



Supplemental Operating and Financial Data

Second Quarter 2015

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Forward-Looking Statements

Some of the statements contained in this presentation constitute forward-looking statements within the meaning of the federal securities laws. Any forward-looking statements contained in this presentation are intended to be made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. Likewise, all of our statements regarding anticipated growth in our funds from operations and anticipated market conditions are forward-looking statements. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

The forward-looking statements contained in this presentation reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause our actual results to differ significantly from those expressed in any forward-looking statement. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could cause our future results to differ materially from any forward-looking statements, see the sections entitled “Risk Factors” in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

COMPANY PROFILE AND INVESTOR INFORMATION

Equity Commonwealth (NYSE: EQC) is an internally managed and self-advised real estate investment trust (REIT) with commercial office properties throughout the United States. EQC currently has a portfolio comprising 86 properties and 29.4 million square feet with executive offices in Chicago, IL.

Same Property Statistics ⁽¹⁾	No. of Properties	Sq. Feet	% Leased	2Q 2015 Revenues	Cash Basis NOI ⁽¹⁾
CBD	29	15,769	90.6%	68.2%	66.2%
Suburban	57	13,616	90.6%	31.8%	33.8%
Total	86	29,385	90.6%	100%	100%

Senior Unsecured Debt Ratings

Moody's -- Baa3
Standard & Poor's -- BBB-

NYSE Trading Symbols

Common Stock -- EQC
Preferred Stock Series D -- EQC-PD
Preferred Stock Series E -- EQC-PE
5.75% Senior Notes due 2042 -- EQCO

Board of Trustees

Sam Zell (Chairman)	David A. Helfand	Kenneth Shea
James S. Corl	Peter Linneman	Gerald A. Spector
Martin L. Edelman	James L. Lozier, Jr.	James A. Star
Edward A. Glickman	Mary Jane Robertson	

Senior Management

David A. Helfand President and Chief Executive Officer	David S. Weinberg Executive Vice President and Chief Operating Officer
Adam S. Markman Executive Vice President, Chief Financial Officer and Treasurer	Orrin S. Shifrin Executive Vice President, General Counsel and Secretary

Equity Research Coverage ⁽²⁾

APB Financial Group	Kim Opiatowski	(212) 293-3411	kopiatowski@apbfinancial.com
Bank of America / Merrill Lynch	James Feldman	(646) 855-5808	james.feldman@baml.com
Citigroup	Michael Bilerman	(212) 816-1383	michael.bilerman@citi.com
Green Street Advisors	John Bejjani	(949) 640-8780	jbejjani@greenst.com
JMP Securities	Mitch Germain	(212) 906-3546	mgermain@jmpsecurities.com
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Debt Research Coverage ⁽²⁾

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Rating Agencies ⁽²⁾

Moody's Investors Service	Lori Marks	(212) 553-1098	lori.marks@moodys.com
Standard & Poor's	Jaime Gitler	(212) 438-5049	jaime.gitler@standardandpoors.com

(1) Defined in the Definitions section of this document.

(2) Any opinions, estimates or forecasts regarding EQC's performance made by these analysts or agencies do not represent opinions, forecasts or predictions of EQC or its management. EQC does not by its reference to the analysts and agencies above imply its endorsement of or concurrence with any information, conclusions or recommendations provided by any of these analysts or agencies.

KEY FINANCIAL DATA

(amounts in thousands, except per share data)

