

Investor Update

Building the Future

August 3, 2016

2016 **2nd**
QUARTER



Our Commitment to Shareholder Value, Our Communities and the Environment

- ▶ Our deep commitment to shareholder value, our communities and the environment have been recognized over the years, most recently NAIOP awarded Brandywine Developer of the Year, its highest honor, and the U.S. Environmental Protection Agency named us Energy Star Partner of the Year – Sustained Excellence Award, 2015 Energy Star National Building Competition and the 2016 Green Leases Leaders Award.

Our Innovative Approach

- ▶ Capitalize on changing office market demand drivers by continuing our portfolio shift to CBD, town center, high quality office and mixed-use projects.
- ▶ Ensure future growth through market driven execution of our multi-phase, multi-year land inventory build-out.
- ▶ Create value by executing smart-growth and transit-oriented developments and redevelopments.
- ▶ Revitalize urban and town center properties to optimize value and improve their competitive position.

Company Profile

Brandywine Realty Trust is one of the largest, publicly traded (NYSE:BDN), full-service, integrated real estate companies in the United States with a core focus in the Philadelphia, Washington, D.C., and Austin markets. Organized as a real estate investment trust (REIT) we own, develop, lease and manage an urban, town center and transit-oriented portfolio comprising 229 properties and 29.2 million square feet as of June 30, 2016.

The Brandywine Opportunity

- ▶ Balanced portfolio approach: Philadelphia's steady growth, Austin's dynamism, and Metro DC's status as one of the most coveted institutional investment markets in the world provide us with a strong growth profile.
- ▶ Our goal is to be Top 3 Landlord in our targeted markets.
- ▶ 85% our combined NOI derived from our core markets of Philadelphia, the Pennsylvania Crescent markets, Austin, TX and Metro DC.
- ▶ Second Quarter 2016 occupancy of 92.1% and leased of 93.8% for our wholly-owned portfolio continue to provide significant internal growth as fundamentals improve.
- ▶ Targeted 2016 year-end occupancy of 93 - 94% and leased of 94 - 95%.
- ▶ Improved growth profile and strengthened our balance sheet through the sale of \$1.2 billion non-core assets at a blended 6.9% cap rate and the addition of high-quality developments.
- ▶ Achieve top quartile credit metrics to support our effort to raise our investment grade rating.

Schuylkill Yards

Philadelphia
PENNSYLVANIA



Schuylkill Yards features 6.5 Acres of publicly accessible open space (nearly the same size as Rittenhouse Square):

- ▶ A 1.3 acre public square in front of a redeveloped existing Bulletin Building.
- ▶ A shared street esplanade along JFK Boulevard that reinforces the pedestrian connection between Drexel, the Armory and 30th Street station.
- ▶ Over 1.5 miles of vibrant, active streetscapes complete with new pedestrian-friendly urban furniture and bicycle infrastructure.
- ▶ Development Partners: Brandywine Realty Trust (Master Developer), Gotham Organization, Longfellow Real Estate Partners



Master Development: Long-Term Flexibility

- ▶ Master plan approval: Commence in early March with expected approval by 4Q16. Currently zoned for 2.5M SF.
- ▶ Public Space: Design of Drexel Square directly across 30th Street Station in process along with exterior improvements to One Drexel Plaza.
- ▶ Construction to start for both in 4Q16 for 3Q17 delivery.
- ▶ Low initial capital requirements: We anticipate spending approximately \$10 - \$15 million over the next 24 months ahead of any property construction.
- ▶ Long Pre-Lease Timeline: First phase of new construction totaling approximately 700,000 SF of office/lab facility targeted for late 2019 / early 2020 delivery.
- ▶ Phased Development: Subsequent phases developed over next 18+ years. Extension options allow Brandywine to extend an additional 10 years.
- ▶ Flexible Ownership: Brandywine has the ability to have full ownership, bring in joint venture partners or sell development phases to qualified developers.

