

A nighttime photograph of a city skyline, likely Philadelphia, featuring several illuminated skyscrapers and a river in the foreground. The sky is a deep blue with some light clouds. The lights from the buildings and streetlights create a vibrant scene.

Brandywine Realty Trust

Portfolio & Balance Sheet Strategy

2015/2016 Update

INVESTOR PRESENTATION



Portfolio Disposition & Balance Sheet Summary

- Since 1Q15, completed property sales totaling \$1.12 billion at a 6.9% cash cap rate.
- Reduced wholly-owned exposure to following markets:

	Square Feet		
	1/1/15	Current	% Decrease
New Jersey	1,931,735	709,132	63.3%
Delaware	986,581	501,399	49.2%
NoVa – Off Toll Road ^(A)	340,162	—	100.0%
Richmond	2,491,387	—	100.0%
California	750,667	350,256	53.3%

^(A) Excluding Allstate Joint Venture Asset

- \$1.12 billion in proceeds used for the following:

(\$ in 000's)	1/1/15	Current Amount	% (Decrease) / Increase
Gross Debt Reduction ^(A)	\$2,459.0	\$2,053.0	(16.5%)
Weighted-Average Interest Rate ^(A)	4.97%	4.63%	(6.9%)
Development Pipeline Outstanding Balance	\$413.1	\$182.2	(55.9%)
Increase in Cash Balances ^(A)	\$257.5	\$329.2	27.8%
Acquisitions, including Land	N/A	\$203.4	N/A

^(A) Assumes repayment of unsecured bonds maturing in April 2016

- Largest Transactions (67.1% of Total Sales):
 - MPO – \$354.0 million, 5.5% cap rate, 25% IRR on invested equity since acquisition
 - OZ Joint Venture – \$398.1 million, 8.5% cap rate, retained \$16 million equity stake
 - Retained management on both projects

Where We Are / Look Ahead: Balance Sheet & Financial Metrics

IMPROVED KEY CREDIT METRICS			
	DEBT/EBITDA		DEBT/GAV
	Combined	Consolidated	
12/31/15 Actual	7.1x	6.9x	42.3%
4Q15 Pro Forma	6.3x	6.0x	37.7%
12/31/16 Projected	6.4x	6.1x	37.4%

FFO/CAD GUIDANCE		
	Initial	Revised
FFO Guidance	\$1.25 - \$1.35	\$1.23 - \$1.30
CAD Guidance	\$0.85 - \$0.95	\$0.80 - \$0.90

Where We Are / Look Ahead: Operating Performance/Composition

- 2016 Improved Operating Metrics

OZ/CIRA SQUARE TRANSACTIONS		
	Before	After
Same Store - Cash	2.0 - 4.0%	2.0 - 4.0%
MTM Cash	(1.0) - 1.0%	0 - 2.0%
MTM GAAP	5.0 - 7.0%	7.0 - 9.0%

- NOI Contribution by Market in 4Q15, including Joint Ventures

OZ/CIRA SQUARE TRANSACTIONS		
	Before	After ^(A)
Richmond	6.0%	2.0%
New Jersey	4.4%	2.5%
PA Suburbs - other	10.5%	9.5%
NoVa – other	2.2%	1.6%

^(A) Includes joint venture with allocated share of ground lease

Synopsis: Cira Square

- IRS

- Sale price \$354 million / \$410 PSF
- \$124 million cash received after mortgage pay-off and closing costs

Cap Rates	
2015/2016 NOI	
Cash/GAAP	5.5%
Cash/GAAP(with loan defeasance)	6.3%



- \$113 million gross book gain on sale
- \$58.2 million net book gain on sale (after loan defeasance and transaction costs)
- Retired \$213.0 million of self-amortizing mortgage debt related to Cira Square and Cira South Garage; 5.93% interest rate
- Brandywine retained management of the building for seven year term

- Property totaling 862,692 SF

- 100% leased to GSA through August 2030
- NNN lease with no rent increases

Synopsis: Och-Ziff Real Estate JV

- Full market pricing; Large scale trade in illiquid submarkets (Richmond, Off-Toll Road and New Jersey)
- Gross purchase price of \$398.1 million (\$101 PSF), in-line with internal NAV; \$67 PSF for flex/industrial and \$108 PSF for office
- Cash cap rate: 8.5%, Projected 1Q16 and 8.6%, Annual 2015
- Brandywine initial cash proceeds of \$353.0 million (\$90/SF), or 89% of purchase price
- Brandywine received a \$16.0 million imputed capital account; allows Brandywine to participate in future portfolio appreciation
- Pre-funded cash capital increased our total investment to \$25.6 million
- FFO Yield on \$16.0 million / \$25.6 million equity investment: 39.2% / 24.50%
- No obligation for Brandywine to fund future capital calls
- Non-recourse debt (\$180.8 million) structure contemplates 2-5 year-hold
- Ongoing Management: Brandywine will provide management and asset management services to the joint venture and will also provide leasing and construction management services for the portfolio with the exception of Northern Virginia

Portfolio Profile: OZ Joint Venture

	Pennsylvania	New Jersey	METDC	Richmond/NC	Total
OZ SF	612,738 SF	557,144 SF	340,162 SF	2,414,739 SF	3,924,783 SF
% of Market	10.1%	44.0%	8.5%	100.0%	



Blue Bell



Eastgate



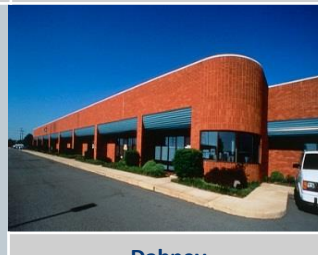
Fairfax



Arboretum



Meetinghouse



Dabney

- Average Building Age: 27.6 Years
- Occupancy: 91.4%