	As of and for the Three Months Ended				
	6/30/2015	3/31/2015	12/31/2014	9/30/2014	6/30/2014
OPERATING INFORMATION					
Ending property count ⁽¹⁾	86	154	156	156	156
Ending square footage ⁽²⁾	29,385	42,752	42,919	42,919	42,920
Percent leased	90.6%	85.9%	85.8%	85.9%	86.7%
Total revenues	\$ 203,694	\$ 213,055	\$ 212,808	\$ 216,595	\$ 215,194
NOI ⁽³⁾	114,008	115,184	118,650	117,203	122,493
Cash Basis NOI ⁽³⁾	109,770	114,890	116,947	114,571	124,435
Adjusted EBITDA ⁽³⁾	104,646	107,781	107,248	99,626	125,996
NOI margin ⁽³⁾	56.0%	54.1%	55.8%	54.1%	56.9%
Cash Basis NOI margin	55.0%	54.0%	55.4%	53.5%	57.3%
Net income (loss)	12,616	13,630	(158,561)	156,740	5,385
Net income (loss) attributable to EQC common shareholders	5,635	6,649	(165,542)	149,759	(17,802)
FFO attributable to EQC common shareholders ⁽³⁾	77,238	65,384	60,442	207,234	87,146
Normalized FFO attributable to EQC common shareholders ⁽³⁾	67,763	71,985	68,733	57,306	81,317
SHARES OUTSTANDING AND PER SHARE DATA ⁽⁴⁾					
Shares Outstanding at End of Period					
Common stock outstanding - basic (includes unvested restricted shares)	129,760	129,734	129,607	128,894	128,860
Preferred Stock Outstanding ⁽⁵⁾	15,915	15,915	15,915	15,915	15,917
Weighted Average Shares Outstanding - EPS & FFO					
Weighted Average Common shares outstanding - basic	129,733	129,696	129,398	128,880	123,812
Weighted Average Common shares outstanding - diluted	130,537	129,874	129,398	131,243	123,812
Weighted Average Shares Outstanding - Normalized FFO					
Weighted Average Common shares outstanding - basic	129,733	129,696	129,398	128,880	123,812
Weighted Average Common shares outstanding - diluted	130,537	129,874	129,398	128,880	123,812
Per Share Data					
Net income (loss) attributable to EQC common shareholders - basic & diluted	\$ 0.04	\$ 0.05	\$ (1.28)	\$ 1.16	\$ (0.14)
Normalized FFO attributable to EQC common shareholders - diluted	0.52	0.55	0.53	0.44	0.66
BALANCE SHEET					
Total assets	\$5,548,046	\$5,734,296	\$5,761,639	\$6,170,796	\$6,593,360
Total liabilities	2,160,816	2,423,118	2,442,056	2,681,793	3,222,472
ENTERPRISE VALUE ⁽³⁾					
Total debt (book value) ⁽³⁾	\$1,973,692	\$2,205,075	\$2,207,665	\$2,442,942	\$2,986,604
Less: Cash and cash equivalents	(1,286,902)	(421,736)	(364,516)	(597,405)	(428,373)
Plus: Market value of preferred shares (at end of period)	400,246	407,335	398,570	400,571	403,997
Plus: Market value of common shares (at end of period)	3,330,945	3,444,431	3,327,012	3,313,853	3,391,593
Total enterprise value	\$4,417,981	\$5,635,105	\$5,568,731	\$5,559,961	\$6,353,821
RATIOS					
Net debt ⁽³⁾ / enterprise value	15.5%	31.6%	33.1%	33.2%	40.3%
Net debt ⁽³⁾ / annualized adjusted EBITDA	1.6x	4.1x	4.3x	4.6x	5.1x
Adjusted EBITDA / interest expense	3.7x	3.6x	3.3x	2.8x	3.3x

(1) Excludes properties classified as held for sale.

(2) Changes in total square footage result from remeasurement and property dispositions. Refer to either the schedule of Acquisitions and Dispositions or Disposed Property Detail.

(3) Defined in the Definitions section of this document.

(4) We grant restricted share units ("RSU"s) to certain employees, officers, and the chairman of the Board of Trustees. The RSUs contain both service and market-based vesting components. None of the RSUs have vested. Refer to the schedule of Common & Potential Common Shares for information regarding RSUs and their impact on weighted average shares outstanding.

(5) As of June 30, 2015, we had 4,915 series D preferred shares outstanding that were convertible into 2,363 of our common shares. Refer to the schedule of Common & Potential Common Shares for information regarding the series D preferred shares and their impact on weighted average shares outstanding.

CONDENSED CONSOLIDATED BALANCE SHEETS

(amounts in thousands, except share data)

	June 30, 2015	December 31, 2014
ASSETS		
Real estate properties:		
Land	\$ 456,614	\$ 714,238
Buildings and improvements	3,834,855	5,014,205
	<u>4,291,469</u>	<u>5,728,443</u>
Accumulated depreciation	(913,303)	(1,030,445)
	<u>3,378,166</u>	<u>4,697,998</u>
Properties held for sale	360,781	—
Acquired real estate leases, net	121,912	198,287
Cash and cash equivalents	1,286,902	364,516
Restricted cash	31,351	32,257
Rents receivable, net of allowance for doubtful accounts of \$10,008 and \$6,565, respectively	209,089	248,101
Other assets, net	159,845	220,480
Total assets	\$ 5,548,046	\$ 5,761,639
LIABILITIES AND SHAREHOLDERS' EQUITY		
Revolving credit facility	\$ —	\$ —
Senior unsecured debt, net	1,460,131	1,598,416
Mortgage notes payable, net	513,561	609,249
Liabilities related to properties held for sale	20,336	—
Accounts payable and accrued expenses	128,590	162,204
Assumed real estate lease obligations, net	5,728	26,784
Rent collected in advance	21,860	31,359
Security deposits	10,610	14,044
Total liabilities	\$ 2,160,816	\$ 2,442,056
Shareholders' equity:		
Preferred shares of beneficial interest, \$0.01 par value: 50,000,000 shares authorized;		
Series D preferred shares; 6 1/2% cumulative convertible; 4,915,196 and 4,915,497 shares issued and outstanding, respectively, aggregate liquidation preference of \$122,880 and \$122,887, respectively	\$ 119,263	\$ 119,266
Series E preferred shares; 7 1/4% cumulative redeemable on or after May 15, 2016; 11,000,000 shares issued and outstanding, aggregate liquidation preference \$275,000	265,391	265,391
Common shares of beneficial interest, \$0.01 par value: 350,000,000 shares authorized; 129,760,214 and 129,607,279 shares issued and outstanding, respectively	1,298	1,296
Additional paid in capital	4,495,244	4,487,133
Cumulative net income	2,260,098	2,233,852
Cumulative other comprehensive loss	(5,963)	(53,216)
Cumulative common distributions	(3,111,868)	(3,111,868)
Cumulative preferred distributions	(636,233)	(622,271)
Total shareholders' equity	\$ 3,387,230	\$ 3,319,583
Total liabilities and shareholders' equity	\$ 5,548,046	\$ 5,761,639

