



## Supplemental Operating and Financial Data Second Quarter 2013



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All financial information contained in this supplemental information package is unaudited. In addition, certain statements contained in this supplemental information package may be deemed to be forward-looking statements within the meaning of the federal securities laws. Although FSP believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. Factors that could cause actual results to differ materially from FSP's current expectations include general economic conditions, local real estate conditions, the performance of properties that FSP has acquired or may acquire, the timely lease-up of properties and other risks, detailed from time to time in FSP's SEC reports. FSP assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.





# Company Overview

## Overview

Franklin Street Properties Corp. (“FSP”, “we”, “our” or the “Company”) (NYSE MKT: FSP) is investing in institutional-quality office properties in the U.S. FSP’s strategy is to invest in select urban infill and central business district (CBD) properties, with primary emphasis on our top five markets of Atlanta, Dallas, Denver, Houston, and Minneapolis. FSP seeks value-oriented investments with an eye towards long-term growth and appreciation, as well as current income. FSP is a Maryland corporation that operates in a manner intended to qualify as a real estate investment trust (REIT) for federal income tax purposes. FSP’s real estate operations include property acquisitions and dispositions, short-term financing, leasing, development and asset management. FSP’s subsidiary, FSP Investments LLC (member, FINRA and SIPC), is a real estate investment banking firm and registered broker/dealer that previously sponsored the organization of single-purpose entities that own real estate and the private placement of equity in those entities, which we refer to as “Sponsored REITs”.

## Our Business

As of June 30, 2013, the Company owned and operated a portfolio of real estate consisting of 38 properties, managed 15 Sponsored REITs and held seven promissory notes secured by mortgages on real estate owned by Sponsored REITs. From time-to-time, the Company may acquire real estate, make additional secured loans or acquire one of its Sponsored REITs. The Company may also pursue, on a selective basis, the sale of its properties in order to take advantage of the value creation and demand for its properties, or for geographic or property specific reasons.

## Management Team

George J. Carter  
President, Chief Executive Officer  
Chairman of the Board

Barbara J. Fournier  
Executive Vice President, Chief Operating Officer,  
Treasurer, Secretary and Director

Janet Notopoulos  
Executive Vice President and Director

Scott H. Carter  
Executive Vice President, General  
Counsel and Assistant Secretary

Jeffrey B. Carter  
Executive Vice President and  
Chief Investment Officer

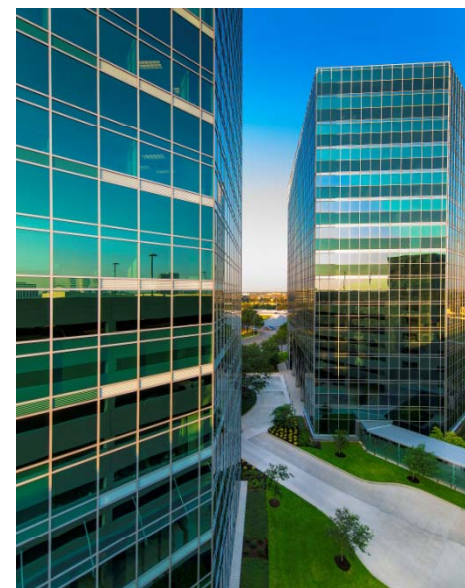
John G. Demeritt  
Executive Vice President and  
Chief Financial Officer

## Inquiries

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877-686-9496 or [InvestorRelations@franklinstreetproperties.com](mailto:InvestorRelations@franklinstreetproperties.com)

## Snapshot (as of June 30, 2013)

|                             |               |
|-----------------------------|---------------|
| Corporate Headquarters      | Wakefield, MA |
| Fiscal Year-End             | 31-Dec        |
| Total Properties            | 38            |
| Total Square Feet           | 8.5 Million   |
| Trading Symbol              | FSP           |
| Exchange                    | NYSE MKT      |
| Common Shares Outstanding   | 100,187,405   |
| Quarterly Dividend          | \$0.19        |
| Dividend Yield              | 5.8%          |
| Total Market Capitalization | \$1.9 Billion |
| Insider Holdings            | 10.6%         |





# Summary of Financial Highlights

(in thousands, except per share data)

(in thousands except per share amounts, SF & number of properties)

For the Three Months Ended

|                                              | 30-Jun-13    | 31-Mar-13    | 31-Dec-12    | 30-Sep-12    | 30-Jun-12    | 31-Mar-12    |
|----------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Income Items:</b>                         |              |              |              |              |              |              |
| Rental revenue                               | \$ 46,322    | \$ 43,147    | \$ 41,532    | \$ 38,251    | \$ 35,570    | \$ 36,303    |
| Total revenue                                | 47,977       | 44,800       | 43,420       | 41,775       | 38,654       | 38,953       |
| Adjusted EBITDA*                             | 26,075       | 24,712       | 25,491       | 23,348       | 22,752       | 22,789       |
| Equity in earnings in non-consolidated REITs | (196)        | (187)        | 972          | 176          | 494          | 391          |
| Net income                                   | 4,741        | 4,401        | 5,460        | (8,998)      | 5,433        | 5,738        |
| FFO*                                         | 22,142       | 20,616       | 20,515       | 19,913       | 19,042       | 19,571       |
| <b>Per Share Data:</b>                       |              |              |              |              |              |              |
| EPS                                          | \$ 0.05      | \$ 0.05      | \$ 0.07      | \$ (0.11)    | \$ 0.07      | \$ 0.07      |
| FFO*                                         | \$ 0.24      | \$ 0.25      | \$ 0.25      | \$ 0.24      | \$ 0.23      | \$ 0.24      |
| Weighted Average Shares (diluted)            | 91,847       | 82,937       | 82,937       | 82,937       | 82,937       | 82,937       |
| Closing share price                          | \$ 13.20     | \$ 14.62     | \$ 12.31     | \$ 11.07     | \$ 10.58     | \$ 10.60     |
| Dividend                                     | \$ 0.19      | \$ 0.19      | \$ 0.19      | \$ 0.19      | \$ 0.19      | \$ 0.19      |
| Payout Ratio:                                | 79%          | 76%          | 77%          | 79%          | 83%          | 81%          |
| <b>Balance Sheet Items:</b>                  |              |              |              |              |              |              |
| Real estate, net                             | \$ 1,288,025 | \$ 1,136,204 | \$ 1,142,628 | \$ 1,015,984 | \$ 982,685   | \$ 987,003   |
| Other assets, net                            | 422,026      | 376,498      | 384,551      | 379,950      | 447,678      | 451,525      |
| Total assets, net                            | 1,710,051    | 1,512,702    | 1,527,179    | 1,395,934    | 1,430,363    | 1,438,528    |
| Total liabilities, net                       | 629,007      | 658,869      | 662,430      | 521,338      | 529,340      | 527,181      |
| Shareholders' equity                         | 1,081,044    | 853,833      | 864,749      | 874,596      | 901,023      | 911,347      |
| <b>Market Capitalization and Debt:</b>       |              |              |              |              |              |              |
| Total Market Capitalization (a)              | \$ 1,903,974 | \$ 1,834,295 | \$ 1,637,709 | \$ 1,400,117 | \$ 1,371,478 | \$ 1,373,136 |
| Total debt outstanding                       | 581,500      | 621,750      | 616,750      | 482,000      | 494,000      | 494,000      |
| Debt to Total Market Capitalization          | 30.5%        | 33.9%        | 37.7%        | 34.4%        | 36.0%        | 36.0%        |
| Debt to Adjusted EBITDA                      | 5.6          | 6.3          | 6.0          | 5.2          | 5.4          | 5.4          |
| <b>Owned Portfolio Leasing Statistics:</b>   |              |              |              |              |              |              |
| Owned portfolio assets                       | 38           | 37           | 37           | 37           | 36           | 36           |
| Portfolio total SF                           | 8,529,752    | 7,856,859    | 7,854,679    | 7,439,195    | 7,052,592    | 7,052,068    |
| Portfolio % leased                           | 94.4%        | 94.4%        | 94.0%        | 89.9%        | 90.0%        | 89.0%        |

(a) Total Market Capitalization is the closing share price multiplied by the number of shares outstanding plus total debt outstanding on that date.

\* See pages 9 & 10 for reconciliations of Net Income to FFO and Adjusted EBITDA, respectively, and the Appendix for Definitions of these Non-GAAP Measures beginning on page 27.



# Condensed Consolidated Income Statements

(\$ in thousands, except per share amounts)

