

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): October 21, 2015

Brandywine Realty Trust
Brandywine Operating Partnership, L.P.

(Exact name of registrant as specified in charter)

| | | |
|--|--------------------------|---|
| MARYLAND (Brandywine Realty Trust) | 001-9106 | 23-2413352 |
| DELAWARE (Brandywine Operating Partnership, L.P.) | 000-24407 | 23-2862640 |
| (State or Other Jurisdiction of Incorporation or Organization) | (Commission file number) | (I.R.S. Employer Identification Number) |

555 East Lancaster Avenue, Suite 100
Radnor, PA 19087

(Address of principal executive offices)

(610) 325-5600

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

The information in this Current Report on Form 8-K is furnished under Item 2.02 - “Results of Operations and Financial Condition.” Such information, including the exhibits attached hereto, shall not be deemed to be “filed” for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. The information in this Current Report on Form 8-K shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing.

On October 21, 2015, we issued a press release announcing our financial results for the three and nine-months ended September 30, 2015. That press release is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

The press release includes “non-GAAP financial measures” within the meaning of the Securities and Exchange Commission's Regulation G. With respect to such non-GAAP financial measures, we have disclosed in the press release the most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles (“GAAP”) and have provided a reconciliation of such non-GAAP financial measures to the most directly comparable GAAP financial measure.

Item 9.01 Financial Statements and Exhibits

Exhibits

| | |
|------|---|
| 99.1 | Brandywine Realty Trust Press Release dated October 21, 2015. |
|------|---|

Signatures

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Brandywine Realty Trust

By: /s/ Thomas E. Wirth
Thomas E. Wirth
Executive Vice President and Chief Financial Officer

Brandywine Operating Partnership L.P.,
By: Brandywine Realty Trust, its sole General Partner

By: /s/ Thomas E. Wirth
Thomas E. Wirth
Executive Vice President and Chief Financial Officer

Date: October 21, 2015



Company / Investor Contact:
Marge Boccuti
Manager, Investor Relations
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**Brandywine Realty Trust Announces \$0.43 FFO per Diluted Share for the Third Quarter 2015,
Increases Disposition Program and Provides Initial 2016 FFO Guidance
of \$1.25 to \$1.35 per Diluted Share**

Radnor, PA, October 21, 2015 - Brandywine Realty Trust (NYSE:BDN) today reported its financial and operating results for the three and nine-month periods ended September 30, 2015.

Management Comments

"We continue to capitalize on improving market conditions," stated Gerard H. Sweeney, President and Chief Executive Officer of Brandywine Realty Trust. "Our third quarter same store growth was very strong and we have achieved 99% of our 2015 speculative revenue target. Our portfolio disposition program continues to progress, and given the current strength of the investment market, we have increased our 2015 sales goal another \$100 million to \$400 million. This represents the second consecutive quarter we have increased our disposition target. Given our strong operating results, we are increasing our 2015 FFO guidance range to \$1.42 to \$1.46 per diluted share or \$1.31 to \$1.35 adjusted for tax credit non-cash income. Furthermore, to more fully take advantage of the strong investment market as part of our 2016 Business Plan, we are accelerating our portfolio repositioning plan by programming \$450 million of sales into our 2016 guidance. We anticipate that proceeds from these sales will primarily be used to reduce debt and fund existing development commitments. Our 2016 guidance range of \$1.25 to \$1.35 reflects the impact of these accelerated dispositions, no acquisitions and a continuation of strong portfolio operating performance."

3rd Quarter Highlights

Financial Results

- Funds from Operations (FFO); \$76.9 million, or \$0.43 per share.
- Net income available to common shareholders; \$18.3 million, or \$0.10 per share.
- Utilizes Share Repurchase Program to acquire \$60.8 million common shares.
- Consistent with prior year, third quarter results include \$11.9 million, or \$0.07 per share, of non-cash income that will not continue beyond 2015. We will recognize a related non-recurring, non-cash tax credit income item totaling \$8.1 million, or \$0.04 per share in the fourth quarter of 2015.

