underwriting the purchase of a property or incurred to bring the property to operating standard for its intended use.

	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
First-generation costs					
Tenant improvements[a]	$ 2,588	$ 3,881	$ 3,289	$ 6,298	$ 8,915
Leasing commissions	461	516	1,021	311	861
Capital expenditures[b]	2,049	4,513	1,633	1,816	1,098
Total first-generation costs	5,098	8,910	5,943	8,425	10,874
Development and redevelopment	4,813	4,939	2,653	762	961
	$ 9,911	$ 13,849	$ 8,596	$ 9,187	$ 11,835

(a) Includes $1.0 million, $1.7 million, $1.6 million, $3.7 million and $6.1 million for the three months ended March 31, 2013, December 31, 2012, September 30, 2012, June 30, 2012 and March 31, 2012, respectively, related to leasing activity at Redland Corporate Center and Three Flint Hill.
(b) Includes $1.3 million, $2.2 million, $0.2 million, $0.7 million and $0.5 million for the three months ended March 31, 2013, December 31, 2012, September 30, 2012, June 30, 2012 and March 31, 2012, respectively, related to capital improvements at the Merrill Lynch Building.

Net Operating Income (NOI) Same-Property Analysis

(unaudited, dollars in thousands)

Same-Property NOI[1] [2]	Three Months Ended March 31, 2013	2012
Total base rent	$ 37,827	$ 37,266
Tenant reimbursements and other	10,060	8,680
Property operating expenses	(11,923)	(11,179)
Real estate taxes and insurance	(5,259)	(4,495)
Same-Property NOI - accrual basis	30,705	30,272
Straight-line revenue, net	(280)	(245)
Deferred market rental revenue, net	(18)	(20)
Same-Property NOI - cash basis	$ 30,407	$ 30,007
Change in same-property NOI - accrual basis	1.4%	
Change in same-property NOI - cash basis	1.3%	
Same-property percentage of total consolidated portfolio (SF)	98.1%	

Reconciliation of Consolidated NOI to Same-Property NOI	Three Months Ended March 31, 2013	2012
Total revenues	$ 51,377	$ 46,534
Property operating expenses	(12,905)	(11,608)
Real estate taxes and insurance	(5,403)	(4,574)
NOI	33,069	30,352
Less: Non-same property NOI[3]	(2,364)	(80)
Same-Property NOI - accrual basis	30,705	30,272

Change in Same-Property NOI by Region (accrual basis)	Three Months Ended March 31, 2013	Percentage of Base Rent
Washington, D.C.	0.3%	12%
Maryland	1.1%	31%
Northern Virginia	2.7%	29%
Southern Virginia	1.1%	28%

Change in Same-Property NOI by Property Type (accrual basis)	Three Months Ended March 31, 2013	Percentage of Base Rent
Business Park	(2.3)%	33%
Industrial	(2.8)%	22%
Office	6.9%	45%

[1] Same-property comparisons are based upon those consolidated properties owned for the entirety of the periods presented. Same-property results exclude the operating results of the following non same-properties: Three Flint Hill, 440 First Street, NW, Davis Drive and a building at Lafayette Business Center.
[2] Same property comparisons do not include the $1.5 million straight-line rent amortization impact associated with Engineering Solutions at I-66 Commerce Center, which was recorded in the first quarter of 2013.
[3] Non-same property NOI has been adjusted to reflect a normalized management fee percentage in lieu of an administrative overhead allocation for comparative purposes.

Consolidated Balance Sheets

(unaudited, dollars in thousands, except per share data)

	March 31, 2013	December 31, 2012
Assets		
Rental property	$ 1,687,645	$ 1,681,763
Less: Accumulated depreciation	(242,531)	(231,084)
Rental property, net	1,445,114	1,450,679
Assets held-for-sale	2,301	-
Cash and cash equivalents	17,794	9,374
Escrows and reserves	10,160	13,421
Investment in affiliates	50,072	50,596
Other assets	192,923	193,678
Total assets	$ 1,718,364	$ 1,717,748
Liabilities		
Mortgage loans	$ 377,387	$ 418,864
Bank debt	577,500	515,000
Accounts payable and accrued interest	58,464	67,573
Other liabilities	15,807	19,451
Total liabilities	1,029,158	1,020,888
Noncontrolling interests in the Operating Partnership	39,042	34,367
Equity		
Preferred Shares, $0.001 par value, 50,000 shares authorized; Series A Preferred Shares, $25 liquidation preference, 6,400 shares issued and outstanding	160,000	160,000
Common shares, $0.001 par value, 150,000 common shares authorized; 51,266 and 51,047 shares issued and outstanding, respectively	51	51
Additional paid-in capital	799,952	804,584
Noncontrolling interests in consolidated partnerships	3,723	3,728
Accumulated other comprehensive loss	(9,876)	(10,917)
Dividends in excess of accumulated earnings	(303,686)	(294,953)
Total equity	650,164	662,493
Total liabilities, noncontrolling interests and equity	$ 1,718,364	$ 1,717,748

Total Market Capitalization and Selected Ratios

(unaudited, amounts in thousands, except per share data and percentages)

TOTAL MARKET CAPITALIZATION

		Percent of Total Market Capitalization
Common Shares and Units		
Total common shares outstanding	51,266	
Operating Partnership ("OP") units held by third parties	2,598	
Total common shares and OP units outstanding	53,864	
Market price at March 31, 2013	$ 14.83	
Market Value of Common Equity	$ 798,803	41.7%
Preferred Shares		
Total Series A Preferred Shares outstanding	6,400	
Market price at March 31, 2013	$ 25.94	
Market Value of Preferred Equity	$ 166,016	8.6%
Debt		
Fixed-rate debt	$ 355,387	18.5%
Hedged variable-rate debt(1)	350,000	18.2%
Unhedged variable-rate debt	249,500	13.0%
Total debt	$ 954,887	49.7%
Total Market Capitalization	**$ 1,919,706**	**100.0%**

SELECTED RATIOS

	Three Months Ended				
	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
COVERAGE RATIOS					
Interest Coverage Ratio					
EBITDA, excluding acquisition costs(2)	$ 29,361	$ 29,536	$ 27,951	$ 27,089	$ 26,917
Interest expense	10,530	10,668	10,555	10,940	11,159
	2.79x	**2.77x**	**2.65x**	**2.48x**	**2.41x**
Fixed Charge Coverage Ratio					
EBITDA, excluding acquisition costs(2)	$ 29,361	$ 29,536	$ 27,951	$ 27,089	$ 26,917
Fixed charges(3)	15,623	15,808	15,641	15,954	15,772
	1.88x	**1.87x**	**1.79x**	**1.70x**	**1.71x**
OVERHEAD RATIO					
G&A to Real Estate Revenues(4)					
General and administrative expense	$ 4,931	$ 4,912	$ 4,505	$ 4,712	$ 4,897
Total revenues	51,377	50,124	48,546	47,813	46,534
	9.6%	**9.8%**	**9.3%**	**9.9%**	**10.5%**
LEVERAGE RATIOS					
Debt/Total Market Capitalization					
Total debt	$ 954,887	$ 933,864	$ 921,267	$ 919,853	$ 910,241
Total market capitalization(5)	1,919,706	1,761,716	1,776,780	1,722,280	1,718,849
	49.7%	**53.0%**	**51.9%**	**53.4%**	**53.0%**
Debt/Undepreciated Book Value					
Total debt	$ 954,887	$ 933,864	$ 921,267	$ 919,853	$ 910,241
Undepreciated book value	1,687,645	1,681,763	1,660,704	1,642,920	1,636,433
	56.6%	**55.5%**	**55.5%**	**56.0%**	**55.6%**

(1)At March 31, 2013, the Company had fixed LIBOR at a weighted average interest rate of 1.5% on $350.0 million of its variable rate debt through twelve interest rate swap agreements.
(2)Acquisition costs were omitted due to their variability, which impacts the comparability of period-over-period results.
(3)Fixed charges include interest expense, debt principal amortization and quarterly accumulated dividends on the Company's preferred shares.
(4) For the three months ended March 31, 2013 and December 31, 2012, general and administrative expenses excluded legal costs of $0.3 million and $0.1 million, respectively, associated with the informal SEC inquiry. For the three months ended December 31, 2012, September 30, 2012 and June 30, 2012, general and administrative expenses excluded aggregate legal and accounting costs of $0.8 million, $1.1 million and $2.5 million, respectively, associated with the Company's internal investigation and personnel separation costs.
(5)Reflects the market value of preferred equity for the periods presented.