|                                                                                              | For the Three   |                 | For the Six     | For the Three Months Ended              |                 |                   |                 | For the         |
|----------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------------------------------|-----------------|-------------------|-----------------|-----------------|
|                                                                                              | Months Ended    |                 | Months Ended    | 31-Mar-12 30-Jun-12 30-Sep-12 31-Dec-12 |                 |                   |                 | Year Ended      |
|                                                                                              | 31-Mar-13       | 30-Jun-13       | 30-Jun-13       | 31-Mar-12                               | 30-Jun-12       | 30-Sep-12         | 31-Dec-12       | 31-Dec-12       |
| <b>Revenue:</b>                                                                              |                 |                 |                 |                                         |                 |                   |                 |                 |
| Rental                                                                                       | \$ 43,147       | \$ 46,322       | \$ 89,469       | \$ 36,303                               | \$ 35,570       | \$ 38,251         | \$ 41,532       | \$ 151,656      |
| <b>Related party revenue:</b>                                                                |                 |                 |                 |                                         |                 |                   |                 |                 |
| Management fees and interest income from loans                                               | 1,622           | 1,643           | 3,265           | 2,616                                   | 3,045           | 3,485             | 1,801           | 10,947          |
| Other                                                                                        | 31              | 12              | 43              | 34                                      | 39              | 39                | 87              | 199             |
| <b>Total revenue</b>                                                                         | <b>44,800</b>   | <b>47,977</b>   | <b>92,777</b>   | <b>38,953</b>                           | <b>38,654</b>   | <b>41,775</b>     | <b>43,420</b>   | <b>162,802</b>  |
| <b>Expenses:</b>                                                                             |                 |                 |                 |                                         |                 |                   |                 |                 |
| Real estate operating expenses                                                               | 10,770          | 11,116          | 21,886          | 8,697                                   | 8,604           | 9,639             | 10,501          | 37,441          |
| Real estate taxes and insurance                                                              | 6,597           | 7,311           | 13,908          | 5,696                                   | 5,493           | 5,764             | 5,960           | 22,913          |
| Depreciation and amortization                                                                | 15,987          | 17,124          | 33,111          | 13,071                                  | 13,003          | 13,572            | 15,226          | 54,872          |
| Selling, general and administrative                                                          | 2,532           | 3,204           | 5,736           | 2,077                                   | 2,236           | 3,141             | 2,462           | 9,916           |
| Interest                                                                                     | 4,208           | 4,174           | 8,382           | 3,677                                   | 4,037           | 4,187             | 4,167           | 16,068          |
| <b>Total expenses</b>                                                                        | <b>40,094</b>   | <b>42,929</b>   | <b>83,023</b>   | <b>33,218</b>                           | <b>33,373</b>   | <b>36,303</b>     | <b>38,316</b>   | <b>141,210</b>  |
| <b>Income before interest income, equity in earnings of non-consolidated REITs and taxes</b> |                 |                 |                 |                                         |                 |                   |                 |                 |
|                                                                                              | 4,706           | 5,048           | 9,754           | 5,735                                   | 5,281           | 5,472             | 5,104           | 21,592          |
| Interest income                                                                              | 1               | 4               | 5               | 8                                       | 4               | 5                 | 34              | 51              |
| Equity in earnings of non-consolidated REITs                                                 | (187)           | (196)           | (383)           | 391                                     | 494             | 176               | 972             | 2,033           |
| <b>Income before taxes on income</b>                                                         | <b>4,520</b>    | <b>4,856</b>    | <b>9,376</b>    | <b>6,134</b>                            | <b>5,779</b>    | <b>5,653</b>      | <b>6,110</b>    | <b>23,676</b>   |
| Income tax expense                                                                           | 119             | 115             | 234             | 79                                      | 77              | 80                | 99              | 335             |
| <b>Income from continuing operations</b>                                                     | <b>4,401</b>    | <b>4,741</b>    | <b>9,142</b>    | <b>6,055</b>                            | <b>5,702</b>    | <b>5,573</b>      | <b>6,011</b>    | <b>23,341</b>   |
| Income from discontinued operations                                                          | -               | -               | -               | (317)                                   | (268)           | (271)             | (26)            | (882)           |
| Gain (loss) on sale, less applicable income tax                                              | -               | -               | -               | -                                       | -               | (14,300)          | (526)           | (14,826)        |
| <b>Net income</b>                                                                            | <b>\$ 4,401</b> | <b>\$ 4,741</b> | <b>\$ 9,142</b> | <b>\$ 5,738</b>                         | <b>\$ 5,434</b> | <b>\$ (8,998)</b> | <b>\$ 5,459</b> | <b>\$ 7,633</b> |
| <b>Weighted average number of shares outstanding, basic and diluted</b>                      |                 |                 |                 |                                         |                 |                   |                 |                 |
|                                                                                              | 82,937          | 91,847          | 87,417          | 82,937                                  | 82,937          | 82,937            | 82,937          | 82,937          |
| <b>Earnings per share, basic and diluted, attributable to:</b>                               |                 |                 |                 |                                         |                 |                   |                 |                 |
| Continuing operations                                                                        | \$ 0.05         | \$ 0.05         | \$ 0.10         | \$ 0.07                                 | \$ 0.07         | \$ 0.07           | \$ 0.07         | \$ 0.28         |
| Discontinued operations                                                                      | -               | -               | -               | -                                       | -               | -                 | -               | (0.01)          |
| Gain (loss) on sale, less applicable income tax                                              | -               | -               | -               | -                                       | -               | (0.18)            | -               | (0.18)          |
| <b>Net income per share, basic and diluted</b>                                               | <b>\$ 0.05</b>  | <b>\$ 0.05</b>  | <b>\$ 0.10</b>  | <b>\$ 0.07</b>                          | <b>\$ 0.07</b>  | <b>\$ (0.11)</b>  | <b>\$ 0.07</b>  | <b>\$ 0.09</b>  |

June 30, 2013



# Condensed Consolidated Balance Sheets

(in thousands)

|                                                             | March 31,<br>2013   | June 30,<br>2013    | March 31,<br>2012   | June 30,<br>2012    | September 30,<br>2012 | December 31,<br>2012 |
|-------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|----------------------|
| <b>Assets:</b>                                              |                     |                     |                     |                     |                       |                      |
| <b>Real estate assets:</b>                                  |                     |                     |                     |                     |                       |                      |
| Land                                                        | \$ 144,336          | \$ 160,670          | \$ 132,393          | \$ 132,393          | \$ 135,845            | \$ 144,336           |
| Buildings and improvements                                  | 1,180,959           | 1,325,919           | 1,009,706           | 1,013,122           | 1,051,111             | 1,178,144            |
| Fixtures and equipment                                      | 904                 | 960                 | 860                 | 871                 | 904                   | 904                  |
|                                                             | 1,326,199           | 1,487,549           | 1,142,959           | 1,146,386           | 1,187,860             | 1,323,384            |
| Less accumulated depreciation                               | 189,995             | 199,524             | 155,956             | 163,701             | 171,876               | 180,756              |
| <b>Real estate assets, net</b>                              | <b>1,136,204</b>    | <b>1,288,025</b>    | <b>987,003</b>      | <b>982,685</b>      | <b>1,015,984</b>      | <b>1,142,628</b>     |
| Acquired real estate leases, net                            | 105,882             | 132,662             | 87,073              | 82,769              | 92,717                | 111,982              |
| Investment in non-consolidated REITs                        | 81,746              | 81,523              | 87,061              | 86,658              | 85,927                | 81,960               |
| Assets held for sale                                        | -                   | -                   | 15,215              | 15,032              | 685                   | -                    |
| Cash and cash equivalents                                   | 17,282              | 24,962              | 29,283              | 22,620              | 23,962                | 21,267               |
| Restricted cash                                             | 583                 | 602                 | 511                 | 533                 | 546                   | 575                  |
| Tenant rent receivables, net                                | 2,357               | 2,331               | 1,090               | 1,403               | 1,182                 | 1,749                |
| Straight-line rent receivable, net                          | 36,287              | 37,952              | 31,861              | 33,048              | 34,190                | 35,441               |
| Prepaid expenses                                            | 2,438               | 1,760               | 1,164               | 2,605               | 2,336                 | 1,106                |
| Related party mortgage loan receivable                      | 96,896              | 97,846              | 172,286             | 177,536             | 108,236               | 93,896               |
| Other assets                                                | 8,107               | 17,511              | 4,006               | 3,640               | 8,467                 | 13,199               |
| Deferred leasing commissions, net                           | 24,920              | 24,877              | 21,975              | 21,834              | 21,702                | 23,376               |
| <b>Total assets</b>                                         | <b>\$ 1,512,702</b> | <b>\$ 1,710,051</b> | <b>\$ 1,438,528</b> | <b>\$ 1,430,363</b> | <b>\$ 1,395,934</b>   | <b>\$ 1,527,179</b>  |
| <b>Liabilities and Stockholders' Equity:</b>                |                     |                     |                     |                     |                       |                      |
| <b>Liabilities:</b>                                         |                     |                     |                     |                     |                       |                      |
| Bank note payable                                           | \$ 221,750          | \$ 181,500          | \$ 494,000          | \$ 494,000          | \$ 82,000             | \$ 216,750           |
| Term loan payable                                           | 400,000             | 400,000             | -                   | -                   | 400,000               | 400,000              |
| Accounts payable and accrued expenses                       | 25,493              | 29,971              | 23,311              | 25,408              | 26,462                | 31,122               |
| Accrued compensation                                        | 540                 | 1,677               | 446                 | 944                 | 2,194                 | 2,540                |
| Tenant security deposits                                    | 2,474               | 3,074               | 2,181               | 2,113               | 2,281                 | 2,489                |
| Other liabilities: derivative termination value             | 778                 | -                   | -                   | -                   | 1,671                 | 1,219                |
| Acquired unfavorable real estate leases, net                | 7,834               | 12,785              | 7,243               | 6,875               | 6,730                 | 8,310                |
| <b>Total liabilities</b>                                    | <b>658,869</b>      | <b>629,007</b>      | <b>527,181</b>      | <b>529,340</b>      | <b>521,338</b>        | <b>662,430</b>       |
| <b>Commitments and contingencies</b>                        |                     |                     |                     |                     |                       |                      |
| <b>Stockholders' Equity:</b>                                |                     |                     |                     |                     |                       |                      |
| Preferred stock                                             | -                   | -                   | -                   | -                   | -                     | -                    |
| Common stock                                                | 8                   | 10                  | 8                   | 8                   | 8                     | 8                    |
| Additional paid-in capital                                  | 1,042,876           | 1,273,585           | 1,042,876           | 1,042,876           | 1,042,876             | 1,042,876            |
| Accumulated other comprehensive income (loss)               | (778)               | 6,739               | -                   | -                   | (1,671)               | (1,219)              |
| Accumulated distributions in excess of accumulated earnings | (188,273)           | (199,290)           | (131,537)           | (141,861)           | (166,617)             | (176,916)            |
| <b>Total stockholders' equity</b>                           | <b>853,833</b>      | <b>1,081,044</b>    | <b>911,347</b>      | <b>901,023</b>      | <b>874,596</b>        | <b>864,749</b>       |
| <b>Total liabilities and stockholders' equity</b>           | <b>\$ 1,512,702</b> | <b>\$ 1,710,051</b> | <b>\$ 1,438,528</b> | <b>\$ 1,430,363</b> | <b>\$ 1,395,934</b>   | <b>\$ 1,527,179</b>  |