Portfolio Results

- Core portfolio was 92.5% occupied and 94.2% leased.
- Signed 639,279 square feet of new and renewal leases.
- Achieved 80.8% tenant retention ratio.
- Rental rate mark-to-market increased 11.2% / 4.5% on GAAP/Cash basis.
- Completed 99% of 2015 speculative revenue target.

Dispositions

- Sold three vacant land parcels totaling approximately 13 acres for \$15.8 million, resulting in a net gain totaling \$3.0 million.
- Sold or under contract to sell 12 office buildings totaling approximately 990,000 square feet in Pennsylvania and New Jersey for \$115.4 million.

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Finance / Capital Markets

- Extended and increased our seven-year unsecured term loan to \$250.0 million through October 2022 at an all-in rate of 3.72%.
- Repaid an \$88.0 million secured mortgage in October.
- No outstanding balance on our \$600.0 million unsecured revolving credit facility.
- \$50.6 million of cash and cash equivalents on-hand as of September 30, 2015.
- Increasing our 2015 disposition target to \$400 million, a \$100 million increase from last quarter and a \$220 million increase from original 2015 Business Plan.

Results for the Three and Nine Month Period Ended September 30, 2015

FFO available to common shares and units in the third quarter of 2015 totaled \$76.9 million or \$0.43 per diluted share versus \$62.7 million or \$0.36 per diluted share in the third quarter of 2014. Our third quarter 2015 FFO results include a \$3.0 million gain on the sale of undepreciated real estate. Our third quarter 2014 FFO results include \$3.9 million of charges, primarily related to the prepayment of certain unsecured notes. Our third quarter 2015 payout ratio (\$0.15 common share distribution / \$0.43 FFO per diluted share) was 34.9%.

Net income allocated to common shares totaled \$18.3 million or \$0.10 per diluted share in the third quarter of 2015 compared to a net income of \$7.0 million or \$0.04 per diluted share in the third quarter of 2014.

In the third quarter of 2015, our Net Operating Income (NOI) excluding termination revenues and other income items increased 6.0% on a GAAP basis and increased 6.6% on a cash basis for our 173 same store properties, which were 92.1% and 89.2% occupied on September 30, 2015 and September 30, 2014, respectively.

Our FFO available to common shares and units in the first nine months of 2015 totaled \$192.8 million or \$1.06 per diluted share versus \$173.6 million or \$1.05 per diluted share in the first nine months of 2014. Our first nine months 2015 FFO payout ratio (\$0.45 common share distribution / \$1.06 FFO per diluted share) was 42.5%.

Net income allocated to common shares totaled \$26.3 million or \$0.15 per diluted share in the first nine months of 2015 compared to net income of \$3.3 million or \$0.02 per diluted share in the first nine months of 2014.

Operating and Leasing Activity

We leased approximately 639,000 square feet and commenced occupancy on 939,000 square feet during the third quarter of 2015. The third quarter occupancy activity includes 511,000 square feet of renewals, 298,000 square feet of new leases and 130,000 square feet of tenant expansions. We have an additional 370,000 square feet of executed new leasing scheduled to commence subsequent to September 30, 2015.

We achieved an 80.8% tenant retention ratio in our core portfolio with net absorption of 145,000 square feet during the third quarter of 2015. Third quarter rental rate growth increased 11.2% as our renewal rental rates increased 9.7% and our new lease/expansion rental rates increased 14.6%, all on a GAAP basis.

At September 30, 2015, our core portfolio of 180 properties comprising 22.6 million square feet was 92.5% occupied and we are now 94.2% leased (reflecting new leases commencing after September 30, 2015).

Distributions

On September 15, 2015, our Board of Trustees declared a quarterly dividend distribution of \$0.15 per common share that was paid on October 19, 2015 to shareholders of record as of October 5, 2015. Our Board also declared a quarterly dividend distribution of \$0.43125 for each 6.90% Series E Cumulative Redeemable Preferred Share that was paid on October 15, 2015 to holders of record as of September 30, 2015.