Master Development Deal Structure

- ▶ 5.1 million SF minimum build out, which equates to 255,000 SF per year over 20 years
- ▶ 52% office (including lab, academic space) or 2.6 million SF, which equates to 130,000 SF per year over 20 years
- ▶ 350,000 SF minimum building size
- ▶ Land value approximates current market for development
- ▶ Land for public space conveyed at nominal cost and improvement costs fully recovered through future land releases
- ▶ 99-year ground lease executed at commencement of each of the six development phases

Growth Markets

Philadelphia
PENNSYLVANIA



Construction continues on FMC Tower at Cira Centre South, Philadelphia's first vertical neighborhood.

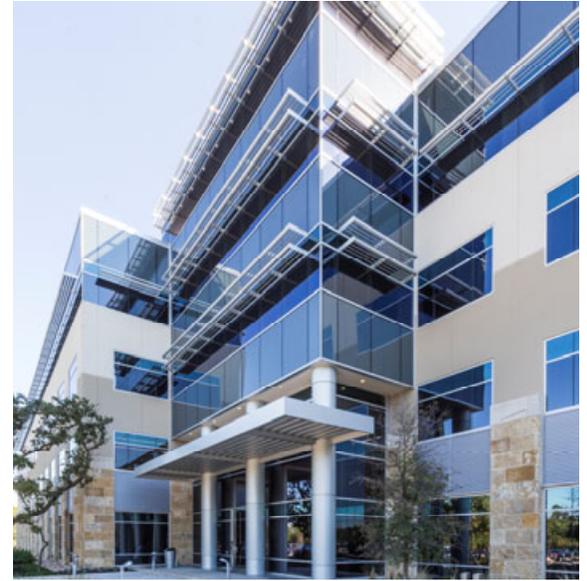
The project represents a high quality addition to Brandywine's Philadelphia CBD portfolio. Tenants are increasingly seeking the kind of quality environments we specialize in creating. Philadelphia is a stable, and steadily accelerating, market - a top-ranked U.S. city featuring a major transportation hub, a growing residential population, one of the nation's top two cultural scenes, and an increasingly friendly tax environment. Fueled by such growth industries as education and medicine, resoundingly attractive to millennials, and currently the nation's eighth largest job center, Philadelphia is a walkable/bikeable city—perfectly positioned for meeting the demands of companies seeking an integrated business and cultural lifestyle—where over 40% of those who work in the city also choose to live there. FMC Tower at Cira Centre South capitalizes on these trends and creates a new standard of excellence to both office tenants and residents seeking a high quality integrated lifestyle. During 2015, 23%, or 770,00 square feet, of all leasing activity represented tenants moving into Philadelphia from outside the city limits. This strong tenant demand has reduced Philadelphia CBD vacancy to 8.5% and University City has rental rates above \$38 per square foot and the functional vacancy rate is 1%. Since the employment peak in 2008, Philadelphia has added an incremental 14,000 jobs representing 2.4% growth. (Source: JLL)

Philadelphia CBD Portfolio | Brandywine owns 51% of the Trophy Class Inventory with Occupancy at 96.8%



Growth Markets

Austin Texas



Brandywine has emerged as the leading office landlord in the highly dynamic Austin, Texas market, which is currently ranked second on the Forbes list for future job growth. Austin isn't just one of the leading innovation centers in the world; it's also one of "America's 50 Best Cities" (Bloomberg Business Week), "The Next Biggest Boom Town in the U.S." (Forbes); and the "Fastest Growing Major U.S. Metro Economy" (U.S. Conference of Mayors). Thanks to our joint venture, our 2015 land acquisitions, our recently completed 320,000 square foot Encino Trace development, and the 2015 acquisition of the 1.1 million square foot Broadmoor campus, Brandywine will continue to expand its leadership position in this key market for years to come.

Washington DISTRICT OF COLUMBIA



Metro DC is widely considered to be one of the most envied investment markets in the world and the nation's top region for fastest growing private companies. The Washington Post has named the District as having the most educated residents in the country. And the Urban Land Institute has ranked Washington, DC, the nation's second best real estate investment market. All of this bodes extraordinarily well for Brandywine's regional portfolio as well as our proposed joint venture projects: 4040 Wilson in Arlington, VA; 25 M Street in Capitol Riverfront neighborhood of DC; and development of three properties in the NoMa area of DC.