June 30, 2013



# Condensed Consolidated Statements of Cash Flows

(in thousands)

|                                                                                                                          | Six Months ended June 30, |                  | Twelve Months ended December 31 |                  |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------|---------------------------------|------------------|
|                                                                                                                          | 2013                      | 2012             | 2012                            | 2011             |
| <b>Cash flows from operating activities:</b>                                                                             |                           |                  |                                 |                  |
| Net income                                                                                                               | \$ 9,142                  | \$ 11,172        | \$ 7,633                        | \$ 43,524        |
| Adjustments to reconcile net income to net cash provided by operating activities:                                        |                           |                  |                                 |                  |
| Depreciation and amortization expense                                                                                    | 33,968                    | 27,495           | 57,500                          | 50,261           |
| Amortization of above market lease                                                                                       | (82)                      | 20               | 71                              | (47)             |
| Gain (loss) on sale, less applicable income tax                                                                          | -                         | (885)            | 14,826                          | (21,939)         |
| Equity in earnings (losses) from non-consolidated REITs                                                                  | 383                       | 993              | (2,033)                         | (3,086)          |
| Distributions from non-consolidated REITs                                                                                | -                         | -                | 705                             | 3,474            |
| Increase in bad debt reserve                                                                                             | (1,190)                   | 65               | 65                              | (365)            |
| <b>Changes in operating assets and liabilities:</b>                                                                      |                           |                  |                                 |                  |
| Restricted cash                                                                                                          | (27)                      | (40)             | (82)                            | (73)             |
| Tenant rent receivables                                                                                                  | 608                       | (8)              | (354)                           | 827              |
| Straight-line rents                                                                                                      | (1,842)                   | (2,571)          | (4,464)                         | (9,878)          |
| Lease acquisition costs                                                                                                  | (669)                     | (2,026)          | (2,520)                         | -                |
| Prepaid expenses and other assets                                                                                        | (870)                     | (1,512)          | (328)                           | 1,611            |
| Accounts payable and accrued expenses                                                                                    | (1,244)                   | (1,395)          | 3,717                           | 4,213            |
| Accrued compensation                                                                                                     | (863)                     | (1,278)          | 318                             | 419              |
| Tenant security deposits                                                                                                 | 585                       | 105              | 481                             | 78               |
| Payment of deferred leasing commissions                                                                                  | (3,711)                   | (1,513)          | (5,179)                         | (8,058)          |
| <b>Net cash provided by operating activities</b>                                                                         | <b>34,188</b>             | <b>28,622</b>    | <b>70,356</b>                   | <b>60,961</b>    |
| <b>Cash flows from investing activities:</b>                                                                             |                           |                  |                                 |                  |
| Purchase of real estate assets, office computers and furniture, capitalized merger costs and acquired real estate leases | (192,294)                 | (7,112)          | (221,170)                       | (236,250)        |
| Investment in non-consolidated REITs                                                                                     | 4,752                     | (1)              | (1)                             | (10)             |
| Distributions in excess of earnings from non-consolidated REITs                                                          | 54                        | 834              | 2,105                           | 1,582            |
| Investment in related party mortgage loan receivable                                                                     | (3,950)                   | (37,020)         | (74,580)                        | (82,832)         |
| Repayment of related party mortgage loan receivable                                                                      | -                         | -                | 121,200                         | -                |
| Changes in deposits on real estate assets                                                                                | (3,000)                   | -                | -                               | 200              |
| Investment in assets held for syndication, net                                                                           | -                         | -                | -                               | 2,230            |
| Proceeds received on sales of real estate assets                                                                         | -                         | -                | 157                             | 96,790           |
| <b>Net cash used in investing activities</b>                                                                             | <b>(194,438)</b>          | <b>(43,299)</b>  | <b>(172,289)</b>                | <b>(218,290)</b> |
| <b>Cash flows from financing activities:</b>                                                                             |                           |                  |                                 |                  |
| Distributions to stockholders                                                                                            | (31,516)                  | (31,516)         | (63,032)                        | (62,177)         |
| Proceeds (costs) from equity offering, net                                                                               | 230,711                   | -                | -                               | 17,295           |
| Borrowings under bank note payable                                                                                       | -                         | 45,000           | 294,750                         | 449,000          |
| Borrowings (repayments) under Revolver                                                                                   | (35,250)                  | -                | (527,000)                       | (209,968)        |
| Borrowing (repayment) of term loan payable, net                                                                          | -                         | -                | 400,000                         | (74,850)         |
| Deferred Financing Costs                                                                                                 | -                         | -                | (5,331)                         | (5,388)          |
| Swap termination payment                                                                                                 | -                         | -                | -                               | (983)            |
| <b>Net cash provided by (used in) financing activities</b>                                                               | <b>163,945</b>            | <b>13,484</b>    | <b>99,387</b>                   | <b>112,929</b>   |
| Net decreases in cash and cash equivalents                                                                               | 3,695                     | (1,193)          | (2,546)                         | (44,400)         |
| Cash and cash equivalents, beginning of period                                                                           | 21,267                    | 23,813           | 23,813                          | 68,213           |
| <b>Cash and cash equivalents, end of period</b>                                                                          | <b>\$ 24,962</b>          | <b>\$ 22,620</b> | <b>\$ 21,267</b>                | <b>\$ 23,813</b> |



## Property Net Operating Income (NOI)\* with Same Store comparison (in thousands)

(in thousands)

| Region                                     | Rentable<br>Square Feet<br>or RSF | Net Operating Income (NOI)*     |           |           |                                 |            |           |              |             |
|--------------------------------------------|-----------------------------------|---------------------------------|-----------|-----------|---------------------------------|------------|-----------|--------------|-------------|
|                                            |                                   | Six Months                      |           |           |                                 | Six Months |           |              |             |
|                                            |                                   | Three Months Ended<br>31-Mar-13 | 30-Jun-13 | 30-Jun-13 | Three Months Ended<br>31-Mar-12 | 30-Jun-12  | 30-Jun-12 | Inc<br>(Dec) | %<br>Change |
| East                                       | 1,441                             | \$ 4,756                        | \$ 5,440  | \$ 10,196 | \$ 5,113                        | \$ 4,723   | \$ 9,836  | \$ 360       | 3.7%        |
| MidWest                                    | 1,682                             | 4,839                           | 5,008     | 9,847     | 5,122                           | 4,980      | 10,102    | (255)        | -2.5%       |
| South                                      | 2,630                             | 9,559                           | 9,645     | 19,204    | 9,212                           | 9,015      | 18,227    | 977          | 5.4%        |
| West                                       | 1,088                             | 2,350                           | 2,118     | 4,468     | 2,278                           | 2,443      | 4,721     | (253)        | -5.4%       |
| Same Store                                 | 6,841                             | 21,504                          | 22,211    | 43,715    | 21,725                          | 21,161     | 42,886    | 829          | 1.9%        |
| Acquisitions                               | 1,689                             | 3,919                           | 5,107     | 9,026     | -                               | -          | -         | 9,026        | 21.1%       |
| Property NOI from the continuing portfolio | 8,530                             | 25,423                          | 27,318    | 52,741    | 21,725                          | 21,161     | 42,886    | 9,855        | 23.0%       |
| Dispositions and asset held for sale       |                                   | -                               | -         | -         | (132)                           | (47)       | (179)     | 179          | 0.5%        |
| Property NOI                               |                                   | \$ 25,423                       | \$ 27,318 | \$ 52,741 | \$ 21,593                       | \$ 21,114  | \$ 42,707 | \$ 10,034    | 23.5%       |
| Same Store                                 |                                   | \$ 21,504                       | \$ 22,211 | \$ 43,715 | \$ 21,725                       | \$ 21,161  | \$ 42,886 | \$ 829       | 1.9%        |
| Less Nonrecurring<br>Items in NOI (a)      |                                   | 63                              | 556       | 619       | 514                             | 21         | 535       | 84           | -0.1%       |
| Comparative<br>Same Store                  |                                   | \$ 21,441                       | \$ 21,655 | \$ 43,096 | \$ 21,211                       | \$ 21,140  | \$ 42,351 | \$ 745       | 1.8%        |

(a) Nonrecurring Items in NOI include proceeds from bankruptcies, lease termination fees or other significant nonrecurring income or expenses, which may affect comparability.

\* See page 11 for a reconciliation of Net Income to Property NOI and the Appendix for Definitions of Non-GAAP Measures beginning on page 27. Property NOI Excludes NOI from investments in and interest income from secured loans to non-consolidated REITs.





## FFO & FAD Reconciliation

(in thousands, except per share amounts)

|                                                 | For the Three Months Ended |                  | For the Six Months Ended | For the Three Months Ended: |                  |                  |                  | For the Year Ended |
|-------------------------------------------------|----------------------------|------------------|--------------------------|-----------------------------|------------------|------------------|------------------|--------------------|
|                                                 | 31-Mar-13                  | 30-Jun-13        | 30-Jun-13                | 31-Mar-12                   | 30-Jun-12        | 30-Sep-12        | 31-Dec-12        | 31-Dec-12          |
| Net income                                      | \$ 4,401                   | \$ 4,741         | \$ 9,142                 | \$ 5,738                    | \$ 5,434         | \$ (8,998)       | \$ 5,459         | \$ 7,633           |
| Gain (loss) on sale, less applicable income tax | -                          | -                | -                        | -                           | -                | 14,300           | 526              | 14,826             |
| GAAP income from non-consolidated REITs         | 187                        | 196              | 383                      | (391)                       | (494)            | (176)            | (972)            | (2,033)            |
| Distributions from non-consolidated REITs       | 27                         | 27               | 54                       | 929                         | 898              | 907              | 76               | 2,810              |
| Depreciation & amortization                     | 15,984                     | 17,045           | 33,029                   | 13,295                      | 13,203           | 13,779           | 15,241           | 55,518             |
| NAREIT FFO*                                     | 20,599                     | 22,009           | 42,608                   | 19,571                      | 19,041           | 19,812           | 20,330           | 78,754             |
| Acquisition costs                               | 17                         | 133              | 150                      | -                           | -                | 101              | 186              | 287                |
| <b>Funds From Operations (FFO)*</b>             | <b>\$ 20,616</b>           | <b>\$ 22,142</b> | <b>\$ 42,758</b>         | <b>\$ 19,571</b>            | <b>\$ 19,041</b> | <b>\$ 19,913</b> | <b>\$ 20,516</b> | <b>\$ 79,041</b>   |
| Funds Available for Distribution:               |                            |                  |                          |                             |                  |                  |                  |                    |
| Funds From Operations (FFO)*                    | 20,616                     | 22,142           | 42,758                   | 19,571                      | 19,041           | 19,913           | 20,516           | 79,041             |
| Straight-line rent                              | (657)                      | (1,186)          | (1,843)                  | (1,517)                     | (1,054)          | (927)            | (965)            | (4,463)            |
| Capital expenditures                            | (1,118)                    | (1,622)          | (2,740)                  | (746)                       | (1,003)          | (711)            | (1,252)          | (3,712)            |
| <b>Funds Available for Distribution (FAD)*</b>  | <b>\$ 18,841</b>           | <b>\$ 19,334</b> | <b>\$ 38,175</b>         | <b>\$ 17,308</b>            | <b>\$ 16,984</b> | <b>\$ 18,275</b> | <b>\$ 18,299</b> | <b>\$ 70,866</b>   |
| Per Share Data:                                 |                            |                  |                          |                             |                  |                  |                  |                    |
| EPS                                             | \$ 0.05                    | \$ 0.05          | \$ 0.10                  | \$ 0.07                     | \$ 0.07          | \$ (0.11)        | \$ 0.07          | \$ 0.09            |
| FFO*                                            | 0.25                       | 0.24             | 0.49                     | 0.24                        | 0.23             | 0.24             | 0.25             | 0.95               |
| FAD*                                            | 0.23                       | 0.21             | 0.44                     | 0.21                        | 0.20             | 0.22             | 0.22             | 0.85               |
| Weighted Average Shares (basic and diluted)     | 82,937                     | 91,847           | 87,417                   | 82,937                      | 82,937           | 82,937           | 82,937           | 82,937             |

\* See the Appendix for Definitions of these Non-GAAP Measures beginning on page 27.