FIRST POTOMAC REALTY TRUST

Outstanding Debt

(unaudited, dollars in thousands)

Fixed Rate Debt	Effective Interest Rate	Balance at March 31, 2013	Annualized Debt Service	Maturity Date	Balance at Maturity
Encumbered Properties					
Linden Business Center[(1)]	5.58%	$ 6,701	$ 559	10/1/2013	$ 6,596
840 First Street, NE[(1)]	6.05%	54,421	4,272	10/1/2013	53,877
Annapolis Business Center[(1)]	6.25%	8,185	665	6/1/2014	8,010
Cloverleaf Center	6.75%	16,508	1,464	10/8/2014	15,953
Jackson National Life Loan[(2)]	5.19%	95,732	6,582	8/1/2015	91,588
Hanover Business Center Building D[(1)]	6.63%	357	161	8/1/2015	13
Chesterfield Business Center Buildings C, D, G and H[(1)]	6.63%	950	414	8/1/2015	34
Mercedes Center - Note 1[(1)]	6.04%	4,668	322	1/1/2016	3,965
Mercedes Center - Note 2[(1)]	6.30%	9,442	805	1/1/2016	8,639
Gateway Centre Manassas Building I[(1)]	5.88%	785	239	11/1/2016	-
Hillside Center[(1)]	4.62%	13,641	945	12/6/2016	12,160
Redland Corporate Center	4.64%	67,921	4,014	11/1/2017	62,064
Hanover Business Center Building C[(1)]	6.63%	757	186	12/1/2017	13
500 First Street, NW	5.79%	37,588	2,722	7/1/2020	32,000
Battlefield Corporate Center	4.40%	3,966	320	11/1/2020	2,618
Chesterfield Business Center Buildings A, B, E and F[(1)]	6.63%	2,014	318	6/1/2021	26
Airpark Business Center[(1)]	6.63%	1,099	173	6/1/2021	14
1211 Connecticut Avenue, NW	4.47%	30,652	1,823	7/1/2022	24,668
Total Fixed Rate Debt	5.35%[(3)]	$ 355,387	$ 25,984		$ 322,238
Unamortized fair value adjustments		(689)			
Total Principal Balance		$ 354,698			

Outstanding Debt - Continued

(unaudited, dollars in thousands)

	Effective Interest Rate	Balance at March 31, 2013	Annualized Debt Service	Maturity Date	Balance at Maturity
Total Fixed Rate Debt	5.35%(3)	$ 355,387	$ 25,984		$ 322,238
Variable Rate Debt(4)					
Bridge Loan(5)	LIBOR + 2.15%	37,500	881	11/7/2013	37,500
Secured Term Loan(6)	LIBOR + 5.50%	10,000	570	1/15/2014	10,000
1005 First Street, NE(7)	5.80%	22,000	1,100	10/16/2014	22,000
Unsecured Revolving Credit Facility(8)(9)	LIBOR + 2.50%	230,000	6,210	1/15/2015	230,000
Unsecured Term Loan					
Tranche A	LIBOR + 2.15%	60,000	1,410	7/18/2016	60,000
Tranche B	LIBOR + 2.25%	147,500	3,614	7/18/2017	147,500
Tranche C	LIBOR + 2.30%	92,500	2,313	7/18/2018	92,500
	2.45%(3)	300,000	7,337		300,000
Total Variable Rate Debt	2.71%(3)	$ 599,500	$ 16,098		$ 599,500
Total at March 31, 2013	**4.17%(3)(10)**	**$ 954,887**	**$ 42,082** (11)		**$ 921,738**

(1)The balance includes the fair value impacts recorded at acquisition upon assumption of the mortgages encumbering these properties.

(2)At March 31, 2013, the loan was secured by the following properties: Plaza 500, Van Buren Office Park, Rumsey Center, Snowden Center, Greenbrier Technology Center II, Norfolk Business Center, Northridge and I-66 Commerce Center. The terms of the loan allow the Company to substitute collateral, as long as certain debt-service coverage and loan-to-value ratios are maintained, or to prepay a portion of the loan, with a prepayment penalty, subject to a debt service yield.

(3)Represents the weighted average interest rate.

(4)All of the Company's variable rate debt is based on one-month LIBOR. For the purposes of calculating the annualized debt service and the effective interest rate, the Company used the one-month LIBOR rate at March 31, 2013, which was 0.20%.

(5)In February 2013, the Company entered into a senior secured multi-tranche term loan facility (the “Bridge Loan”) and borrowed $37.5 million to repay the mortgage loans that encumbered Cedar Hill, the Merrill Lynch Building and Crossways Commerce Center. The Bridge Loan has a variable interest rate of LIBOR plus a spread of 2.15% and matures in November 2013, with a three-month extension at the Company’s option.

(6)On January 1, 2013, the loan’s applicable interest rate increased to LIBOR plus 5.50%.

(7)The loan has a contractual interest rate of LIBOR plus a spread of 2.75% (with a floor of 5.0%) and matures in October 2014, with a one-year extension at the Company’s option.

(8)The unsecured revolving credit facility matures in January 2014 with a one-year extension at the Company's option, which it intends to exercise.