2015 Earnings and FFO Guidance

Based on current plans and assumptions and subject to the risks and uncertainties more fully described in our Securities and Exchange Commission filings, we are increasing our previously issued 2015 guidance from \$1.40 to \$1.46 per diluted share to \$1.42 to \$1.46 per diluted share. This guidance is provided for informational purposes and is subject to change. The following is a reconciliation of the calculation of 2015 FFO and earnings per diluted share:

| <u>Guidance for 2015</u> | <u>Range</u> | | |
|---|-----------------|-----------|-----------------|
| Earnings per diluted share allocated to common shareholders | \$0.15 | to | \$0.19 |
| Plus: real estate depreciation and amortization and other | 1.27 | | 1.27 |
| | <hr/> | | <hr/> |
| FFO per diluted share | \$1.42 | to | \$1.46 |
| | | | |
| Less: non-cash tax credit financing income | \$(0.11) | | \$(0.11) |
| | <hr/> | | <hr/> |
| | | | |
| Adjusted FFO per diluted share | \$1.31 | to | \$1.35 |
| | <hr/> <hr/> | | <hr/> <hr/> |

Our 2015 FFO guidance includes income arising from the sale of undepreciated real estate totaling \$3.0 million. Our 2015 earnings and FFO per diluted share each reflect \$0.11 per diluted share of non-cash income attributable to the fifth of five annual recognitions of 20% of the net benefit of the rehabilitation tax credit financing and one-time non-cash income from a new market tax credit, which are related to the 30th Street Post Office and Cira South Garage respectively. Other key assumptions include:

- Occupancy improving to a range of 92 - 93% by year-end 2015 with 93.5 - 94.5% leased;
- 7.5 - 8.5% GAAP increase in overall lease rates with a resulting 3.0 - 5.0% increase in 2015 same store GAAP NOI;
- 2.0 - 4.0% increase in 2015 same store cash NOI growth;
- \$400.0 million of aggregate sales activity; and
- FFO per diluted share based on 178.9 million fully diluted weighted average common shares.

2016 Earnings and FFO Guidance

Based on current plans and assumptions and subject to the risks and uncertainties more fully described in our Securities and Exchange Commission filings, we are initiating 2016 guidance of \$1.25 to \$1.35 per diluted share. This guidance is provided for informational purposes and is subject to change. The following is a reconciliation of the calculation of 2016 FFO and earnings per diluted share:

| <u>Guidance for 2016</u> | <u>Range</u> | | |
|---|---------------|-----------|---------------|
| Earnings per diluted share allocated to common shareholders | \$0.09 | to | \$0.19 |
| Plus: real estate depreciation, amortization | 1.16 | | 1.16 |
| | <hr/> | | <hr/> |
| FFO per diluted share | \$1.25 | to | \$1.35 |
| | <hr/> <hr/> | | <hr/> <hr/> |

Our 2016 FFO guidance does not include income arising from the sale of undepreciated real estate. Other key assumptions include:

- Occupancy improving to a range of 93 - 94% by year-end 2016 with 94 - 95% leased;
- 5.0 - 7.0% GAAP increase in overall lease rates with a resulting 2.0 - 4.0% increase in 2016 same store GAAP NOI;

- 2.0 - 4.0% increase in 2016 same store cash NOI growth;
- Speculative Revenue Target: \$27.8 million, 41% achieved;
- No acquisition or new development activity;
- \$450.0 million of aggregate sales activity during the first six months 2016;
- FFO per diluted share based on 178.2 million fully diluted weighted average common shares; and
- Excludes \$19.9 million, or \$0.11 per diluted share, of non-cash tax credit income included in our 2015 results.

About Brandywine Realty Trust

Brandywine Realty Trust is one of the largest, publicly traded, full-service, integrated real estate companies in the United States. Organized as a real estate investment trust and operating in select markets, Brandywine owns, leases and manages an urban, town center and transit-oriented office portfolio comprising 239 properties and 30.7 million square feet as of September 30, 2015. For more information, please visit www.brandywinerealty.com.