## EBITDA Reconciliation

(in thousands, except ratio amounts)

|                                                              | For the Three Months Ended |            | For the Six Months Ended | For the three months ended: |            |            |            | Year Ended |
|--------------------------------------------------------------|----------------------------|------------|--------------------------|-----------------------------|------------|------------|------------|------------|
|                                                              | 31-Mar-13                  | 30-Jun-13  | 30-Jun-13                | 31-Mar-12                   | 30-Jun-12  | 30-Sep-12  | 31-Dec-12  | 31-Dec-12  |
| Net income                                                   | \$ 4,401                   | \$ 4,741   | \$ 9,142                 | \$ 5,738                    | \$ 5,434   | \$ (8,998) | \$ 5,459   | \$ 7,633   |
| Interest expense                                             | 4,208                      | 4,174      | 8,382                    | 3,677                       | 4,037      | 4,187      | 4,167      | 16,068     |
| Depreciation and amortization                                | 15,984                     | 17,045     | 33,029                   | 13,295                      | 13,203     | 13,779     | 15,241     | 55,518     |
| Income taxes                                                 | 119                        | 115        | 234                      | 79                          | 77         | 80         | 99         | 335        |
| EBITDA                                                       | 24,712                     | 26,075     | 50,787                   | 22,789                      | 22,751     | 9,048      | 24,966     | 79,554     |
| Excluding (gain) loss on sale,<br>less applicable income tax | -                          | -          | -                        | -                           | -          | 14,300     | 526        | 14,826     |
| Adjusted EBITDA                                              | \$ 24,712                  | \$ 26,075  | \$ 50,787                | \$ 22,789                   | \$ 22,751  | \$ 23,348  | \$ 25,492  | \$ 94,380  |
| Interest expense                                             | \$ 4,208                   | \$ 4,174   | \$ 8,382                 | \$ 3,677                    | \$ 4,037   | \$ 4,187   | \$ 4,167   | \$ 16,068  |
| Scheduled principal payments                                 | -                          | -          | -                        | -                           | -          | -          | -          | -          |
| Interest and scheduled principal payments                    | \$ 4,208                   | \$ 4,174   | \$ 8,382                 | \$ 3,677                    | \$ 4,037   | \$ 4,187   | \$ 4,167   | \$ 16,068  |
| Interest coverage ratio                                      | 5.87                       | 6.25       | 6.06                     | 6.20                        | 5.64       | 5.58       | 6.12       | 5.87       |
| Debt service coverage ratio                                  | 5.87                       | 6.25       | 6.06                     | 6.20                        | 5.64       | 5.58       | 6.12       | 5.87       |
| Debt                                                         | \$ 621,750                 | \$ 581,500 | \$ 581,500               | \$ 494,000                  | \$ 494,000 | \$ 482,000 | \$ 616,750 |            |
| Adjusted EBITDA                                              | 24,712                     | 26,075     | 50,787                   | 22,789                      | 22,751     | 23,348     | 25,492     |            |
| Annualized                                                   | 98,848                     | 104,300    | 101,574                  | 91,156                      | 91,004     | 93,392     | 101,968    |            |
| Debt-to-EBITDA                                               | 6.3                        | 5.6        | 5.7                      | 5.4                         | 5.4        | 5.2        | 6.0        |            |

\* See the Appendix for Definitions of these Non-GAAP Measures beginning on page 27.



## Reconciliation of Net Income to Property NOI\*

(in thousands)

| Reconciliation to Net income               | Six Months         |           |           | Six Months         |           |           |
|--------------------------------------------|--------------------|-----------|-----------|--------------------|-----------|-----------|
|                                            | Three Months Ended |           | Ended     | Three Months Ended |           | Ended     |
|                                            | 31-Mar-13          | 30-Jun-13 | 30-Jun-13 | 31-Mar-12          | 30-Jun-12 | 30-Jun-12 |
| Net Income                                 | \$ 4,401           | \$ 4,741  | \$ 9,142  | \$ 5,738           | \$ 5,434  | \$ 11,172 |
| Add (deduct):                              |                    |           |           |                    |           |           |
| Discontinued operations                    | -                  | -         | -         | 317                | 268       | 585       |
| Management fee income                      | (559)              | (553)     | (1,112)   | (488)              | (479)     | (967)     |
| Depreciation and amortization              | 15,987             | 17,124    | 33,111    | 13,071             | 13,004    | 26,075    |
| Amortization of above/below market leases  | (2)                | (80)      | (82)      | 40                 | (20)      | 20        |
| Selling, general and administrative        | 2,532              | 3,204     | 5,736     | 2,077              | 2,236     | 4,313     |
| Interest expense                           | 4,208              | 4,174     | 8,382     | 3,677              | 4,037     | 7,714     |
| Interest income                            | (1,353)            | (1,382)   | (2,735)   | (2,340)            | (2,774)   | (5,114)   |
| Equity in earnings of                      |                    |           | -         |                    |           | -         |
| nonconsolidated REITs                      | 187                | 196       | 383       | (391)              | (494)     | (885)     |
| Non-property specific items, net           | 22                 | (106)     | (84)      | 24                 | (51)      | (27)      |
| <br>                                       |                    |           |           |                    |           |           |
| Property NOI from the continuing portfolio | \$ 25,423          | \$ 27,318 | \$ 52,741 | \$ 21,725          | \$ 21,161 | \$ 42,886 |
| <br>                                       |                    |           |           |                    |           |           |
| Dispositions and asset held for sale       | -                  | -         | -         | (132)              | (47)      | (179)     |
| Property NOI                               | \$ 25,423          | \$ 27,318 | \$ 52,741 | \$ 21,593          | \$ 21,114 | \$ 42,707 |

\* See the Appendix for Definition of Non-GAAP Measures beginning on page 27.



## Debt Summary as of June 30, 2013

| (dollars in thousands)      | Maturity Date | Maximum Amount of Loan | Amount Drawn at 30-Jun-13 | Interest Rate Components | (a)                        | Facility Fee |
|-----------------------------|---------------|------------------------|---------------------------|--------------------------|----------------------------|--------------|
|                             |               |                        |                           |                          | Interest Rate at 30-Jun-13 |              |
| <b>2012 Credit Facility</b> |               |                        |                           |                          |                            |              |
| 2012 Revolver               | 27-Sep-16     | \$ 500,000             | \$ 181,500                | L+1.45%                  | 1.65%                      | 0.3%         |
| 2012 Term Loan              | 27-Sep-17     | 400,000                | 400,000                   | 0.75% + 1.45%            | 2.20%                      | 0.3%         |
|                             |               | <u>\$ 900,000</u>      | <u>\$ 581,500</u>         |                          | <u>2.03%</u>               |              |

(a) Interest rate excludes amortization of deferred financing costs and facility fees, see notes below

On September 27, 2012, we entered into a new bank facility we call the 2012 Credit Facility for a total of \$900 million, which is comprised of a line of credit that we can borrow up to \$500 million on, which we call the 2012 Revolver and a term loan for \$400 million that we call the 2012 Term Loan.

•The total amount available under the 2012 Credit Facility is \$900 million and is subject to a facility fee on the entire amount based on a leverage calculation in the related loan agreement. The facility fee can range between 20 bps and 40 bps depending on our leverage at quarter end. As of June 30, 2013 the facility fee was 30 bps based on our leverage ratio, or approximately \$2.7 million per year.

•The interest rate on the 2012 Revolver as of June 30, 2013 was 145 bps over the 30-Day LIBOR based on our leverage calculation. The interest rate spread can range between 135 bps and 190 bps over 30-Day LIBOR depending on our leverage at quarter end. As of June 30, 2013 the annual rate for the borrowing outstanding was 1.65%.

•The LIBOR interest rate on the 2012 Term Loan was fixed with a 5-year interest swap at 75 bps and is priced at 145 bps over that rate based on our leverage ratio. The interest rate spread can range between 135 bps and 190 bps over 30-Day LIBOR depending on our leverage at quarter end. As of June 30, 2013 the annual rate for the 2012 Term Loan was 2.20%.

•We incurred financing costs to close the 2012 Credit Facility and the 2011 Revolver that preceded it. These costs are deferred and amortized into interest expense during the term of the loans. The annual run rate for amortization to interest expense from deferred financing costs is approximately \$1.7 million.

•The 2012 Revolver can be extended for 1 year at the Company's option upon payment of fees and includes an accordion feature that allows for up to \$250 million of additional borrowing capacity subject to receipt of lender commitments and satisfaction of certain customary conditions.