Operational Excellence

- ▶ Stronger Forward Growth Profile
- ▶ Lower Future Tenant Rollover

Portfolio Transformation

- ▶ Submarket Refinement
- ▶ Reduce commodity, suburban product

Growth Strategy

- ▶ Capital Recycling
- ▶ Top 3 Landlord in Every Core Market

Balance Sheet Management

- ▶ Fortress Balance Sheet
- ▶ Reduce Leverage
- ▶ Maximize Liquidity
- ▶ Improve Operating Cash Flow
- ▶ Increase common dividend

Achieve Top Quartile Peer Operating Fundamentals

- ▶ Occupancy ranging between 93-94% by year-end 2016
- ▶ Forward leasing ranging between 94-95% by year-end 2016
- ▶ Deliver SS NOI growth of 3-4% on a GAAP basis and 4-5% on a cash basis
- ▶ Keep capital costs between 10-15% of lease revenues
- ▶ Balance portfolio stability and growth by lengthening lease terms, increasing annual rent escalations and reducing near term rollover exposure
- ▶ 97% achieved on our 2016 \$28.3 million speculative revenue target

Recycle, Redeploy and Create

- ▶ Complete submarket refinement and increase revenue contributions from urban and town center product
- ▶ Improve portfolio forward growth rates
- ▶ Finalize exits from New Jersey, Delaware and California; reduce Northern Virginia and Maryland revenue contribution
- ▶ Balance earnings stability during recycling through portfolio lease-up, rent growth and redeployment
- ▶ Since 2009, Brandywine sold 13M SF for \$2.1 billion (\$162 PSF) at a 7.1% cap rate
- ▶ Since 2009, Brandywine has purchased 4.4M SF of CBD/Town Center assets for \$727 million (\$164 PSF)

2016 Growth Objectives

- ▶ Lease vacant space!
- ▶ Be a net seller while culling portfolio of slower growth assets
 - » **\$850 million of sales activity in 2016; \$824 million already closed at a blended cash cap rate of 7.1%**
- ▶ Develop urban, multimodal town center high quality growth acceleration properties
- ▶ Increase investments in our core markets through development / redevelopment
 - » FMC Tower at Cira Centre South (Philadelphia, PA)
- ▶ Pursue growth opportunities in Philadelphia, Austin and Washington DC by acquiring key strategic land sites and continuing master planning activities on our key multi-phase / multi-year development sites
- ▶ Monetize non-core land holdings. As of 6/30/16, under agreement to sell \$40 million of land parcels
- ▶ Continue to reduce number of operating joint ventures

Maximize Financial Capacity in Uncertain Times

- ▶ Continue to improve credit and coverage metrics
- ▶ No wholly-owned floating rate exposure
- ▶ Delever balance sheet, reduce cost of debt capital and lengthen debt maturities

Financial Highlights

- ▶ 49% adjusted FFO and 74% CAD payout ratio at 2016 guidance midpoints
- ▶ Paid off our 2016 unsecured bonds with cash-on-hand
- ▶ Increased common dividend 6.7% for July 2016 payment

Balance Sheet Objectives

- ▶ Continue deleveraging through asset sales program
- ▶ Run company at 6.0x debt/EBITDA or lower:
 - As of 6/30/16, 6.6x debt/EBITDA and 37.2% net debt to total gross assets
- ▶ Continually assess capital market opportunities:
 - Unsecured debt issuance; no anticipated issuance until mid-2017

Key 2016 Business Plan Goals (as of 7/8/16)

Same Store NOI Increase	
GAAP	3-4%
CASH	4-5%
Rental Rate Increase	
GAAP	9-11%
CASH	1-3%