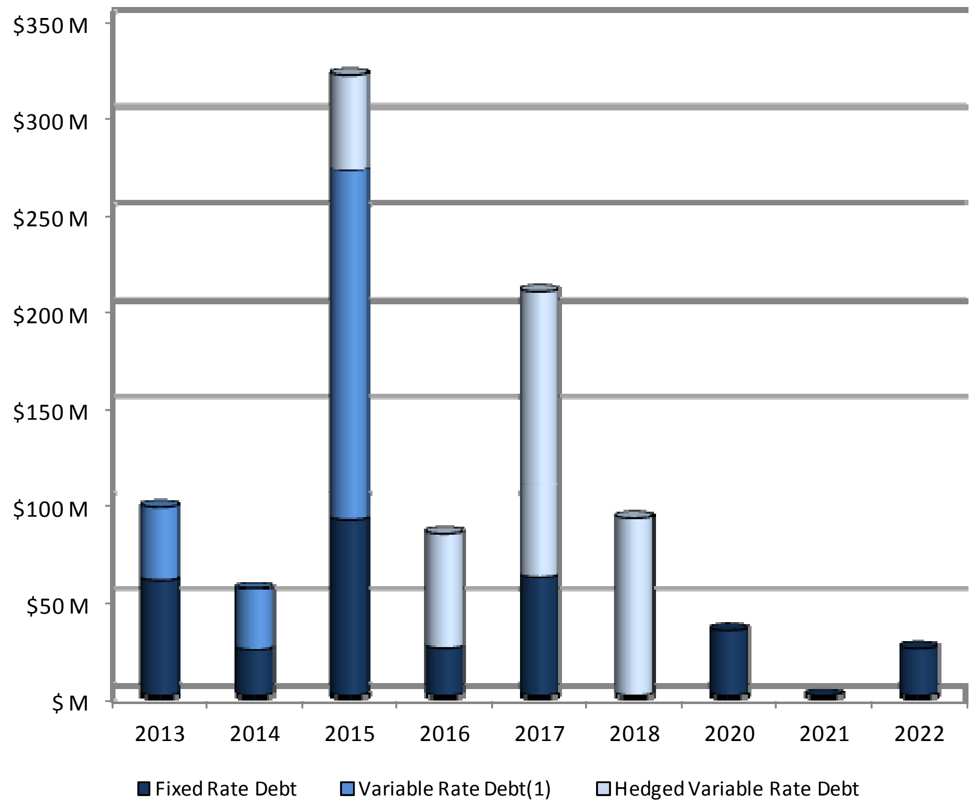
(9)As of March 31, 2013, the borrowing base for the Company's unsecured bank debt included the following properties: 13129 Airpark Road, Virginia Center Technology Park, Glenn Dale Business Center, Campus at Metro Park North, Crossways II, Reston Business Campus, Cavalier Industrial Park, Gateway Centre Manassas (Building II), Enterprise Parkway, Diamond Hill Distribution Center, Linden Business Center (Building I), 1000 Lucas Way, River's Bend Center, Crossways I, Sterling Park Business Center, Sterling Park Land, 1408 Stephanie Way, Gateway 270, Gateway II, Greenbrier Circle Corporate Center, Greenbrier Technology Center I, Pine Glen, Ammendale Commerce Center, River's Bend Center II, Park Central, Hanover AB, Herndon Corporate Center, 6900 English Muffin Way, 4451 Georgia Pacific, Patrick Center, West Park, Worman's Mill Court, Girard Business Center, Girard Place, Owings Mills Commerce Center, 4200 Tech Court, Triangle Business Center, Corporate Campus at Ashburn Center, Enterprise Center, Interstate Plaza, 4212 Tech Court, Atlantic Corporate Park, Indian Creek, Greenbrier Towers, 403 & 405 Glenn Drive, 4612 Navistar Drive, Norfolk Commerce Park, Windsor at Battlefield, Davis Drive, Three Flint Hill, 440 First Street, One Fair Oaks, 1434 Crossways Boulevard Building II, Newington Business Park Center and Crossways Commerce Center.

(10)At March 31, 2013, the Company had fixed LIBOR on $350.0 million of it variable rate debt through twelve interest rate swap agreements. The effective interest rate reflects the impact of the Company's interest rate swap agreements.

(11)During the first quarter of 2013, the Company paid approximately $2.0 million in principal payments on its consolidated mortgage debt, which excludes $39.5 million related to mortgage debt that was repaid during the first quarter of 2013.

Debt Maturity Schedule

(unaudited, dollars in thousands)



NOI of Pledged Properties and Supported Indebtedness

Year of Maturity	Type	Annualized NOI	Total Maturing Indebtedness	Total Supported Indebtedness	Debt Yield
2013	Secured Property Debt	$ 6,481	$ 60,473	$ 60,473	10.7%
2013	Bridge Loan	5,261	37,500	37,500	14.0%
2014[(2)]	Secured Term Loan	12,055	10,000	84,910	14.2%
2014	Secured Property Debt	6,019	45,963	45,963	13.1%
2015[(3)]	Unsecured Revolving Credit Facility	68,378	230,000	530,000	12.9%
2015	Secured Property Debt	24,399	91,635	91,635	26.6%
2016	Unsecured Term Loan	68,378	60,000	530,000	12.9%
2016	Secured Property Debt	2,223	24,764	24,764	9.0%
2017	Secured Property Debt	7,233	62,077	62,077	11.7%
2017	Unsecured Term Loan	68,378	147,500	530,000	12.9%
2018	Unsecured Term Loan	68,378	92,500	530,000	12.9%
2020	Secured Property Debt	5,650	34,618	34,618	16.3%
2021	Secured Property Debt	826	40	40	NM
2022	Secured Property Debt	3,091	24,668	24,668	12.5%

NM = Not Meaningful

(1) At March 31, 2013, the Company had fixed LIBOR on $350.0 million of its variable rate debt through twelve interest rate swap agreements.

(2) Secured Term Loan is mezzanine debt. Total supported indebtedness includes underlying first mortgage financing that matures from 2014 through 2021.

(3) The unsecured revolving credit facility matures in January 2014 with a one-year extension at the Company's option, which it intends to exercise, and, as such, the Company lists the year of maturity as 2015.

Selected Debt Covenants

(unaudited, dollars in thousands)

	Credit Facility / Bridge Loan / Unsecured & Secured Term Loans	
	Quarter Ending March 31, 2013	Covenant
Consolidated Total Leverage Ratio	56.6%	≤ 65%
Net Worth	$ 784,020	≥ $ 650,000
Fixed Charge Coverage Ratio	1.87x	≥ 1.50x
Consolidated Debt Yield	12.4%	≥ 10%
Maximum Dividend Payout Ratio	64.8%	≤ 95%
Restricted Investments:		
Joint Ventures	5.4%	≤ 10%
Real Estate Assets Under Development	4.1%	≤ 15%
Undeveloped Land	1.9%	≤ 5%
Structured Finance Investments	3.0%	≤ 5%
Total Restricted Investments	14.4%	≤ 25%
Restricted Indebtedness:		
Unhedged Variable Rate Debt	14.2%	≤ 25%
Maximum Secured Debt	26.6%	≤ 40%
Maximum Secured Recourse Debt	3.5%	≤ 15%
Credit Facility and Unsecured Term Loan Only		
Unencumbered Pool Leverage	62.2%	≤ 65%
Unencumbered Pool Interest Coverage Ratio	3.55x	≥ 1.75x
Secured Term Loan Only		
Borrowing Base Pool Leverage	59.3%	≤ 65%
Borrowing Base Pool Debt Service Coverage Ratio	1.75x	≥ 1.55x
Bridge Loan Only		
Borrowing Base Pool Leverage	61.2%	≤ 65%
Borrowing Base Pool Interest Coverage Ratio	1.82x	≥ 1.50x

Net Asset Value Analysis

(unaudited, amounts in thousands, except percentages)

Income Statement Items[1]		Three Months Ended March 31, 2013
Total Portfolio In-Place Cash NOI		
Total GAAP Revenue	$	51,377
Straight-line and Deferred Market Rents		(1,881)
Management Fee Adjustment[2]		376
Property Operating Costs		(18,308)
Total Portfolio In-Place Cash NOI	$	31,564
Occupancy as of March 31, 2013		83.9%
Balance Sheet Items		
Development & Redevelopment Assets		
Original Cost Basis of Land held for Future Development	$	33,518
Original Cost Basis of Land in Current Development/Redevelopment		26,751
Construction Costs to Date for Current Development/Redevelopment		19,821
Total Development & Redevelopment Assets	$	80,090
Other Assets		
Investments in Affiliates	$	50,072
Notes Receivable, net		54,748
Total Other Assets	$	104,820
Net Liabilities at 3/31/13		
Mortgage and Senior Debt, cash principal balances	$	(954,198)
Accrued interest		(2,531)
Rents received in advance		(6,394)
Tenant security deposits		(6,069)
Accounts payable and other liabilities		(55,933)
Cash and cash equivalents, escrows and reserves		27,954
Accounts and other receivables, net of allowance		14,290
Prepaid expenses and other assets		8,219
Total Net Liabilities	$	(974,662)
Preferred Shares Outstanding at 3/31/13		6,400
Par Value of Preferred Shares Outstanding at 3/31/13	$	160,000
Weighted Average Diluted Shares and OP Units Outstanding at 3/31/13		53,106

[1] Does not include figures from discontinued operations.
[2] Management fee adjustment, which equates to 4% of cash basis revenue, is used in lieu of an administrative overhead allocation for comparative purposes.