Conference Call and Audio Webcast

BDN management will discuss updated earnings guidance for fiscal 2015 on Thursday, October 22, 2015, during the company's earnings call. The conference call will begin at 9:00 a.m. Eastern Time and will last approximately one hour. This call will be accessed by calling 1-800-683-1525 and referencing conference ID #41178235. Beginning two hours after the conference call, a taped replay of the call can be accessed 24 hours a day through Thursday, November 5, 2015 by calling 1-855-859-2056 and providing access code #41178235. In addition, the conference call can be accessed via a webcast located on our website at www.brandywinerealty.com.

Looking Ahead - Fourth Quarter 2015 Conference Call

We anticipate we will release our fourth quarter 2015 earnings on Wednesday, February 3, 2016, after the market close and will host our fourth quarter 2015 conference call on Thursday, February 4, 2016 at 9:00 a.m. Eastern Time. We expect to issue a press release in advance of these events to reconfirm the dates and times and provide all related information.

Forward-Looking Statements

Estimates of future earnings per share, FFO per share, common share dividend distributions and certain other statements in this release 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. Such risks, uncertainties and other factors relate to, among others: our ability to lease vacant space and to renew or relet space under expiring leases at expected levels; competition with other real estate companies for tenants; the potential loss or bankruptcy of major tenants; interest rate levels; the availability of debt, equity or other financing; risks of acquisitions, dispositions and developments, including the cost of construction delays and cost overruns; unanticipated operating and capital costs; our ability to obtain adequate insurance, including coverage for terrorist acts; dependence upon certain geographic markets; and general and local economic and real estate conditions, including the extent and duration of adverse changes that affect the industries in which our tenants operate. Additional information on factors which could impact us and the forward-looking statements contained herein are included in our filings with the Securities and Exchange Commission, including our Form 10-K for the year ended December 31, 2014. We assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events except as required by law.

Non-GAAP Supplemental Financial Measures

We compute our financial results in accordance with generally accepted accounting principles (GAAP). Although FFO and NOI are non-GAAP financial measures, we believe that FFO and NOI calculations are helpful to shareholders and potential investors and are widely recognized measures of real estate investment trust performance. At the end of this press release, we have provided a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measure.

Funds from Operations (FFO)

We compute FFO in accordance with standards established by the National Association of Real Estate Investment Trusts (NAREIT), which may not be comparable to FFO reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than us. NAREIT defines FFO as net income (loss) before non-controlling interests and excluding gains (losses) on sales of depreciable operating property, impairment losses on depreciable consolidated real estate, impairment losses on investments in unconsolidated real estate ventures and extraordinary items (computed in accordance with GAAP); plus real estate related depreciation and amortization (excluding amortization of deferred financing costs), and after similar adjustments for unconsolidated joint ventures. Net income, the GAAP measure that we believe to be most directly comparable to FFO, includes depreciation and amortization expenses, gains or losses on property sales, extraordinary items and non-controlling interests. To facilitate a clear understanding of our historical operating results, FFO should be examined in conjunction with net income (determined in accordance with GAAP) as presented in the financial statements included elsewhere in this release. FFO does not represent cash flow from operating activities (determined in accordance with GAAP) and should not be considered to be an alternative to net income (loss) (determined in accordance with GAAP) as an indication of our financial performance or to be an alternative to cash flow from operating activities (determined in accordance with GAAP) as a measure of our liquidity, nor is it indicative of funds available for our cash needs, including our ability to make cash distributions to shareholders.

Net Operating Income (NOI)

NOI is a non-GAAP financial measure equal to net income available to common shareholders, the most directly comparable GAAP financial measure, plus corporate general and administrative expense, depreciation and amortization, interest expense, non-controlling interests and losses from early extinguishment of debt, less interest income, development and management income, gains from property dispositions, gains on sale from discontinued operations, gains on early extinguishment of debt, income from discontinued operations, income from unconsolidated joint ventures and non-controlling interests. In some cases, we also present NOI on a cash basis, which is NOI after eliminating the effect of straight-lining of rent and deferred market intangible amortization. NOI presented by us 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 as an alternative to cash flow from operating activities as a measure of our liquidity or ability to make cash distributions to shareholders.