# Capital Analysis

(in thousands, except per share amounts)

|                                                           | 31-Mar-13         | 30-Jun-13         | 31-Mar-12         | 30-Jun-12         | 30-Sep-12         | 31-Dec-12         |
|-----------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Market Data:</b>                                       |                   |                   |                   |                   |                   |                   |
| Shares Outstanding                                        | 82,937            | 100,187           | 82,937            | 82,937            | 82,937            | 82,937            |
| Closing market price per share                            | \$ 14.62          | \$ 13.20          | \$ 10.60          | \$ 10.58          | \$ 11.07          | \$ 12.31          |
| Market capitalization                                     | \$ 1,212,545      | \$ 1,322,474      | \$ 879,136        | \$ 877,478        | \$ 918,117        | \$ 1,020,959      |
| Total Debt                                                | 621,750           | 581,500           | 494,000           | 494,000           | 482,000           | 616,750           |
| Total Market Capitalization                               | \$ 1,834,295      | \$ 1,903,974      | \$ 1,373,136      | \$ 1,371,478      | \$ 1,400,117      | \$ 1,637,709      |
| <b>Dividend Data:</b>                                     |                   |                   |                   |                   |                   |                   |
| Total dividends paid                                      | \$ 15,758         | \$ 15,758         | \$ 15,758         | \$ 15,758         | \$ 15,758         | \$ 15,758         |
| Common dividend per share                                 | \$ 0.19           | \$ 0.19           | \$ 0.19           | \$ 0.19           | \$ 0.19           | \$ 0.19           |
| Quarterly dividend as a % of FFO*                         | 76.0%             | 79.2%             | 80.5%             | 82.6%             | 79.2%             | 76.8%             |
| <b>Liquidity:</b>                                         |                   |                   |                   |                   |                   |                   |
| Cash and cash equivalents                                 | \$ 17,282         | \$ 24,962         | \$ 29,283         | \$ 22,620         | \$ 23,962         | \$ 21,267         |
| Revolving credit facilities:                              |                   |                   |                   |                   |                   |                   |
| Gross potential available under current credit facilities | 900,000           | 900,000           | 600,000           | 600,000           | 900,000           | 900,000           |
| Less:                                                     |                   |                   |                   |                   |                   |                   |
| Outstanding balance                                       | (621,750)         | (581,500)         | (494,000)         | (494,000)         | (482,000)         | (616,750)         |
| <b>Total Liquidity</b>                                    | <b>\$ 295,532</b> | <b>\$ 343,462</b> | <b>\$ 135,283</b> | <b>\$ 128,620</b> | <b>\$ 441,962</b> | <b>\$ 304,517</b> |

\*See page 9 for a reconciliation of Net Income to FFO and the Appendix for Definitions of Non-GAAP Measures beginning on page 27.



# Portfolio Overview

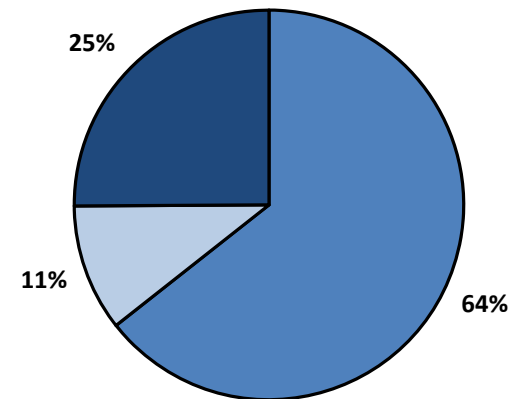
For the Three Months Ended

|                                                                | 30-Jun-13  | 31-Mar-13  | 31-Dec-12  | 30-Sep-12  | 30-Jun-12  | 31-Mar-12  |
|----------------------------------------------------------------|------------|------------|------------|------------|------------|------------|
| <b>Owned portfolio of commercial real estate:</b>              |            |            |            |            |            |            |
| Number of properties (a)                                       | 38         | 37         | 37         | 37         | 36         | 36         |
| Square feet                                                    | 8,529,752  | 7,856,859  | 7,854,679  | 7,439,195  | 7,052,592  | 7,052,068  |
| Leased percentage                                              | 94.4%      | 94.4%      | 94.0%      | 89.9%      | 90.0%      | 89.0%      |
| <b>Investments in non-consolidated commercial real estate:</b> |            |            |            |            |            |            |
| Number of properties (a)                                       | 2          | 2          | 2          | 3          | 3          | 3          |
| Square feet                                                    | 1,395,500  | 1,392,316  | 1,392,316  | 2,016,260  | 2,003,968  | 2,004,953  |
| Leased percentage                                              | 67.6%      | 66.1%      | 65.0%      | 68.0%      | 89.5%      | 90.0%      |
| <b>Single Asset REITs (SARs) managed:</b>                      |            |            |            |            |            |            |
| Number of properties                                           | 13         | 13         | 13         | 13         | 13         | 13         |
| Square feet                                                    | 3,323,566  | 3,323,566  | 3,323,566  | 3,322,589  | 3,322,589  | 3,322,570  |
| Leased percentage                                              | 83.9%      | 87.8%      | 87.0%      | 84.8%      | 84.8%      | 84.0%      |
| <b>Total owned (a), investments and managed properties:</b>    |            |            |            |            |            |            |
| Number of properties                                           | 53         | 52         | 52         | 53         | 52         | 52         |
| Square feet                                                    | 13,248,818 | 12,572,741 | 12,570,561 | 12,778,044 | 12,379,149 | 12,379,591 |
| Leased percentage                                              | 88.9%      | 89.5%      | 89.0%      | 85.1%      | 88.5%      | 88.0%      |

(a) Includes assets sold in prior periods

## Portfolio Breakdown by FSP Participation

- Owned Properties
- Non-Consolidated Properties
- Managed Single Asset REITs (SARs)





# Owned Portfolio Overview

| <u>MSA / Property Name</u> | <u>City</u> | <u>State</u> | <u>Square Feet</u> | <u>Percent Leased</u> | <u>Wtd Ave (a) Occupied</u> | <u>GAAP (b) Rent</u> |
|----------------------------|-------------|--------------|--------------------|-----------------------|-----------------------------|----------------------|
| <b>East Region</b>         |             |              |                    |                       |                             |                      |
| <b>Baltimore</b>           |             |              |                    |                       |                             |                      |
| East Baltimore             | Baltimore   | MD           | 325,445            | 76.8%                 | 70.0%                       | \$ 24.85             |
| <b>Washington, D.C.</b>    |             |              |                    |                       |                             |                      |
| Meadow Point               | Chantilly   | VA           | 138,537            | 92.6%                 | 92.6%                       | \$ 26.85             |
| Stoncroft                  | Chantilly   | VA           | 111,469            | 100.0%                | 100.0%                      | \$ 38.02             |
| Loudoun Tech Center        | Dulles      | VA           | 135,888            | 100.0%                | 100.0%                      | \$ 15.86             |
| <b>Richmond</b>            |             |              |                    |                       |                             |                      |
| Innsbrook                  | Glen Allen  | VA           | 298,456            | 99.0%                 | 98.8%                       | \$ 17.42             |
| <b>Charlotte</b>           |             |              |                    |                       |                             |                      |
| Park Seneca                | Charlotte   | NC           | 109,674            | 79.3%                 | 77.8%                       | \$ 15.70             |
| Forest Park                | Charlotte   | NC           | 62,212             | 100.0%                | 100.0%                      | \$ 13.74             |
| <b>Raleigh-Durham</b>      |             |              |                    |                       |                             |                      |
| Emperor Boulevard          | Durham      | NC           | 259,531            | 100.0%                | 100.0%                      | \$ 35.95             |
| <b>East Region Total</b>   |             |              | <u>1,441,212</u>   | <u>92.3%</u>          | <u>90.6%</u>                | <u>\$ 24.64</u>      |

| <u>MSA / Property Name</u>  | <u>City</u>       | <u>State</u> | <u>Square Feet</u> | <u>Percent Leased</u> | <u>Wtd Ave (a) Occupied</u> | <u>GAAP (b) Rent</u> |
|-----------------------------|-------------------|--------------|--------------------|-----------------------|-----------------------------|----------------------|
| <b>Midwest Region</b>       |                   |              |                    |                       |                             |                      |
| <b>Chicago</b>              |                   |              |                    |                       |                             |                      |
| Northwest Point             | Elk Grove Village | IL           | 176,848            | 100.0%                | 100.0%                      | \$ 19.20             |
| 909 Davis Street            | Evanston          | IL           | 195,245            | 97.9%                 | 97.9%                       | \$ 33.73             |
| <b>Indianapolis</b>         |                   |              |                    |                       |                             |                      |
| River Crossing              | Indianapolis      | IN           | 205,059            | 98.2%                 | 92.2%                       | \$ 22.09             |
| <b>St. Louis</b>            |                   |              |                    |                       |                             |                      |
| Timberlake                  | Chesterfield      | MO           | 232,766            | 98.3%                 | 97.2%                       | \$ 20.66             |
| Timberlake East             | Chesterfield      | MO           | 116,197            | 94.6%                 | 96.2%                       | \$ 22.70             |
| Lakeside Crossing           | Maryland Heights  | MO           | 127,778            | 100.0%                | 100.0%                      | \$ 24.52             |
| <b>Minneapolis</b>          |                   |              |                    |                       |                             |                      |
| Eden Bluff                  | Eden Prairie      | MN           | 153,028            | 100.0%                | 100.0%                      | \$ 27.71             |
| 121 South 8th Street        | Minneapolis       | MN           | 474,403            | 90.7%                 | 90.3%                       | \$ 14.77             |
| <b>Midwest Region Total</b> |                   |              | <u>1,681,324</u>   | <u>96.3%</u>          | <u>95.4%</u>                | <u>\$ 21.78</u>      |

(a) Weighted Occupied Percentage for the sixmonths ended June 30, 2013  
(b) Weighted Average GAAP Rent per Occupied Square Foot