Investment in Joint Ventures

(unaudited, dollars in thousands)

Unconsolidated Joint Ventures

	FPO Ownership	FPO Initial Investment	FPO Investment at March 31, 2013	Property Type	Location	Square Feet	Leased at March 31, 2013	Occupied at March 31, 2013
RiversPark I and II	25%	$ 3,857	$ 2,869	Business Park	Columbia, MD	307,747	89.1%	89.1%
Aviation Business Park	50%	4,190	4,977	Office	Glen Burnie, MD	120,285	42.3%	37.9%
1750 H Street, NW	50%	16,795	16,218	Office	Washington, DC	111,373	93.9%	93.9%
Prosperity Metro Plaza	51%	28,124	26,008	Office	Fairfax, VA	325,645	86.1%	86.1%
Total / Weighted Average		**$ 52,966**	**$ 50,072**			**865,050**	**82.1%**	**81.5%**

Outstanding Debt	FPO Ownership	Effective Interest Rate	Principal Balance at March 31, 2013[1]	Annualized Debt Service	Maturity Date	Balance at Maturity[1]
RiversPark I and II	25%	2.75%	$ 28,000	$ 770	9/26/2013	$ 28,000
1750 H Street, NW	50%	5.17%	29,406	2,634	6/11/2014	27,975
Prosperity Metro Plaza	51%	3.86%	51,260	3,628	1/11/2015	48,140
		3.93%	**$ 108,666**	**$ 7,032**		**$ 104,115**

Income Statement - Unconsolidated Joint Ventures

	Three Months Ended[2]				
	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Total Revenues	$ 6,052	$ 6,370	$ 6,254	$ 6,241	$ 6,080
Total Operating Expenses	(1,865)	(1,918)	(1,883)	(1,808)	(1,768)
Net Operating Income	4,187	4,452	4,371	4,433	4,312
Depreciation and amortization	(2,939)	(3,054)	(3,174)	(3,168)	(3,168)
Interest expense, net of interest income	(1,060)	(1,080)	(1,085)	(1,082)	(1,079)
Other (expenses) income	(14)	(32)	15	(1)	(3)
Net Income	$ 174	$ 286	$ 127	$ 182	$ 62

[1]Reflects the balance of the debt secured by the properties, not First Potomac's portion of the debt.
[2]Reflects the operating results of the property, not First Potomac's economic interest in the properties.

Consolidated Portfolio

	Number of Buildings	Square Feet(1)	% Leased(1)	% Occupied(1)	Annualized Cash Basis Rent(2)(3)	% of Annualized Cash Basis Rent
Washington DC	**4**	**531,714**	**99.3%**	**99.3%**	**$ 17,845,224**	**12.8%**
Maryland	**62**	**3,779,047**	**83.5%**	**81.2%**	**40,636,958**	**29.1%**
Northern VA	**56**	**3,653,645**	**85.9%**	**81.6%**	**42,963,819**	**30.7%**
Southern VA	**57**	**5,484,597**	**87.2%**	**85.7%**	**38,425,290**	**27.5%**
Richmond	*27*	*1,761,807*	*89.9%*	*89.7%*	*11,285,514*	*8.1%*
Norfolk	*30*	*3,722,790*	*85.9%*	*83.8%*	*27,139,777*	*19.4%*
Total	**179**	**13,449,003**	**86.3%**	**83.9%**	**$ 139,871,292**	**100.0%**

Significant Development/Redevelopment(4)(5)	Region	Square Feet	Projected Total Investment(6)	Investment To Date(6)	Estimated Date In Service(7)	Expected Return
Redevelopment						
440 First Street, NW	Washington DC	138,352	$ 58,963	$ 43,045	Q3-2014	8%
Total Consolidated Portfolio		**13,587,355**				

	Number of Buildings	Square Feet(1)	% Leased(1)	% Occupied(1)	Annualized Cash Basis Rent(2)(3)
Unconsolidated Joint Ventures(8)	12	865,050	82.1%	81.5%	$ 14,378,387

(1)Does not include space in development or redevelopment.

(2)Annualized cash basis rent at the end of the quarter, which is calculated as the contractual rent due under the terms of the lease, without taking into account rent abatements, is reflected on a triple-net equivalent basis, by deducting operating expense reimbursements that are included, along with base rent, in the contractual payments of the Company's full service leases.

(3)Includes leased spaces that are not yet occupied.

(4)An additional 117,600 square feet is considered to be in predevelopment at Cavalier Industrial Park. This is part of the industrial portfolio being marketed for disposition.

(5)1,688,845 square feet of additional land is available for development, not including 1005 First Street, NE.

(6)Total Investment includes original cost basis of property, projected base building costs and projected tenant improvements.

(7)Development/redevelopment is estimated to be placed in service one year from substantial completion.

(8)Represents operating results of the unconsolidated joint ventures, not First Potomac's economic interest in the properties.

Leasing and Occupancy Summary

(unaudited)

Total Portfolio by Property Type[1]

				Occupied Portfolio by Property Type				Leased Portfolio by Property Type			
	Square Feet	% of Total Portfolio	Number of Buildings	Occupied Square Feet	% Occupied	Annualized Cash Basis Rent[2]	% of Annualized Cash Basis Rent	Leased Square Feet[3]	% Leased	Annualized Cash Basis Rent[2][3]	% of Annualized Cash Basis Rent
Business Park	5,040,389	37.5%	90	4,183,505	83.0%	$ 46,380,116	34.0%	4,367,245	86.6%	$ 47,948,226	34.3%
Office	3,368,038	25.0%	53	2,784,318	82.7%	58,317,591	42.8%	2,890,735	85.8%	59,938,783	42.9%
Industrial	5,040,576	37.5%	36	4,311,184	85.5%	31,712,031	23.2%	4,342,804	86.2%	31,984,283	22.9%
Total/Weighted Average	**13,449,003**	**100.0%**	**179**	**11,279,007**	**83.9%**	**$ 136,409,738**	**100.0%**	**11,600,784**	**86.3%**	**$ 139,871,292**	**100.0%**

Market Concentration by Annualized Cash Basis Rent[2][3]

	Washington DC	Maryland	Northern VA	Southern VA			
				Richmond	Norfolk	Subtotal	**Total**
Business Park	0.0%	10.3%	6.6%	4.1%	13.2%	17.3%	**34.3%**
Office	12.8%	13.8%	15.1%	0.0%	1.2%	1.2%	**42.9%**
Industrial	0.0%	5.0%	9.0%	3.9%	5.0%	8.9%	**22.9%**
Total	**12.8%**	**29.1%**	**30.7%**	**8.1%**	**19.4%**	**27.5%**	**100.0%**

[1]Does not include space in development or redevelopment.