BRANDYWINE REALTY TRUST
CONSOLIDATED BALANCE SHEETS
(in thousands)

| | September 30, 2015 | December 31, 2014 |
|---|-----------------------|----------------------|
| | <i>(unaudited)</i> | |
| ASSETS | | |
| Real estate investments: | | |
| Operating properties | \$ 4,629,223 | \$ 4,603,692 |
| Accumulated depreciation | (1,064,804) | (1,067,829) |
| Rental property, net | 3,564,419 | 3,535,863 |
| Construction-in-progress | 242,246 | 201,360 |
| Land inventory | 135,917 | 90,603 |
| Real estate investments, net | 3,942,582 | 3,827,826 |
| Cash and cash equivalents | 50,632 | 257,502 |
| Accounts receivable, net | 19,221 | 18,757 |
| Accrued rent receivable, net | 139,738 | 134,051 |
| Assets held for sale, net | 53,042 | 18,295 |
| Investment in real estate ventures, at equity | 211,771 | 225,004 |
| Deferred costs, net | 124,472 | 125,224 |
| Intangible assets, net | 127,088 | 99,403 |
| Notes receivable | — | 88,000 |
| Other assets | 73,075 | 65,111 |
| Total assets | \$ 4,741,621 | \$ 4,859,173 |
| LIABILITIES AND EQUITY | | |
| Mortgage notes payable | \$ 642,396 | \$ 654,590 |
| Unsecured term loans | 200,000 | 200,000 |
| Unsecured senior notes, net of discounts | 1,597,541 | 1,596,718 |
| Accounts payable and accrued expenses | 115,636 | 96,046 |
| Distributions payable | 28,318 | 28,871 |
| Deferred income, gains and rent | 41,133 | 59,452 |
| Acquired lease intangibles, net | 28,541 | 26,010 |
| Liabilities related to assets held for sale | 1,269 | 602 |
| Other liabilities | 41,630 | 37,558 |
| Total liabilities | 2,696,464 | 2,699,847 |
| Brandywine Realty Trust's equity: | | |
| Preferred shares - Series E | 40 | 40 |
| Common shares | 1,752 | 1,793 |
| Additional paid-in capital | 3,258,075 | 3,314,693 |
| Deferred compensation payable in common stock | 11,918 | 6,219 |
| Common shares held in grantor trust | (11,918) | (6,219) |
| Cumulative earnings | 561,227 | 529,487 |
| Accumulated other comprehensive loss | (8,490) | (4,607) |
| Cumulative distributions | (1,786,374) | (1,700,579) |
| Total Brandywine Realty Trust's equity | 2,026,230 | 2,140,827 |
| Non-controlling interests | 18,927 | 18,499 |
| Total equity | 2,045,157 | 2,159,326 |
| Total liabilities and equity | \$ 4,741,621 | \$ 4,859,173 |