# Owned Portfolio Overview

| <u>MSA / Property Name</u>                  | <u>City</u> | <u>State</u> | <u>Square Feet</u> | <u>Percent Leased</u> | <u>Wtd Ave (a) Occupied</u> | <u>GAAP (b) Rent</u> |
|---------------------------------------------|-------------|--------------|--------------------|-----------------------|-----------------------------|----------------------|
| <b>South Region</b>                         |             |              |                    |                       |                             |                      |
| <b>Dallas-Fort Worth</b>                    |             |              |                    |                       |                             |                      |
| Willow Bend Office Center                   | Plano       | TX           | 117,217            | 92.3%                 | 85.4%                       | \$ 20.42             |
| Legacy Tennyson Center                      | Plano       | TX           | 202,600            | 100.0%                | 100.0%                      | \$ 19.47             |
| One Legacy Circle                           | Plano       | TX           | 214,110            | 100.0%                | 100.0%                      | \$ 30.69             |
| Addison Circle                              | Addison     | TX           | 293,787            | 95.4%                 | 96.9%                       | \$ 23.97             |
| Collins Crossing                            | Richardson  | TX           | 298,766            | 99.5%                 | 90.0%                       | \$ 23.52             |
| East Renner Road                            | Richardson  | TX           | 122,300            | 100.0%                | 100.0%                      | \$ 9.99              |
| Liberty Plaza                               | Addison     | TX           | 218,934            | 84.6%                 | 81.7%                       | \$ 19.85             |
| <b>Houston</b>                              |             |              |                    |                       |                             |                      |
| Park Ten                                    | Houston     | TX           | 157,460            | 100.0%                | 98.3%                       | \$ 28.23             |
| Eldridge Green                              | Houston     | TX           | 248,399            | 100.0%                | 100.0%                      | \$ 29.51             |
| Park Ten Phase II                           | Houston     | TX           | 156,746            | 100.0%                | 100.0%                      | \$ 31.19             |
| Westchase I & II                            | Houston     | TX           | 629,025            | 96.6%                 | 95.8%                       | \$ 30.03             |
| <b>Miami-Ft. Lauderdale-West Palm Beach</b> |             |              |                    |                       |                             |                      |
| Blue Lagoon Drive                           | Miami       | FL           | 212,619            | 100.0%                | 100.0%                      | \$ 23.42             |
| <b>Atlanta</b>                              |             |              |                    |                       |                             |                      |
| One Overton Place                           | Atlanta     | GA           | 387,267            | 98.3%                 | 89.6%                       | \$ 22.40             |
| One Ravinia                                 | Atlanta     | GA           | 386,603            | 91.0%                 | 86.1%                       | \$ 22.09             |
| <b>South Region Total</b>                   |             |              | <b>3,645,833</b>   | <b>96.7%</b>          | <b>94.0%</b>                | <b>\$ 24.89</b>      |

(a) Weighted Occupied Percentage for the six months ended June 30, 2013  
 (b) Weighted Average GAAP Rent per Occupied Square Foot

| <u>MSA / Property Name</u>            | <u>City</u>      | <u>State</u> | <u>Square Feet</u> | <u>Percent Leased</u> | <u>Wtd Ave (a) Occupied</u> | <u>GAAP (b) Rent</u> |
|---------------------------------------|------------------|--------------|--------------------|-----------------------|-----------------------------|----------------------|
| <b>West Region</b>                    |                  |              |                    |                       |                             |                      |
| <b>Seattle</b>                        |                  |              |                    |                       |                             |                      |
| Federal Way                           | Federal Way      | WA           | 117,010            | 48.4%                 | 47.2%                       | \$ 18.58             |
| <b>San Francisco-San Jose-Oakland</b> |                  |              |                    |                       |                             |                      |
| Hillview Center                       | Milpitas         | CA           | 36,288             | 100.0%                | 100.0%                      | \$ 14.89             |
| Montague Business Center              | San Jose         | CA           | 145,951            | 100.0%                | 100.0%                      | \$ 15.41             |
| <b>Denver</b>                         |                  |              |                    |                       |                             |                      |
| 380 Interlocken                       | Broomfield       | CO           | 240,184            | 87.6%                 | 86.5%                       | \$ 29.01             |
| 1999 Broadway                         | Denver           | CO           | 673,793            | 95.9%                 | 95.6%                       | \$ 30.00             |
| Greenwood Plaza                       | Englewood        | CO           | 196,236            | 100.0%                | 38.4%                       | \$ 21.58             |
| 390 Interlocken                       | Broomfield       | CO           | 241,516            | 79.8%                 | 82.1%                       | \$ 26.93             |
| <b>Colorado Springs</b>               |                  |              |                    |                       |                             |                      |
| Centennial Technology Center          | Colorado Springs | CO           | 110,405            | 85.4%                 | 85.4%                       | \$ 15.54             |
| <b>West Region Total</b>              |                  |              | <b>1,761,383</b>   | <b>89.6%</b>          | <b>82.7%</b>                | <b>\$ 25.80</b>      |
| <b>Total Owned</b>                    |                  |              | <b>8,529,752</b>   | <b>94.4%</b>          | <b>91.4%</b>                | <b>\$ 24.38</b>      |





# Managed Portfolio Overview

MSA / Property Name   City   State   Square Feet

**Southeast Region**

**Columbia**

1441 Main Street   Columbia   SC   264,857

**Atlanta**

Satellite Place   Duluth   GA   134,785

**Southeast Region Total**

399,642

**Southwest Region**

**Dallas-Fort Worth**

5601 Executive Drive   Irving   TX   152,121  
Galleria North   Dallas   TX   379,518

**Houston**

Energy Tower I   Houston   TX   325,797

**Denver**

Highland Place   Centennial   CO   139,142  
385 Interlocken   Broomfield   CO   296,868

**Southwest Region Total**

1,293,446

MSA / Property Name   City   State   Square Feet

**Midwest Region**

**Chicago**

East Wacker (a)   Chicago   IL   860,429

**Indianapolis**

Monument Circle   Indianapolis   IN   213,609

**St. Louis**

Lakeside Crossing II   Maryland Heights   MO   116,000

**Minneapolis**

505 Waterford   Plymouth   MN   256,367  
50 South Tenth Street   Minneapolis   MN   498,768

**Kansas City**

Grand Boulevard (b)   Kansas City   MO   535,071

**Cincinnati**

Centre Pointe V   West Chester   OH   135,936  
Union Centre   West Chester   OH   409,798

**Midwest Region Total**

3,025,978

**Total Managed**

4,719,066

**Total Owned & Managed**

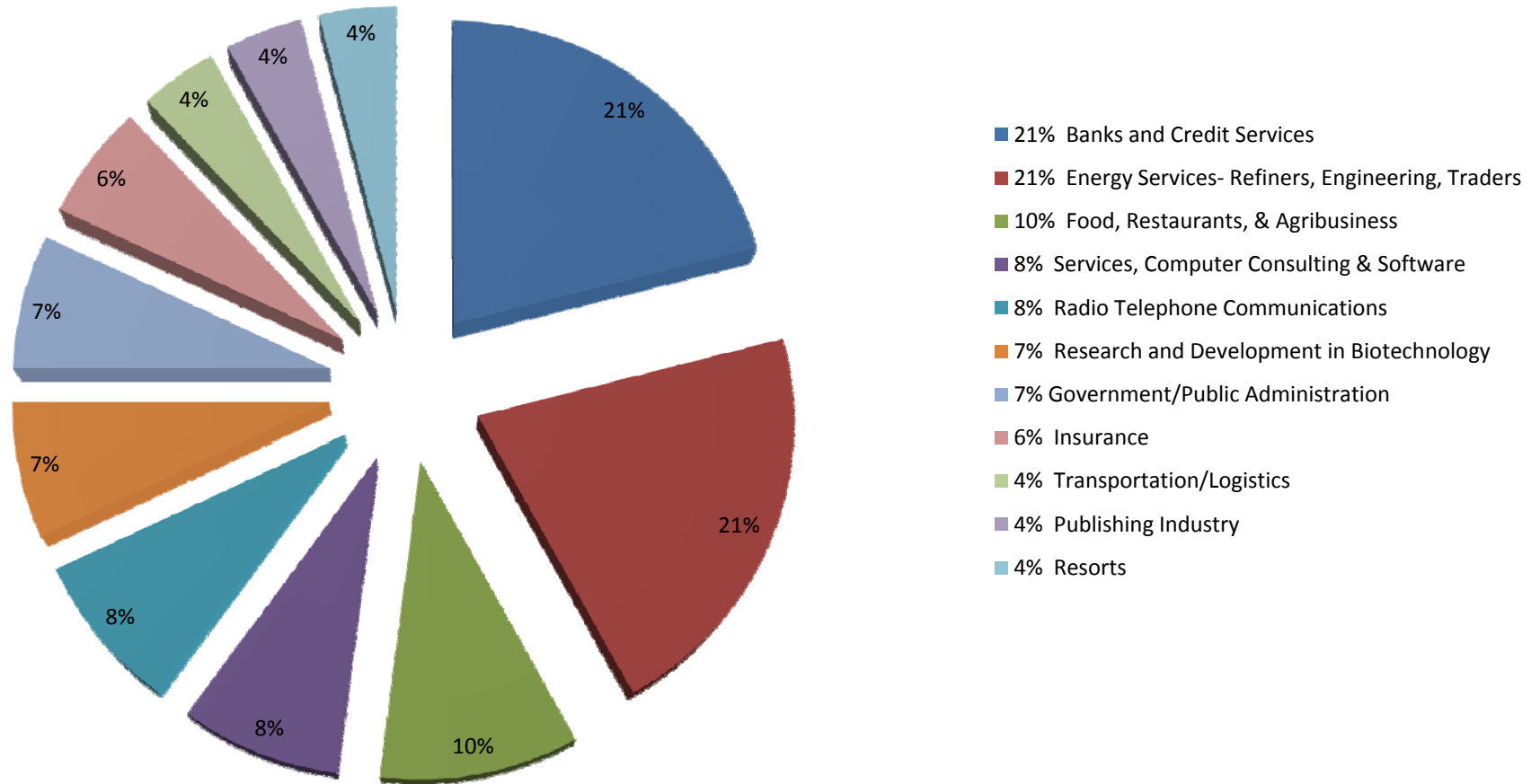
13,248,818

- (a) FSP has a Preferred Share Interest of 43.7% in the entity that owns this property.  
(b) FSP has a Preferred Share Interest of 27.0% in the entity that owns this property.