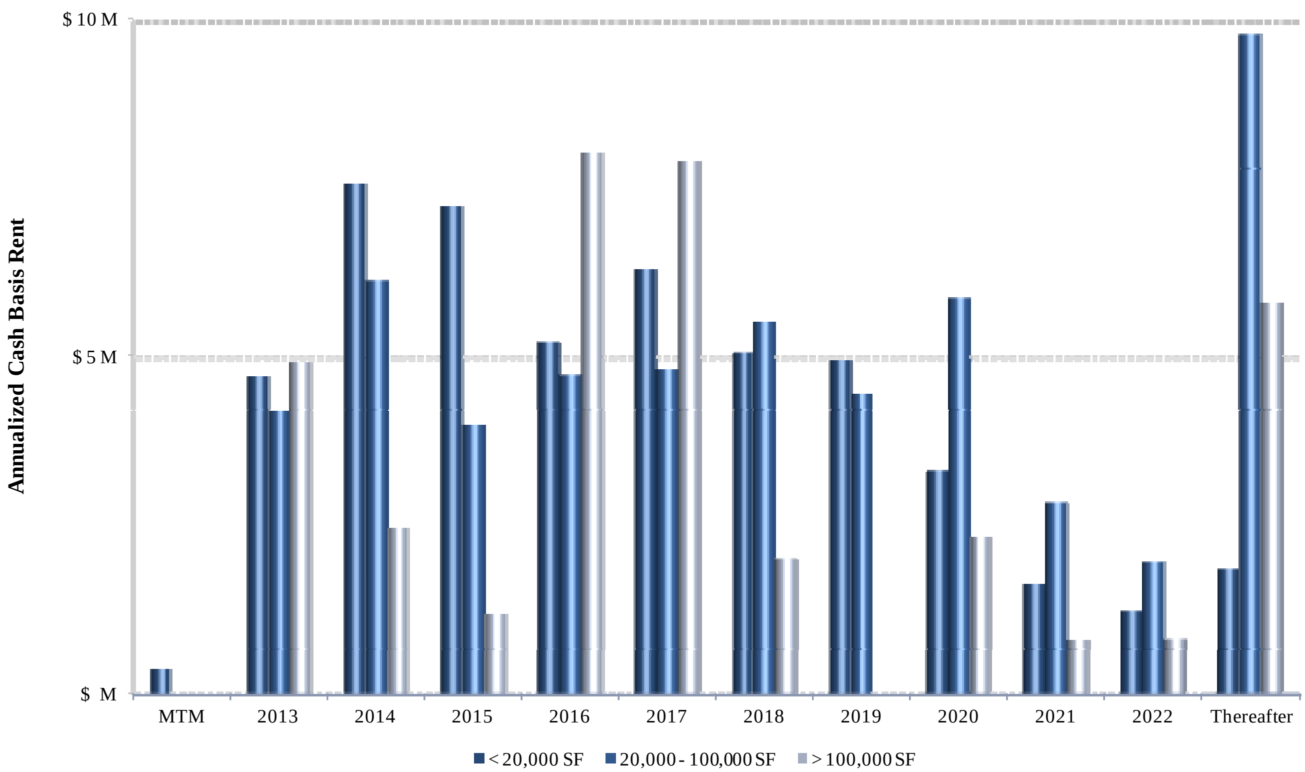
[2]Annualized cash basis rent at the end of the quarter, which is calculated as the contractual rent due under the terms of the lease, without taking into account rent abatements, is reflected on a triple-net equivalent basis, by deducting operating expense reimbursements that are included, along with base rent, in the contractual payments of the Company's full service leases.

[3]Includes leased spaces that are not yet occupied.

Portfolio by Size

(unaudited)

Square Feet Under Lease	Number of Leases	Leased Square Feet	% of Total Square Feet	Annualized Cash Basis Rent[1]	% of Annualized Cash Basis Rent	Average Base Rent per Square Foot[1][2]
0-2,500	165	253,010	2.2%	$ 3,693,351	2.6%	$ 14.60
2,501-10,000	372	1,979,432	17.1%	24,183,045	17.4%	12.22
10,001-20,000	129	1,763,210	15.2%	21,596,648	15.4%	12.25
20,001-40,000	85	2,296,006	19.8%	26,188,728	18.7%	10.46
40,001-100,000	39	2,385,815	20.5%	25,625,673	18.3%	10.74
100,000 +	20	2,923,311	25.2%	38,583,848	27.6%	13.20
Total/Weighted Average	**810**	**11,600,784**	**100.0%**	**$ 139,871,292**	**100.0%**	**$ 11.87**



[1] Annualized cash basis rent at the end of the quarter, which is calculated as the contractual rent due under the terms of the lease, without taking into account rent abatements, is reflected on a triple-net equivalent basis, by deducting operating expense reimbursements that are included, along with base rent, in the contractual payments of the Company's full service leases.

[2] Per square foot rents do not include the Greyhound Lines, Inc. leaseback at 1005 First Street, NE.

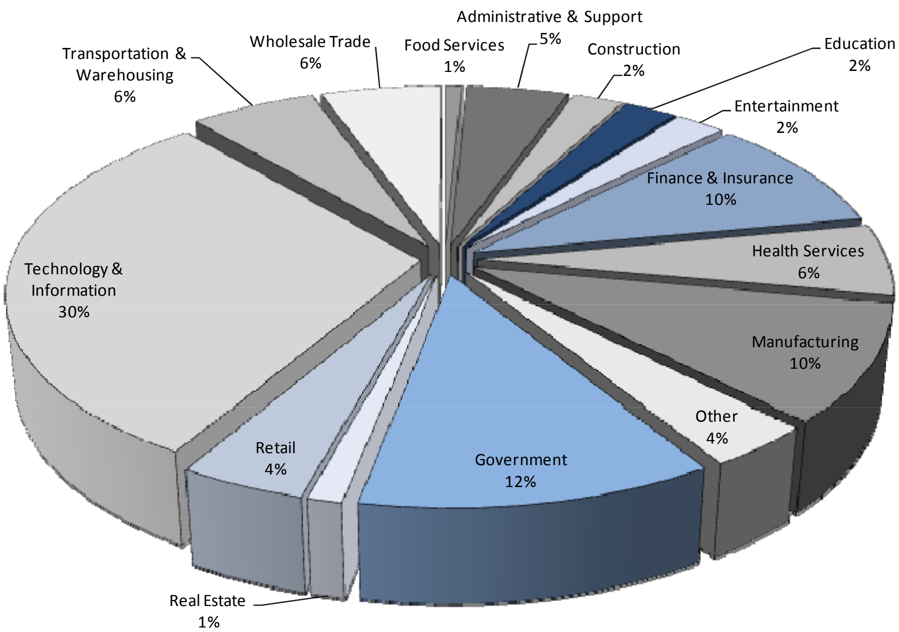
Top Twenty-Five Tenants

(unaudited)

Ranking	Tenant	Number of Leases	Total Leased Square Feet	Annualized Cash Basis Rent[1]	% of Annualized Cash Basis Rent	Weighted Average Remaining Lease Years
1	U.S. Government	25	613,190	$ 12,657,577	9.0%	4.5
2	BlueCross BlueShield	1	247,146	7,011,353	5.0%	8.7
3	CACI International	1	214,214	5,150,404	3.7%	3.8
4	Engineering Solutions[2]	1	236,082	3,470,406	2.5%	0.0
5	BAE Systems Technology Solutions & Services	3	167,881	3,258,569	2.3%	7.0
6	Greyhound Lines, Inc.	1	30,414	2,496,000	1.8%	0.4
7	Sentara Healthcare	7	280,487	2,491,834	1.8%	7.4
8	ICF Consulting Group Inc.	1	97,910	2,374,318	1.7%	11.3
9	Stock Building Supply, Inc.	2	171,996	2,106,951	1.5%	3.9
10	FKI Industries, Inc.	1	215,085	2,045,848	1.5%	3.5
11	State of Maryland - AOC	14	101,113	1,686,183	1.2%	6.8
12	Vocus, Inc.	1	93,000	1,593,614	1.1%	10.0
13	First Data Corporation	1	117,336	1,452,620	1.0%	0.7
14	Iron Mountain	2	188,911	1,356,597	1.0%	5.5
15	Latisys-Ashburn, LLC	2	123,097	1,355,576	1.0%	8.7
16	Montgomery County, Maryland	2	57,825	1,334,724	1.0%	8.7
17	First American Registry	1	55,851	1,260,557	0.9%	0.8
18	Vangent, Inc.	1	123,200	1,241,856	0.9%	0.8
19	Affiliated Computer Services, Inc	1	107,422	1,213,869	0.9%	3.8
20	Capital One Financial Corp	1	158,400	1,113,552	0.8%	5.3
21	Siemens Real Estate	1	76,292	1,083,346	0.8%	3.1
22	Lyttle Corp	1	54,530	1,080,785	0.8%	9.8
23	International Resources Group	5	36,016	979,813	0.7%	1.1
24	Harris Corporation	3	47,404	963,579	0.7%	1.9
25	Verizon	5	70,627	954,529	0.7%	2.5
	Subtotal Top 25 Tenants	84	3,685,429	$ 61,734,458	44.1%	5.1
	All Remaining Tenants	726	7,915,355	78,136,834	55.9%	4.5
	Total / Weighted Average	**810**	**11,600,784**	**$ 139,871,292**	**100.0%**	**4.7**

Tenant Diversification by Industry

All Tenants



[1] Annualized cash basis rent at the end of the quarter, which is calculated as the contractual rent due under the terms of the lease, without taking into account rent abatements, is reflected on a triple-net equivalent basis, by deducting operating expense reimbursements that are included, along with base rent, in the contractual payments of the Company's full service leases.