BRANDYWINE REALTY TRUST
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands, except share and per share data)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|-------------|---------------------------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| Revenue | | | | |
| Rents | \$ 124,263 | \$ 120,288 | \$ 363,800 | \$ 363,581 |
| Tenant reimbursements | 21,553 | 20,095 | 64,006 | 64,057 |
| Termination fees | 1,097 | 1,418 | 2,561 | 6,970 |
| Third party management fees, labor reimbursement and leasing | 4,274 | 3,932 | 12,805 | 12,269 |
| Other | 1,398 | 825 | 5,467 | 2,295 |
| Total revenue | 152,585 | 146,558 | 448,639 | 449,172 |
| Operating Expenses | | | | |
| Property operating expenses | 43,894 | 42,675 | 133,175 | 132,612 |
| Real estate taxes | 13,119 | 12,869 | 37,632 | 39,167 |
| Third party management expenses | 1,605 | 1,687 | 4,858 | 5,133 |
| Depreciation and amortization | 58,314 | 52,616 | 160,355 | 157,773 |
| General & administrative expenses | 6,127 | 5,900 | 21,554 | 20,086 |
| Total operating expenses | 123,059 | 115,747 | 357,574 | 354,771 |
| Operating income | 29,526 | 30,811 | 91,065 | 94,401 |
| Other income (expense) | | | | |
| Interest income | 126 | 528 | 1,189 | 1,298 |
| Tax credit transaction income | 11,853 | 11,853 | 11,853 | 11,853 |
| Interest expense | (27,900) | (31,481) | (83,971) | (94,837) |
| Amortization of deferred financing costs | (1,010) | (1,566) | (3,377) | (3,952) |
| Interest expense - financing obligation | (296) | (273) | (906) | (861) |
| Recognized hedge activity | — | (828) | — | (828) |
| Equity in loss of real estate ventures | (1,093) | (486) | (1,835) | (733) |
| Net gain on disposition of real estate | 6,083 | 4,698 | 16,673 | 4,698 |
| Net gain on sale of undepreciated real estate | 3,019 | — | 3,019 | 1,184 |
| Net gain from remeasurement of investment in real estate ventures | — | — | 758 | 458 |
| Net loss on real estate venture transactions | — | — | — | (417) |
| Loss on early extinguishment of debt | — | (2,606) | — | (2,606) |
| Provision for impairment on assets held for sale/sold | — | (1,765) | (2,508) | (1,765) |
| Net gain from continuing operations | 20,308 | 8,885 | 31,960 | 7,893 |
| Discontinued operations: | | | | |
| Income from discontinued operations | — | — | — | 18 |
| Net gain (loss) on disposition of discontinued operations | — | (3) | — | 900 |
| Total discontinued operations | — | (3) | — | 918 |
| Net income | 20,308 | 8,882 | 31,960 | 8,811 |
| Net income from discontinued operations attributable to non-controlling interests | — | — | — | (10) |
| Net income from continuing operations attributable to non-controlling interests | (161) | (108) | (221) | (47) |
| Net income attributable to non-controlling interests | (161) | (108) | (221) | (57) |
| Net income attributable to Brandywine Realty Trust | 20,147 | 8,774 | 31,739 | 8,754 |
| Preferred share distributions | (1,725) | (1,725) | (5,175) | (5,175) |
| Nonforfeitable dividends allocated to unvested restricted shareholders | (76) | (82) | (253) | (268) |
| Net income attributable to common shareholders | \$ 18,346 | \$ 6,967 | \$ 26,311 | \$ 3,311 |
| PER SHARE DATA | | | | |
| Basic income per common share | \$ 0.10 | \$ 0.04 | \$ 0.15 | \$ 0.02 |
| Basic weighted-average shares outstanding | 178,188,037 | 171,606,722 | 179,198,714 | 161,866,955 |

| | | | | |
|---|-------------|-------------|-------------|-------------|
| Diluted income per common share | \$ 0.10 | \$ 0.04 | \$ 0.15 | \$ 0.02 |
| Diluted weighted-average shares outstanding | 178,776,684 | 173,193,870 | 179,988,492 | 163,353,970 |