## Tenant Analysis - 20 Largest Tenants by Industry Profile

(Top Twenty Largest Tenants by industry as a percentage of the Twenty Tenants as of June 30, 2013)





## 20 Largest Tenants with Annualized Rent and Remaining Term at June 30, 2013

|    | Tenant Name                                  | Number of Leases | Remaining Lease Term in Months | Aggregate Leased Square Feet | % of Aggregate Leased Square Feet | Annualized Rent (in 000's) | % of Aggregate Leased Annualized Rent |
|----|----------------------------------------------|------------------|--------------------------------|------------------------------|-----------------------------------|----------------------------|---------------------------------------|
| 1  | TCF National Bank                            | 2                | 30                             | 263,111                      | 3.1%                              | \$ 2,883,485               | 1.6%                                  |
| 2  | Quintiles Transnational Corp.                | 1                | 69                             | 259,531                      | 3.0%                              | 8,462,648                  | 4.6%                                  |
| 3  | CITGO Petroleum Corporation                  | 1                | 104                            | 248,399                      | 2.9%                              | 7,356,701                  | 4.0%                                  |
| 4  | U.S. Government                              | 6                | 14, 15, 18, 26, 59, 87         | 229,752                      | 2.7%                              | 7,091,439                  | 3.9%                                  |
| 5  | Burger King Corporation                      | 1                | 63                             | 212,619                      | 2.5%                              | 4,756,424                  | 2.6%                                  |
| 6  | Denbury Onshore, LLC                         | 2                | 73                             | 202,600                      | 2.4%                              | 3,510,042                  | 1.9%                                  |
| 7  | RGA Reinsurance Company                      | 2                | 18                             | 197,354                      | 2.3%                              | 4,200,823                  | 2.3%                                  |
| 8  | SunTrust Bank                                | 2                | 40, 99                         | 182,888                      | 2.1%                              | 3,638,692                  | 2.0%                                  |
| 9  | Citicorp Credit Services, Inc                | 1                | 42                             | 176,848                      | 2.1%                              | 3,511,335                  | 1.9%                                  |
| 10 | C.H. Robinson Worldwide, Inc                 | 1                | 96                             | 153,028                      | 1.8%                              | 4,111,367                  | 2.2%                                  |
| 11 | T-Mobile South, LLC dba T-Mobile             | 1                | 68                             | 151,792                      | 1.8%                              | 3,469,391                  | 1.9%                                  |
| 12 | Houghton Mifflin Harcourt Publishing Company | 1                | 45                             | 150,050                      | 1.8%                              | 5,815,593                  | 3.2%                                  |
| 13 | Petrobras America, Inc.                      | 1                | 77                             | 144,813                      | 1.7%                              | 4,855,533                  | 2.7%                                  |
| 14 | Murphy Exploration & Production Company      | 1                | 46                             | 144,677                      | 1.7%                              | 4,243,797                  | 2.3%                                  |
| 15 | Argo Data Resource Corporation               | 1                | 122                            | 138,540                      | 1.6%                              | 2,661,560                  | 1.5%                                  |
| 16 | Giesecke & Devrient America, Inc.            | 1                | 20                             | 135,888                      | 1.6%                              | 1,897,346                  | 1.0%                                  |
| 17 | Monsanto Company                             | 1                | 19                             | 127,778                      | 1.5%                              | 3,297,783                  | 1.8%                                  |
| 18 | Federal National Mortgage Association        | 1                | 39                             | 123,144                      | 1.4%                              | 2,755,692                  | 1.5%                                  |
| 19 | AT&T Services, Inc.                          | 1                | 60                             | 122,300                      | 1.4%                              | 977,989                    | 0.5%                                  |
| 20 | Vail Holdings, Inc.                          | 1                | 69, 117                        | 122,232                      | 1.4%                              | 2,843,976                  | 1.6%                                  |
|    |                                              |                  |                                | <b>Total</b>                 | <b>40.8%</b>                      | <b>\$ 82,341,615</b>       | <b>45.0%</b>                          |



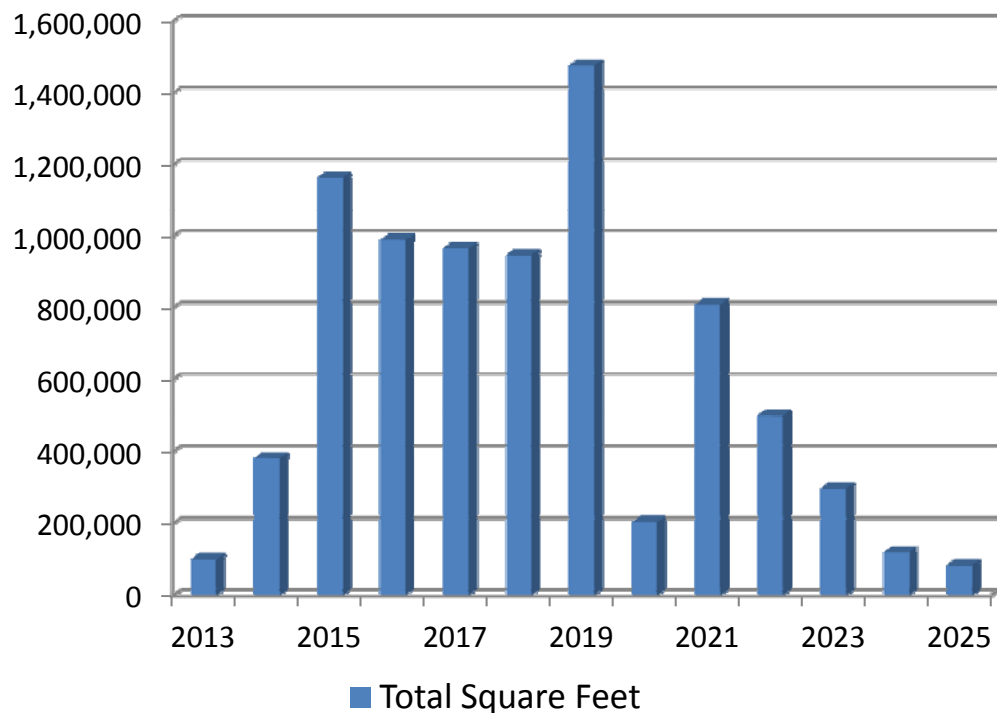
## Leasing Activity

|                                                                        | Three<br>Months<br>Ended<br>31-Mar-13 | Three<br>Months<br>Ended<br>30-Jun-13 | Six<br>Months<br>Ended<br>30-Jun-13 | Year<br>Ended<br>31-Dec-12 |
|------------------------------------------------------------------------|---------------------------------------|---------------------------------------|-------------------------------------|----------------------------|
| <b>Leasing Activity<br/>(in Square Feet - SF)</b>                      |                                       |                                       |                                     |                            |
| New leasing                                                            | 148,378                               | 28,055                                | 176,433                             | 315,740                    |
| Renewals                                                               | 201,011                               | 91,031                                | 292,042                             | 700,838                    |
|                                                                        | <u>349,389</u>                        | <u>119,086</u>                        | <u>468,475</u>                      | <u>1,016,578</u>           |
| <b>Other information per SF<br/>(Activity on a year-to-date basis)</b> |                                       |                                       |                                     |                            |
| GAAP Rents on leasing                                                  | \$ 24.66                              |                                       | \$ 24.40                            | \$ 22.41                   |
| Weighted average lease term                                            | 8.25 Years                            |                                       | 7.13 Years                          | 5.1 Years                  |
| Average free rent                                                      | 3 Months                              |                                       | 3 Months                            | 3 Months                   |
| Tenant Improvements                                                    | \$ 19.97                              |                                       | \$ 17.11                            | \$ 12.26                   |
| Leasing Costs                                                          | \$ 10.17                              |                                       | \$ 8.84                             | \$ 5.40                    |



## Lease Expirations by Square Feet

| <u>Year</u>  | <u>Total Square Feet</u> | <u>% of Square Feet Commercial</u> |
|--------------|--------------------------|------------------------------------|
| 2013         | 102,195                  | 1.2%                               |
| 2014         | 382,485                  | 4.5%                               |
| 2015         | 1,165,200                | 13.7%                              |
| 2016         | 990,188                  | 11.6%                              |
| 2017         | 967,183                  | 11.3%                              |
| 2018         | 947,518                  | 11.1%                              |
| 2019         | 1,477,734                | 17.3%                              |
| 2020         | 205,136                  | 2.4%                               |
| 2021         | 810,068                  | 9.5%                               |
| 2022         | 500,614                  | 5.9%                               |
| 2023         | 298,997                  | 3.5%                               |
| 2024         | 120,979                  | 1.4%                               |
| 2025         | 84,874                   | 1.0%                               |
| Vacant       | 476,581                  | 5.6%                               |
| <b>Total</b> | <b>8,529,752</b>         | <b>100.0%</b>                      |





## Lease Expirations with Annualized Rent per Square Foot

| Year of Lease Expiration<br>December 31, | Number of Leases Expiring Within the Year | Rentable Square Footage Subject to Expiring Leases | Annualized Rent Under Expiring Leases (a) | Annualized Rent Per Square Foot Under Expiring Leases | Percentage of Total Final Annualized Rent Under Expiring Leases |
|------------------------------------------|-------------------------------------------|----------------------------------------------------|-------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------|
| 2013                                     | 69 (b)                                    | 102,195                                            | 2,160,633                                 | 21.14                                                 | 1.18%                                                           |
| 2014                                     | 64                                        | 382,485                                            | 8,937,797                                 | 23.37                                                 | 4.88%                                                           |
| 2015                                     | 78                                        | 1,165,200                                          | 25,520,060                                | 21.90                                                 | 13.94%                                                          |
| 2016                                     | 68                                        | 990,188                                            | 20,980,295                                | 21.19                                                 | 11.46%                                                          |
| 2017                                     | 58                                        | 967,183                                            | 25,298,117                                | 26.16                                                 | 13.82%                                                          |
| 2018                                     | 42                                        | 947,518                                            | 22,885,707                                | 24.15                                                 | 12.50%                                                          |
| 2019                                     | 27                                        | 1,477,734                                          | 36,000,063                                | 24.36                                                 | 19.67%                                                          |
| 2020                                     | 12                                        | 205,136                                            | 5,035,786                                 | 24.55                                                 | 2.75%                                                           |
| 2021                                     | 13                                        | 810,068                                            | 16,521,471                                | 20.40                                                 | 9.03%                                                           |
| 2022 and thereafter                      | 67                                        | 1,005,464                                          | 19,702,305                                | 19.60                                                 | 10.77%                                                          |
|                                          | 498                                       | 8,053,171                                          | 183,042,233                               | 22.73                                                 | 100.00%                                                         |
| Vacancies as of 6/30/13                  |                                           | 476,581                                            |                                           |                                                       |                                                                 |
| Total Portfolio Square Footage           |                                           | 8,529,752                                          |                                           |                                                       |                                                                 |

(a) Annualized rent represents the monthly rent, including tenant reimbursements, for each lease in effect at June 30, 2013 multiplied by 12. Tenant reimbursements generally include payment of real estate taxes, operating expenses and common area maintenance and utility charges.