[2] The tenant terminated its lease at the end of March 2013. Leases that expire or are terminated on the last day of the quarter are classified as leased square footage and are not reported as expired until the following quarter.

Lease Expirations

(unaudited)

	Total Portfolio					Property Type					
						Business Park		Office		Industrial	
Year of Lease Expiration[1]	Number of Leases Expiring	Leased Square Feet	% of Leased Square Feet	Annualized Cash Basis Rent[2]	Average Base Rent per Square Foot[2][3]	Leased Square Feet	Average Base Rent per Square Foot[2]	Leased Square Feet	Average Base Rent per Square Foot[2][3]	Leased Square Feet	Average Base Rent per Square Foot[2]
MTM	4	28,203	0.2%	$ 375,553	$ 13.32	11,730	$ 11.95	16,473	$ 14.29	-	$ -
2013	81	868,579	7.5%	13,840,070	13.53	391,278	11.74	152,751	20.69	324,550	13.00
2014	149	1,625,023	14.0%	16,158,048	9.94	397,058	10.11	343,152	18.07	884,813	6.72
2015	121	1,309,927	11.3%	12,426,188	9.49	447,285	10.19	239,361	16.85	623,281	6.15
2016	104	1,680,663	14.5%	17,958,035	10.69	438,963	11.18	252,944	26.67	988,756	6.38
2017	99	1,477,718	12.7%	18,989,565	12.85	542,158	11.37	408,737	21.21	526,823	7.89
2018	80	1,260,933	10.9%	12,580,774	9.98	591,995	9.73	210,722	15.16	458,216	7.91
2019	53	716,481	6.2%	9,380,039	13.09	503,437	11.45	187,454	17.90	25,590	10.10
2020	43	743,015	6.4%	11,510,640	15.49	285,561	12.57	411,136	18.43	46,318	7.46
2021	23	484,360	4.2%	5,236,083	10.81	267,624	11.43	46,411	14.41	170,325	8.86
2022	23	420,608	3.6%	3,985,079	9.47	120,811	8.32	91,945	20.47	207,852	5.28
Thereafter	30	985,274	8.5%	17,431,218	17.69	369,345	11.89	529,649	23.32	86,280	8.00
Total/Weighted Average	**810**	**11,600,784**	**100.0%**	**$ 139,871,292**	**$ 11.87**	**4,367,245**	**$ 10.98**	**2,890,735**	**$ 20.08**	**4,342,804**	**$ 7.36**

[1]Leases that expire or are terminated on the last day of the year are classified as leased square footage and are not reported as expired until the following year.

[2]Annualized cash basis rent at the end of the quarter, which is calculated as the contractual rent due under the terms of the lease, without taking into account rent abatements, is reflected on a triple-net equivalent basis, by deducting operating expense reimbursements that are included, along with base rent, in the contractual payments of the Company's full service leases.

[3]Per square foot rents do not include the Greyhound Lines, Inc. leaseback at 1005 First Street, NE.

Total Lease Summary

All Comparable and Non-comparable Leases

Three Months Ending March 31, 2013	Square Footage	Number of Leases Signed	Cash Basis Base Rent	GAAP Basis Base Rent	Average Lease Term	Average Capital Cost Per Sq. Ft.[1]	Average Capital Cost per Sq. Ft. per Year[1]
New Leases	218,273	22	$ 7.89	$ 8.14	7.5	$ 24.86	$ 3.35
First Generation New Leases	*41,033*	*7*	*14.96*	*14.10*	*6.9*	*41.12*	*5.96*
Second Generation New Leases	*177,240*	*15*	*6.26*	*6.76*	*7.7*	*21.09*	*2.75*
Renewal Leases	345,259	23	9.63	10.27	4.8	4.14	0.85
Total/Weighted Average	**563,532**	**45**	**$ 8.96**	**$ 9.44**	**5.9**	**$ 12.16**	**$ 1.82**

Lease Comparison

Comparable Leases Only [2]

Three Months Ending March 31, 2013			*Cash Basis*			*GAAP Basis*			
	Square Footage	Number of Leases Signed	Base Rent	Previous Base Rent	Percentage Change	Base Rent	Previous Base Rent	Percentage Change	Average Lease Term
New Leases	27,784	5	$ 9.44	$ 12.22	-22.7%	$ 10.03	$ 11.45	-12.4%	6.5
Renewal Leases	345,259	23	9.63	10.26	-6.1%	10.27	9.87	4.0%	4.8
Total/Weighted Average	**373,043**	**28**	**$ 9.61**	**$ 10.40**	**-7.6%**	**$ 10.25**	**$ 9.99**	**2.6%**	**5.0**

Retention Analysis

Three Months Ending March 31, 2013	Square Footage Expiring[3]	Square Footage Renewed	Retention Rate
Total Portfolio	388,312	345,259	89%
Washington DC	20,965	20,965	100%
Maryland	8,777	4,124	47%
Northern Virginia	145,849	125,399	86%
Southern Virginia	212,721	194,771	92%

(1) The average capital cost does not include base building improvements needed to (1) bring a space up to code, (2) create building-standard operating efficiency, or (3) add demising walls and define the separate operations of a suite.

(2) Comparable lease comparisons do not include comparable data for first generation spaces, suites that have been vacant for over twelve months, or leases with terms of less than one year.

(3) Leases that expire or are terminated on the last day of the quarter are classified as leased square footage and are not reported as expired until the following quarter.

Office Properties

(unaudited)