BRANDYWINE REALTY TRUST
FUNDS FROM OPERATIONS
(unaudited, in thousands, except share and per share data)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|--------------------|---------------------------------|--------------------|
| | 2015 | 2014 | 2015 | 2014 |
| Reconciliation of Net Income to Funds from Operations: | | | | |
| Net income attributable to common shareholders | \$ 18,346 | \$ 6,967 | \$ 26,311 | \$ 3,311 |
| Add (deduct): | | | | |
| Net income attributable to non-controlling interests - LP units | 160 | 84 | 225 | 35 |
| Nonforfeitable dividends allocated to unvested restricted shareholders | 76 | 82 | 253 | 268 |
| Net loss on real estate venture transactions | — | — | — | 417 |
| Net income from discontinued operations attributable to non-controlling interests - LP units | — | — | — | 10 |
| Net gain on disposition of real estate | (6,083) | (4,698) | (16,673) | (4,698) |
| Net (gain) loss on disposition of discontinued operations | — | 3 | — | (900) |
| Net gain from remeasurement of investment in real estate ventures | — | — | (758) | (458) |
| Provision for impairment on assets held for sale/sold | — | 1,765 | 2,508 | 1,765 |
| Depreciation and amortization: | | | | |
| Real property - continuing operations | 40,459 | 41,579 | 120,249 | 123,220 |
| Leasing costs including acquired intangibles - continuing operations | 17,755 | 10,990 | 39,829 | 34,427 |
| Company's share of unconsolidated real estate ventures | 6,514 | 6,226 | 21,596 | 17,020 |
| Partners' share of consolidated joint ventures | (55) | (87) | (168) | (188) |
| Funds from operations | \$ 77,172 | \$ 62,911 | \$ 193,372 | \$ 174,229 |
| Funds from operations allocable to unvested restricted shareholders | (223) | (192) | (603) | (628) |
| Funds from operations available to common share and unit holders (FFO) | \$ 76,949 | \$ 62,719 | \$ 192,769 | \$ 173,601 |
| FFO per share - fully diluted | \$ 0.43 | \$ 0.36 | \$ 1.06 | \$ 1.05 |
| Weighted-average shares/units outstanding - fully diluted | 180,311,786 | 174,928,930 | 181,523,594 | 165,107,978 |
| Distributions paid per common share | \$ 0.15 | \$ 0.15 | \$ 0.45 | \$ 0.45 |
| FFO payout ratio (distributions paid per common share/ FFO per diluted share) | 34.9% | 41.7% | 42.5% | 42.9% |

BRANDYWINE REALTY TRUST
SAME STORE OPERATIONS - 3rd QUARTER
(unaudited and in thousands)

Of the 192 properties owned by the Company as of September 30, 2015, a total of 173 properties ("Same Store Properties") containing an aggregate of 21.5 million net rentable square feet were owned for the entire three-month periods ended September 30, 2015 and 2014. Average occupancy for the Same Store Properties was 91.9% during 2015 and 88.9% during 2014. The following table sets forth revenue and expense information for the Same Store Properties:

| | Three Months Ended September 30, | |
|--|----------------------------------|------------------|
| | 2015 | 2014 |
| Revenue | | |
| Rents | \$ 113,758 | \$ 108,922 |
| Tenant reimbursements | 18,592 | 16,802 |
| Termination fees | 1,097 | 1,363 |
| Other | 927 | 630 |
| Total revenue | 134,374 | 127,717 |
| Operating expenses | | |
| Property operating expenses | 40,698 | 38,695 |
| Real estate taxes | 11,129 | 11,283 |
| Net operating income | \$ 82,547 | \$ 77,739 |
| Net operating income - percentage change over prior year | 6.2% | |
| Net operating income, excluding net termination fees & other | \$ 80,895 | \$ 76,309 |
| Net operating income, excluding net termination fees & other - percentage change over prior year | 6.0% | |
| Net operating income | \$ 82,547 | \$ 77,739 |
| Straight line rents | (4,680) | (4,217) |
| Above/below market rent amortization | (917) | (1,237) |
| Non-cash ground rent | 22 | 22 |
| Cash - Net operating income | \$ 76,972 | \$ 72,307 |
| Cash - Net operating income - percentage change over prior year | 6.5% | |
| Cash - Net operating income, excluding net termination fees & other | \$ 74,948 | \$ 70,314 |
| Cash - Net operating income, excluding net termination fees & other - percentage change over prior year | 6.6% | |

The following table is a reconciliation of Net Income to Same Store net operating income:

| | Three Months Ended September 30, | |
|---|----------------------------------|------------------|
| | 2015 | 2014 |
| Net income: | \$ 20,308 | \$ 8,882 |
| Add/(deduct): | | |
| Interest income | (126) | (528) |
| Tax credit transaction income | (11,853) | (11,853) |
| Interest expense | 27,900 | 31,481 |
| Amortization of deferred financing costs | 1,010 | 1,566 |
| Interest expense - financing obligation | 296 | 273 |
| Recognized hedge activity | — | 828 |
| Equity in loss of real estate ventures | 1,093 | 486 |
| Net gain on disposition of real estate | (6,083) | (4,698) |
| Net gain on sale of undepreciated real estate | (3,019) | — |
| Loss on early extinguishment of debt | — | 2,606 |
| Provision for impairment on assets held for sale/sold | — | 1,765 |
| Depreciation and amortization | 58,314 | 52,616 |
| General & administrative expenses | 6,127 | 5,900 |
| Total discontinued operations | — | 3 |
| Consolidated net operating income | 93,967 | 89,327 |
| Less: Net operating income of non same store properties | (6,889) | (1,059) |
| Less: Eliminations and non-property specific net operating income | (4,531) | (10,529) |
| Same Store net operating income | \$ 82,547 | \$ 77,739 |