(b) 39 leases are Month to Month



## Capital Expenditures (in thousands)

|                        | For the Three Months Ended |                 |             |             | Year               |
|------------------------|----------------------------|-----------------|-------------|-------------|--------------------|
|                        | 31-Mar-13                  | 30-Jun-13       | 30-Sep-13   | 31-Dec-13   | Ended<br>31-Dec-13 |
| Tenant improvements    | \$ 1,729                   | \$ 5,755        | \$ -        | \$ -        | \$ 7,484           |
| Deferred leasing costs | 2,813                      | 1,087           | -           | -           | 3,900              |
| Building improvements  | 1,118                      | 1,622           | -           | -           | 2,740              |
| <b>Total</b>           | <b>\$ 5,660</b>            | <b>\$ 8,464</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 14,124</b>   |

|                        | For the Three Months Ended |                 |                 |                 | Year               |
|------------------------|----------------------------|-----------------|-----------------|-----------------|--------------------|
|                        | 31-Mar-12                  | 30-Jun-12       | 30-Sep-12       | 31-Dec-12       | Ended<br>31-Dec-12 |
| Tenant improvements    | \$ 3,014                   | \$ 2,705        | \$ 2,854        | \$ 4,464        | \$ 13,037          |
| Deferred leasing costs | 2,196                      | 1,343           | 1,104           | 2,784           | 7,427              |
| Building improvements  | 746                        | 1,003           | 711             | 1,252           | 3,712              |
| <b>Total</b>           | <b>\$ 5,956</b>            | <b>\$ 5,051</b> | <b>\$ 4,669</b> | <b>\$ 8,500</b> | <b>\$ 24,176</b>   |



# Transaction Activity

## Recent Acquisitions:

|                        | <u>City</u> | <u>State</u> | <u>Square Feet</u> | <u>Date Acquired</u> | <u>Purchase Price</u><br>(in thousands) |
|------------------------|-------------|--------------|--------------------|----------------------|-----------------------------------------|
| <b>2013</b>            |             |              |                    |                      |                                         |
| 1999 Broadway          | Denver      | CO           | 673,793            | 5/22/13              | \$ 183,000                              |
| <b>2012</b>            |             |              |                    |                      |                                         |
| One Ravinia            | Atlanta     | GA           | 386,603            | 7/31/12              | \$ 52,750                               |
| Westchase              | Houston     | TX           | 629,025            | 11/1/12              | 154,750                                 |
| <b>2011</b>            |             |              |                    |                      |                                         |
| Emperor Boulevard      | Durham      | NC           | 259,531            | 3/4/11               | 75,800                                  |
| Legacy Tennyson Center | Plano       | TX           | 202,600            | 3/10/11              | 37,000                                  |
| One Legacy Circle      | Plano       | TX           | 214,110            | 3/24/11              | 52,983                                  |
| 909 Davis              | Evanston    | IL           | 195,245            | 9/30/11              | 37,062                                  |
| East Renner Road       | Richardson  | TX           | 122,300            | 10/6/11              | 11,282                                  |

## Recent Dispositions:

|                | <u>City</u>  | <u>State</u> | <u>Square Feet</u> | <u>Date Sold</u> | <u>Net Sales</u><br><u>Proceeds</u> | <u>Gain (Loss)</u><br><u>on Sale</u> |
|----------------|--------------|--------------|--------------------|------------------|-------------------------------------|--------------------------------------|
| (in thousands) |              |              |                    |                  |                                     |                                      |
| <b>2012</b>    |              |              |                    |                  |                                     |                                      |
| Southfield     | Southfield   | MI           | 252,613            | 12/21/12         | \$ 293                              | \$ (14,826)                          |
| <b>2011</b>    |              |              |                    |                  |                                     |                                      |
| Fairview       | Falls Church | VA           | 252,613            | 1/21/11          | 89,382                              | 19,592                               |
| Bollman (a)    | Savage       | MD           | 98,745             | 6/24/11          | 7,408                               | 2,346                                |

(a) Industrial property. All other acquisitions and dispositions are office properties





## Loan Portfolio of Secured Real Estate

(dollars in thousands)

| <u>Sponsored REIT</u>                    | <u>Location</u> | <u>Maturity Date</u> | <u>Maximum Amount of Loan</u> | <u>Amount Drawn at 30-Jun-13</u> | <u>Interest Rate (1)</u> | <u>Draw Fee (2)</u> | <u>Interest Rate at 30-Jun-13</u> |
|------------------------------------------|-----------------|----------------------|-------------------------------|----------------------------------|--------------------------|---------------------|-----------------------------------|
| <b>Secured revolving lines of credit</b> |                 |                      |                               |                                  |                          |                     |                                   |
| FSP Highland Place I Corp.               | Centennial, CO  | 31-Dec-13            | \$ 5,500                      | \$ 1,375                         | L+4.4%                   | 0.5%                | 4.59%                             |
| FSP Satellite Place Corp.                | Duluth, GA      | 31-Mar-14            | 5,500                         | 5,500                            | L+4.4%                   | 0.5%                | 4.59%                             |
| FSP 1441 Main Street Corp.               | Columbia, SC    | 31-Mar-14            | 10,800                        | 9,000                            | L+4.4%                   | 0.5%                | 4.59%                             |
| FSP 505 Waterford Corp.                  | Plymouth, MN    | 30-Nov-13            | 7,000                         | 2,350                            | L+4.4%                   | 0.5%                | 4.59%                             |
| FSP Galleria North Corp.                 | Dallas, TX      | 30-Jan-15            | 15,000                        | 9,080                            | L+5.0%                   | 0.5%                | 5.19%                             |
| <b>Secured construction loan</b>         |                 |                      |                               |                                  |                          |                     |                                   |
| FSP 385 Interlocken Development Corp.    | Broomfield, CO  | 30-Apr-14            | 42,000                        | 37,541                           | L+4.4%                   | n/a                 | 4.59%                             |
| <b>Mortgage loan secured by property</b> |                 |                      |                               |                                  |                          |                     |                                   |
| FSP Energy Tower I Corp. (3)             | Houston, TX     | 5-Jul-14             | 33,000                        | 33,000                           | 6.41%                    | n/a                 | 6.41%                             |
|                                          |                 |                      | <u>\$ 118,800</u>             | <u>\$ 97,846</u>                 |                          |                     |                                   |

(1) The interest rate is 30-day LIBOR rate plus the additional rate indicated, otherwise a fixed rate.

(2) The draw fee is a percentage of each new advance, and is paid at the time of each new draw.

(3) The loan has a secured fixed mortgage amount of \$33,000,000. A loan fee of \$300,630 was paid at the time of closing and funding of the loan on July 5, 2012. The borrower is required to pay the Company an exit fee in the amount of 0.982% of the principal repayment amount.





## Appendix: Non-GAAP Financial Measure Definitions

### Definition of Funds From Operations (“FFO”)

The Company evaluates performance based on Funds From Operations, which we refer to as FFO, as management believes that FFO represents the most accurate measure of activity and is the basis for distributions paid to equity holders. The Company defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property and acquisition costs of newly acquired properties that are not capitalized, plus depreciation and amortization, including amortization of acquired above and below market lease intangibles and impairment charges, and after adjustments to exclude non-cash income (or losses) from non-consolidated or Sponsored REITs, plus distributions received from non-consolidated or Sponsored REITs.

FFO should not be considered as an alternative to net income (determined in accordance with GAAP), nor as an indicator of the Company’s financial performance, nor as an alternative to cash flows from operating activities (determined in accordance with GAAP), nor as a measure of the Company’s liquidity, nor is it necessarily indicative of sufficient cash flow to fund all of the Company’s needs.

Other real estate companies and the National Association of Real Estate Investment Trusts, or NAREIT, may define this term in a different manner. We have included the NAREIT FFO definition in our table and note that other REITs may not define FFO in accordance with the current NAREIT definition or may interpret the current NAREIT definition differently than we do.

We believe that in order to facilitate a clear understanding of the results of the Company, FFO should be examined in connection with net income and cash flows from operating, investing and financing activities in the consolidated financial statements.



## Appendix: Non-GAAP Financial Measure Definitions

### **Definition of Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA**

EBITDA is defined as net income plus interest expense, income tax expense and depreciation and amortization expense. Adjusted EBITDA is defined as EBITDA excluding gains and losses on sales of properties or shares of equity investments or provisions for losses on assets held for sale. EBITDA and Adjusted EBITDA are not intended to represent cash flow for the period, are not presented as an alternative to operating income as an indicator of operating performance, should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP and are not indicative of operating income or cash provided by operating activities as determined under GAAP. EBITDA and Adjusted EBITDA are presented solely as a supplemental disclosure with respect to liquidity because the Company believes it provides useful information regarding the Company's ability to service or incur debt. Because all companies do not calculate EBITDA or Adjusted EBITDA the same way, this presentation may not be comparable to similarly titled measures of other companies. The Company believes that net income is the financial measure calculated and presented in accordance with GAAP that is most directly comparable to EBITDA and Adjusted EBITDA.

### **Definition of Funds Available for Distribution (FAD)**

The Company defines FAD as the sum of (1) FFO, (2) less the effect of straight-line rent, (3) less recurring capital expenditures that are generally for maintenance of properties and are not recovered through rental income from tenants, and (4) plus non-cash compensation expenses, if any. FAD should not be considered as an alternative to net income (determined in accordance with GAAP), as an indicator of the Company's financial performance, nor as an alternative to cash flows from operating activities (determined in accordance with GAAP), nor as a measure of the Company's liquidity, nor is it necessarily indicative of sufficient cash flow to fund all of the Company's needs. Other real estate companies may define this term in a different manner. We believe that in order to facilitate a clear understanding of the results of the Company, FAD should be examined in connection with net income and cash flows from operating, investing and financing activities in the consolidated financial statements.



## Appendix: Non-GAAP Financial Measure Definitions

### **Definition of Property Net Operating Income (Property NOI)**

Property NOI is a non-GAAP financial measure equal to net income, the most directly comparable GAAP financial measure, plus selling, general and administrative expenses, depreciation and amortization, including amortization of acquired above and below market lease intangibles and impairment charges, interest expense, less equity in earnings of nonconsolidated REITs, interest income, management fee income, gains or losses on the sale of assets and excludes non-property specific income and expenses. Property NOI presented by the Company may not be comparable to NOI reported by other REITs that define NOI differently. NOI should not be considered an alternative to net income as an indication of our performance or to cash flows as a measure of the Company's liquidity or its ability to make distributions.



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