Property	Buildings	Location	Square Feet	Annualized Cash Basis Rent[1]	% Leased[2]	% Occupied[2]
Washington DC						
500 First Street, NW	1	Capitol Hill	129,035	$ 4,830,102	100.0%	100.0%
840 First Street, NE	1	NoMA[3]	247,146	7,011,353	100.0%	100.0%
1005 First Street, NE	1	NoMA[3]	30,414	2,496,000	100.0%	100.0%
1211 Connecticut Avenue, NW	1	CBD[3]	125,119	3,507,769	97.1%	97.1%
Total/Weighted Average	4		531,714	$ 17,845,224	99.3%	99.3%
Maryland						
Worman's Mill Court	1	Frederick	40,099	$ 381,225	87.6%	87.6%
Annapolis Business Center	2	Annapolis	102,374	1,686,183	98.8%	94.7%
Campus at Metro Park North	4	Rockville	190,720	3,599,436	89.6%	89.6%
Cloverleaf Center	4	Germantown	173,766	2,226,086	74.1%	74.1%
Gateway Center	2	Gaithersburg	44,010	508,398	67.1%	65.5%
Hillside I and II	2	Columbia	85,631	892,879	74.4%	74.4%
Merrill Lynch Building	1	Columbia	137,058	1,684,769	81.4%	77.8%
Patrick Center	1	Frederick	66,269	968,078	77.1%	77.1%
Redland Corporate Center	2	Rockville	349,267	7,055,245	91.4%	87.8%
West Park	1	Frederick	28,390	266,571	81.7%	81.7%
Total/Weighted Average	20		1,217,584	$ 19,268,870	84.9%	83.1%
Northern Virginia						
Atlantic Corporate Park	2	Sterling	221,118	$ 1,487,486	40.3%	29.9%
Cedar Hill	2	Tyson's Corner	102,632	2,164,498	100.0%	100.0%
Herndon Corporate Center	4	Herndon	128,063	1,785,088	89.3%	89.3%
Lafayette Business Center[4]	6	Chantilly	253,867	3,536,180	82.4%	82.4%
One Fair Oaks	1	Fairfax	214,214	5,150,404	100.0%	100.0%
Reston Business Campus	4	Reston	83,373	997,791	75.9%	72.1%
Three Flint Hill	1	Oakton	180,623	2,694,538	84.7%	66.1%
Van Buren Office Park	5	Herndon	106,954	1,365,051	97.3%	75.8%
Windsor at Battlefield	2	Manassas	155,511	1,974,925	90.3%	90.3%
Total/Weighted Average	27		1,446,355	$ 21,155,961	82.3%	76.6%
Southern Virginia						
Greenbrier Towers	2	Chesapeake	172,385	$ 1,668,728	80.0%	79.4%
Total/Weighted Average	**53**		**3,368,038**	**$ 59,938,783**	**85.8%**	**82.7%**
Unconsolidated Joint Ventures						
1750 H Street, NW	1	CBD - DC[3]	111,373	$ 3,821,538	93.9%	93.9%
Aviation Business Park	3	Glen Burnie - MD	120,285	746,076	42.3%	37.9%
Prosperity Metro Plaza	2	Merrifield - NOVA	325,645	6,057,454	86.1%	86.1%
Total/Weighted Average	6		557,303	$ 10,625,069	78.2%	77.3%

(1) Annualized cash basis rent at the end of the quarter, which is calculated as the contractual rent due under the terms of the lease, without taking into account rent abatements, is reflected on a triple-net equivalent basis, by deducting operating expense reimbursements that are included, along with base rent, in the contractual payments of the Company's full service leases.

(2) Does not include space in development or redevelopment.

(3) CBD refers to the Central Business District and NoMa refers to North of Massachusetts Avenue.

(4) Lafayette Business Center consists of the following properties: Enterprise Center and Tech Court.

Business Park Properties

(unaudited)

Property	Buildings	Location	Square Feet	Annualized Cash Basis Rent[1]	% Leased[2]	% Occupied[2]
Maryland						
Ammendale Business Park[3]	7	Beltsville	312,846	$ 4,027,514	100.0%	97.0%
Gateway 270 West	6	Clarksburg	255,917	2,345,778	67.6%	64.8%
Girard Business Center[4]	7	Gaithersburg	297,422	2,738,218	78.9%	75.1%
Owings Mills Business Park[5]	4	Owings Mills	180,475	1,440,972	57.4%	57.4%
Rumsey Center	4	Columbia	134,689	1,376,563	94.9%	86.7%
Snowden Center	5	Columbia	145,180	2,142,019	98.6%	98.6%
Triangle Business Center	4	Baltimore	74,429	344,434	47.6%	47.6%
Total/Weighted Average	37		1,400,958	$ 14,415,497	80.7%	77.9%
Northern Virginia						
Corporate Campus at Ashburn Cent	3	Ashburn	194,184	$ 2,531,606	100.0%	100.0%
Gateway Centre Manassas	3	Manassas	102,579	635,704	60.4%	50.2%
Linden Business Center	3	Manassas	109,787	1,053,301	97.4%	70.5%
Prosperity Business Center	1	Merrifield	71,343	911,746	100.0%	100.0%
Sterling Park Business Center[6]	7	Sterling	474,807	4,145,563	91.8%	86.2%
Total/Weighted Average	17		952,700	$ 9,277,920	91.3%	84.4%
Southern Virginia						
Chesterfield Business Center[7]	11	Richmond	320,308	$ 1,856,791	87.9%	87.9%
Hanover Business Center	4	Ashland	183,669	777,535	68.2%	66.4%
Park Central	3	Richmond	204,762	1,902,952	81.8%	81.8%
Virginia Center Technology Park	1	Glen Allen	118,579	1,229,363	83.8%	83.8%
Crossways Commerce Center[8]	9	Chesapeake	1,087,250	11,088,112	94.2%	94.2%
Battlefield Corporate Center	1	Chesapeake	96,720	795,456	100.0%	100.0%
Greenbrier Business Park[9]	4	Chesapeake	412,526	4,009,562	81.9%	77.3%
Norfolk Commerce Park[10]	3	Norfolk	262,917	2,595,039	89.4%	67.8%
Total/Weighted Average	36		2,686,731	$ 24,254,809	88.1%	85.2%
Total/Weighted Average	**90**		**5,040,389**	**$ 47,948,226**	**86.6%**	**83.0%**
Unconsolidated Joint Ventures						
RiversPark I and II	6	Columbia - MD	307,747	$ 3,753,318	89.1%	89.1%

(1)Annualized cash basis rent at the end of the quarter, which is calculated as the contractual rent due under the terms of the lease, without taking into account rent abatements, is reflected on a triple-net equivalent basis, by deducting operating expense reimbursements that are included, along with base rent, in the contractual payments of the Company's full service leases.

(2)Does not include space in development or redevelopment.

(3)Ammendale Business Park consists of the following properties: Ammendale Commerce Center and Indian Creek Court.

(4)Girard Business Center consists of the following properties: Girard Business Center and Girard Place.

(5)Owings Mills Business Park consists of the following properties: Owings Mills Business Center and Owings Mills Commerce Center.

(6)Sterling Park Business Center consists of the following properties: 22370/22400/22446/22455 Davis Drive and 403/405/22560 Glenn Drive.

(7)Chesterfield Business Center consists of the following properties: Airpark Business Center, Chesterfield Business Center and Pine Glen.

(8)Crossways Commerce Center consists of the following properties: Coast Guard Building, Crossways Commerce Center I, Crossways Commerce Center II, Crossways I, Crossways II, 1434 Crossways Boulevard and 1408 Stephanie Way.

(9)Greenbrier Business Park consists of the following properties: Greenbrier Technology Center I, Greenbrier Technology Center II and Greenbrier Circle Corporate Center.

(10)Norfolk Commerce Park consists of the following properties: Norfolk Business Center, Norfolk Commerce Park II and Gateway II.

Industrial Properties[1]

(unaudited)

Property	Buildings	Location	Square Feet	Annualized Cash Basis Rent[2]	% Leased[3]	% Occupied[3]
Maryland						
Frederick Industrial Park[4]	3	Frederick	550,576	$ 3,899,508	86.0%	86.0%
Glenn Dale Business Center	1	Glenn Dale	314,923	1,750,021	94.6%	87.2%
Mercedes Center	1	Hanover	295,006	1,303,062	74.0%	74.0%
Total/Weighted Average	5		1,160,505	$ 6,952,591	85.3%	83.3%
Northern Virginia						
13129 Airpark Drive	1	Culpeper	149,888	$ 724,094	100.0%	100.0%
I-66 Commerce Center	1	Haymarket	236,082	3,470,406	100.0%	100.0%
Interstate Plaza	1	Alexandria	109,029	1,141,619	98.9%	98.9%
Newington Business Park Center[1]	7	Lorton	254,333	2,269,870	81.2%	77.9%
Plaza 500[1]	2	Alexandria	505,258	4,923,951	74.5%	74.5%
Total/Weighted Average	12		1,254,590	$ 12,529,939	85.8%	85.2%
Southern Virginia						
Cavalier Industrial Park	4	Chesapeake	394,308	$ 1,326,037	80.4%	80.4%
Diamond Hill Distribution Center	4	Chesapeake	712,339	2,846,459	95.1%	95.1%
Hampton Roads Center[5]	3	Hampton	584,345	2,810,385	63.5%	63.5%
Northridge	2	Ashland	139,346	778,081	82.9%	82.9%
River's Bend Center[6]	6	Chester	795,143	4,740,792	100.0%	100.0%
Total/Weighted Average	19		2,625,481	$ 12,501,753	86.7%	86.7%
Total/Weighted Average	**36**		**5,040,576**	**$ 31,984,283**	**86.2%**	**85.5%**

(1)The entire industrial portfolio except for Newington Business Park Center and Plaza 500 is currently being marketed for disposition in 2013.