▶ Year-end SS Occupancy	93-94%	▶ Leasing Capital PSF / YR	\$2.25 - \$2.75
▶ Year-end Core Occupancy	93-94%	▶ Average Lease Term	7.0 Years
▶ Year-end Core Leased	94-95%		
▶ Dispositions	\$850.0MM target 97% achieved	▶ Adjusted Funds from Operations	\$1.26 - \$1.32
▶ Acquisitions	None incorporated	▶ Cash Available for Distribution	\$0.80 - \$0.90
		▶ \$0.63 Dividend Coverage (At guidance midpoint)	FFO 49% CAD 74%

2016 Leasing Plan (as of 7/8/16)

	TARGETED SF			TARGETED REVENUE		
	Targeted SF (000)	SF Executed (000)	SF to be Executed (000)	Targeted Revenue (MM)	Executed (MM)	To be Executed (MM)
Renewals	838	764	74	\$ 16.6	\$ 16.1	\$ 0.5
% Done		91%	9%		97%	3%
New Leasing	958	787	171	11.7	11.2	0.5
% Done		82%	18%		97%	3%
TOTAL	1,796	1,551	245	\$ 28.3	\$ 27.3	\$ 1.0
% Done		86%	14%		97%	3%



1676 International Drive, McLean, VA

High Quality Portfolio in Stable Markets (as of 7/8/16)

Wholly Owned and Joint Venture Properties⁽¹⁾

Region	# of Properties	Square Feet	% of Total SF	2Q '16 % of NOI	% Occupied	% Leased ⁽²⁾
Phila. CBD	11	5,358,118	20.7%	30.8%	96.8%	98.0%
PA Suburbs	64	5,974,685	23.1%	27.7%	90.5%	92.9%
Metro D.C.	29	4,722,591	18.2%	19.6%	84.8%	87.3%
Austin, TX	25	3,697,594	14.3%	12.0%	92.5%	95.7%
Subtotal	129	19,752,988	76.3%	90.1%	91.2%	93.5%
Other	70	4,715,831	18.2%	7.0%	91.9%	93.3%
Dev/Redev	6	1,430,505	5.5%	2.9%		
Total	205	25,899,324	100.0%	100.0%	91.3%	93.4%

(1) Includes total number of properties and square footage, % of NOI based on BDN's ownership interest

(2) Includes leases executed through 7/8/16 which will commence subsequent to 6/30/16

Capital Plan (6/30/16 - 12/31/16)

Uses (MM)	2016	
Dividends	\$ 60	
Mortgage Amortization	2	
Rev. Maint'g. Cap Ex	20	
Rev. Creating Cap Ex	25	
Land Purchase, net of sales	10	
Dev. / Redev. Projects	122	
JV Investments	7	
Total Uses	\$ 246	
Sources (MM)		
CF After Interest Pmts.	\$ 94	
Sales, Net of Costs	26	
JV Financing (Encino Trace & evo)	15	
Decrease to Cash	111	
Total Sources	\$ 246	
Liquidity		
	6/30/16 A	12/31/16 E
LOC:	\$ 0	\$ 0
Cash:	\$ 266	\$ 155

Portfolio Shift

Urban Town Centers Comprise 52% of Total SF and 74% of NOI

Submarket	WHOLLY OWNED		JOINT VENTURE		TOTAL	
	# Prop	SF	# Prop	SF	# Prop	SF
Philadelphia CBD	11	5,358,118	-	-	11	5,358,118
PA Crescent Markets	27	3,286,376	5	226,161	32	3,512,537
Dulles Toll Road	13	2,377,479	-	-	13	2,377,479
Austin - Broadmoor	6	962,975	-	-	6	962,975
Wilmington CBD	2	501,399	-	-	2	501,399
Silver Spring / Bethesda	-	-	4	733,256	4	733,256
Total	59	12,486,347	9	959,417	68	13,445,764

Forward-Looking Statements

Certain statements in this brochure constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our and our affiliates' actual results, performance, achievements or transactions to be materially different from any future results, performance, achievements or transactions expressed or implied by such forward-looking statements. Additional information on factors which could impact us and the forward-looking statements contained herein are included in our most recent annual and quarterly reports filed with the Securities and Exchange Commission.

Please reference our supplemental package for definitions and reconciliations of non-GAAP financial measures.