BRANDYWINE REALTY TRUST
SAME STORE OPERATIONS - NINE MONTHS

(unaudited and in thousands)

Of the 192 properties owned by the Company as of September 30, 2015, a total of 171 properties ("Same Store Properties") containing an aggregate of 21.4 million net rentable square feet were owned for the entire nine-month periods ended September 30, 2015 and 2014. Average occupancy for the Same Store Properties was 91.3% during 2015 and 88.9% during 2014. The following table sets forth revenue and expense information for the Same Store Properties:

| | Nine Months Ended September 30, | |
|--|---------------------------------|-------------------|
| | 2015 | 2014 |
| Revenue | | |
| Rents | \$ 334,694 | \$ 324,622 |
| Tenant reimbursements | 55,859 | 52,749 |
| Termination fees | 2,561 | 6,484 |
| Other | 2,942 | 1,559 |
| Total revenue | 396,056 | 385,414 |
| Operating expenses | | |
| Property operating expenses | 123,261 | 118,724 |
| Real estate taxes | 32,672 | 33,242 |
| Net operating income | \$ 240,123 | \$ 233,448 |
| Net operating income - percentage change over prior year | 2.9% | |
| Net operating income, excluding net termination fees & other | \$ 235,698 | \$ 227,827 |
| Net operating income, excluding net termination fees & other - percentage change over prior year | 3.5% | |
| Net operating income | \$ 240,123 | \$ 233,448 |
| Straight line rents | (15,181) | (10,710) |
| Above/below market rent amortization | (2,782) | (4,367) |
| Non-cash ground rent | 66 | 66 |
| Cash - Net operating income | \$ 222,226 | \$ 218,437 |
| Cash - Net operating income - percentage change over prior year | 1.7% | |
| Cash - Net operating income, excluding net termination fees & other | \$ 216,723 | \$ 210,394 |
| Cash - Net operating income, excluding net termination fees & other - percentage change over prior year | 3.0% | |

The following table is a reconciliation of Net Income to Same Store net operating income:

| | Nine Months Ended September 30, | |
|---|---------------------------------|----------------|
| | 2015 | 2014 |
| Net income: | \$ 31,960 | \$ 8,811 |
| Add/(deduct): | | |
| Interest income | (1,189) | (1,298) |
| Tax credit transaction income | (11,853) | (11,853) |
| Interest expense | 83,971 | 94,837 |
| Amortization of deferred financing costs | 3,377 | 3,952 |
| Interest expense - financing obligation | 906 | 861 |
| Recognized hedge activity | — | 828 |
| Equity in loss of real estate ventures | 1,835 | 733 |
| Net gain on disposition of real estate | (16,673) | (4,698) |
| Net gain on sale of undepreciated real estate | (3,019) | (1,184) |
| Net gain from remeasurement of investment in real estate ventures | (758) | (458) |
| Net loss on real estate venture transactions | — | 417 |
| Loss on early extinguishment of debt | — | 2,606 |
| Provision for impairment on assets held for sale/sold | 2,508 | 1,765 |
| Depreciation and amortization | 160,355 | 157,773 |
| General & administrative expenses | 21,554 | 20,086 |
| Total discontinued operations | — | (918) |
| Consolidated net operating income | 272,974 | 272,260 |
| Less: Net operating income of non same store properties | (12,826) | (6,233) |

Less: Eliminations and non-property specific net operating income

(20,025)

(32,579)

Same Store net operating income

\$ 240,123

\$ 233,448