(2)Annualized cash basis rent at the end of the quarter, which is calculated as the contractual rent due under the terms of the lease, without taking into account rent abatements, is reflected on a triple-net equivalent basis, by deducting operating expense reimbursements that are included, along with base rent, in the contractual payments of the Company's full service leases.

(3)Does not include space in development or redevelopment.

(4)Frederick Industrial Park consists of the following properties: 4451 Georgia Pacific Boulevard, 4612 Navistar Drive and 6900 English Muffin Way.

(5)Hampton Roads Center consists of the following properties: 1000 Lucas Way and Enterprise Parkway.

(6)River's Bend Center consists of the following properties: River's Bend Center and River's Bend Center II.

Management Statements on Non-GAAP Supplemental Measures

Investors and analysts following the real estate industry utilize funds from operations ("FFO"), net operating income ("NOI"), earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted funds from operations ("AFFO"), variously defined, as supplemental performance measures.

The Company believes FFO, NOI, EBITDA and AFFO are appropriate measures given their wide use by and relevance to investors and analysts. FFO, reflecting the assumption that real estate asset values rise or fall with market conditions, principally adjusts for the effects of depreciation/amortization of real estate assets (in accordance with U.S. generally accepted accounting principles ("GAAP")). NOI provides a measure of rental operations and does not factor in depreciation/amortization and non-property specific expenses such as general and administrative expenses. In addition, FFO, NOI, EBITDA and AFFO are commonly used in various ratios, pricing multiples/yields and returns and valuation calculations used to measure financial position, performance and value.

NOI

The Company defines net operating income ("NOI") as operating revenues (rental income, tenant reimbursements and other income) less property and related expenses (property expenses, real estate taxes and insurance). Management believes that NOI is a useful measure of the Company's property operating performance as it provides a performance measure of the revenues and expenses directly associated with owning, operating, developing and redeveloping office and industrial properties, and provides a perspective not immediately apparent from net income or FFO. Other real estate investment trusts ("REITs") may use different methodologies for calculating NOI, and accordingly, the Company's NOI may not be comparable to other REITs. The Company's NOI calculations are reconciled to total revenues and total operating expenses earlier in this Supplemental Financial Report.

Same-Property NOI

Same-Property Net Operating Income ("Same-Property NOI"), defined as operating revenues (rental, tenant reimbursements and other revenues) less operating expenses (property operating expenses, real estate taxes and insurance) from the properties owned by the Company for the entirety of the periods presented, is a primary performance measure the Company uses to assess the results of operations at its properties. As an indication of the Company's operating performance, Same-Property NOI should not be considered an alternative to net income calculated in accordance with GAAP. A reconciliation of the Company's Same-Property NOI to net income from its consolidated statements of operations is presented earlier in this Supplemental Financial Report. The Same-Property NOI results exclude corporate-level expenses, as well as certain transactions, such as the collection of termination fees, as these items vary significantly period-over-period thus impacting trends and comparability. Also, the Company eliminates depreciation and amortization expense, which are property level expenses, in computing Same-Property NOI as these are non-cash expenses that are based on historical cost accounting assumptions and do not offer the investor significant insight into the operations of the property. This presentation allows management and investors to distinguish whether growth or declines in net operating income are a result of increases or decreases in property operations or the acquisition of additional properties. While this presentation provides useful information to management and investors, the results below should be read in conjunction with the results from the consolidated statements of operations to provide a complete depiction of total Company performance.

EBITDA

Management believes that EBITDA is a useful measure of the Company's operating performance. EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

Management considers EBITDA to be an appropriate supplemental performance measure since it represents earnings prior to the impact of depreciation, amortization, gain (loss) from property dispositions and loss on early retirement of debt. This calculation facilitates the review of income from operations without considering the effect of non-cash depreciation and amortization or the cost of debt. EBITDA is reconciled to net income (loss) earlier in this Supplemental Financial Report.

Funds from Operations

Funds from operations ("FFO") represents net income (computed in accordance with GAAP) excluding gains (losses) on sales of real estate and impairments of real estate assets, plus real estate-related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. On October 31, 2011, NAREIT issued revised guidance regarding the exclusion of impairment write-downs of depreciable assets reported in FFO. As a result, the Company began excluding impairment losses from FFO in the fourth quarter of 2011 and has restated FFO from prior periods to exclude such charges consistent with NAREIT's guidance. The Company also excludes, from its FFO calculation, any depreciation and amortization related to third parties from its consolidated joint ventures. The Company considers FFO a useful measure of performance for an equity REIT because it facilitates an understanding of the operating performance of its properties without giving effect to real estate depreciation and amortization, which assume that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, the Company believes that FFO provides a meaningful indication of its performance. The Company also considers FFO an appropriate performance measure given its wide use by investors and analysts. The Company computes FFO in accordance with standards established by the Board of Governors of NAREIT in its March 1995 White Paper (as amended in November 1999, April 2002 and January 2012), which may differ from the methodology for calculating FFO utilized by other equity REITs and, accordingly, may not be comparable to such other REITs. Further, FFO does not represent amounts available for management's discretionary use because of needed capital replacement or expansion, debt service obligations or other commitments and uncertainties, nor is it indicative of funds available to fund the Company's cash needs, including its ability to make distributions. The Company presents FFO per diluted share calculations that are based on the outstanding dilutive common shares plus the outstanding Operating Partnership units for the periods presented.

The Company's presentation of FFO in accordance with the NAREIT white paper, or as adjusted by the Company, should not be considered as an alternative to net income (computed in accordance with GAAP) as an indicator of the Company's financial performance or to cash flow from operating activities (computed in accordance with GAAP) as an indicator of its liquidity. The Company's FFO calculations are reconciled to net income earlier in this Supplemental Financial Report.

CORE FFO

Management believes that the computation of FFO in accordance with NAREIT's definition includes certain items that are not indicative of the results provided by the Company's operating portfolio and affect the comparability of the Company's period-over-period performance. These items include, but are not limited to, gains and losses on the extinguishment debt, legal and accounting costs related to the Company's internal investigation and the informal SEC inquiry, personnel separation costs, contingent consideration charges and acquisition costs. The Company provides a reconciliation of FFO to Core FFO earlier in this Supplemental Financial Report.

AFFO

The Company computes AFFO by adding to Core FFO equity based compensation expense and the non-cash amortization of deferred financing costs and non-real estate depreciation, and then subtracting cash paid for any recurring tenant improvements, leasing commissions, and recurring capital expenditures, and eliminating the net effect of straight-line rents, deferred market rent and debt fair value amortization.

First generation costs include tenant improvements, leasing commissions and capital expenditures that were taken into consideration when underwriting the purchase of a property or incurred to bring the property to operating standard for its intended use. The Company also excludes development and redevelopment related expenditures. However, other REITs may use different methodologies for calculating AFFO and, accordingly, the Company's AFFO may not be comparable to other REITs. The Company provides a reconciliation of Core FFO to AFFO earlier in this Supplemental Financial Report.