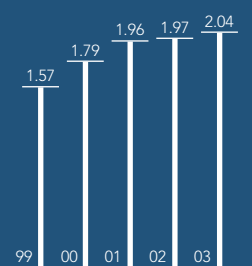
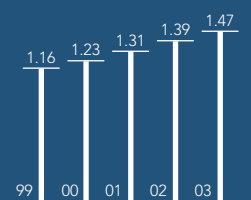


For more than 40 years, we have focused on investing in properties in the Greater Washington, D.C. metropolitan region. The fourth-largest metropolitan economy in the United States, the Washington region has led all metro areas in employment growth over the last 20 years. In this strong, stable region, we acquire and manage a diverse range of income-producing properties. Through our diversified holdings, our goal is to protect our assets from single property-type value fluctuations and to continue to safely increase earnings and shareholder value.



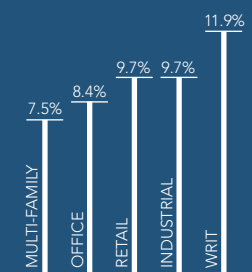
FUNDS FROM OPERATIONS

(in dollars per share)



CASH DIVIDENDS PAID

(in dollars per share)



RETURN ON INVESTED CAPITAL

(four quarters through 3Q03)

Source: Credit Suisse First Boston

SELECTED FINANCIAL AND OPERATING DATA

(in millions, except fully diluted per share amounts)

	2003	2002	2001	2000	1999
FOR THE YEAR					
Real Estate Revenue	\$163	\$153	\$147	\$133	\$118
Net Income	45	52	52	45	44
Funds from Operations	81	77	74	64	56
Cash Dividends Paid	59	54	50	44	41
Average Shares Outstanding	40	39	39	36	36
PER FULLY DILUTED COMMON SHARE					
Net Income	\$1.13	\$1.32	\$1.38	\$1.26	\$1.24
Funds from Operations	2.04	1.97	1.96	1.79	1.57
Cash Dividends Paid	1.47	1.39	1.31	1.23	1.16
AT YEAR END					
Total Assets	\$927	\$756	\$708	\$633	\$608
Total Debt	517	403	360	351	330
Shareholders' Equity	379	326	324	259	257