ADDITIONAL BALANCE SHEET INFORMATION
(amounts in thousands)

	June 30, 2015	December 31, 2014
Additional Balance Sheet Information		
Straight-line rents receivable, net of allowance for doubtful accounts	\$ 189,211	\$ 220,855
Accounts receivable, net of allowance for doubtful accounts	19,878	27,246
Rents receivable, net of allowance for doubtful accounts	<u>\$ 209,089</u>	<u>\$ 248,101</u>
Capitalized lease incentives, net	\$ 8,148	\$ 15,191
Deferred financing fees, net	20,874	16,861
Deferred leasing costs, net	104,337	126,252
Other	26,486	62,176
Other assets, net	<u>\$ 159,845</u>	<u>\$ 220,480</u>
Accounts payable	\$ 4,053	\$ 7,755
Accrued interest	20,876	25,007
Accrued taxes	40,138	57,237
Accrued capital expenditures	12,799	13,322
Accrued leasing costs	6,191	9,439
Other accrued liabilities	44,533	49,444
Accounts payable and accrued expenses	<u>\$ 128,590</u>	<u>\$ 162,204</u>

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(amounts in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Revenues				
Rental income ⁽¹⁾	\$ 163,697	\$ 172,407	\$ 331,669	\$ 344,447
Tenant reimbursements and other income	39,997	42,787	85,080	88,007
Total revenues	\$ 203,694	\$ 215,194	\$ 416,749	\$ 432,454
Expenses:				
Operating expenses	\$ 89,686	\$ 92,701	\$ 187,557	\$ 194,432
Depreciation and amortization	53,637	59,831	116,336	111,480
General and administrative	10,911	24,097	27,469	48,945
Loss on asset impairment	15,258	22,683	17,162	17,922
Acquisition related costs	—	—	—	5
Total expenses	\$ 169,492	\$ 199,312	\$ 348,524	\$ 372,784
Operating income	\$ 34,202	\$ 15,882	\$ 68,225	\$ 59,670
Interest and other income	728	281	4,176	665
Interest expense (including net amortization of debt discounts, premiums and deferred financing fees of \$(177), \$(300), \$(148), and \$(609), respectively)	(27,973)	(37,899)	(57,815)	(75,834)
Gain on early extinguishment of debt	10,426	—	9,998	—
Loss on sale of equity investment	—	(33)	—	(33)
Gain on issuance of shares by an equity investee	—	16,911	—	17,020
Foreign currency exchange gain	856	—	856	—
(Loss) gain on sale of properties	(2,708)	—	3,160	—
Income (loss) from continuing operations before income taxes and equity in earnings of investees	15,531	(4,858)	28,600	1,488
Income tax expense	(2,915)	(908)	(2,354)	(1,463)
Equity in earnings of investees	—	12,454	—	23,388
Income from continuing operations	12,616	6,688	26,246	23,413
Discontinued operations:				
Income from discontinued operations ⁽¹⁾	—	4,114	—	8,125
Loss on asset impairment from discontinued operations	—	(2,072)	—	(2,360)
Loss on early extinguishment of debt from discontinued operations	—	(3,345)	—	(3,345)
Net income	\$ 12,616	\$ 5,385	\$ 26,246	\$ 25,833
Preferred distributions	(6,981)	(6,982)	(13,962)	(18,133)
Excess fair value of consideration over carrying value of preferred shares	—	(16,205)	—	(16,205)
Net income (loss) attributable to Equity Commonwealth common shareholders	\$ 5,635	\$ (17,802)	\$ 12,284	\$ (8,505)

(1) Rental income and income from discontinued operations include non-cash straight line rent adjustments, and non-cash amortization of intangible lease assets and liabilities.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(amounts in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Amounts attributable to Equity Commonwealth common shareholders:				
Income (loss) from continuing operations	\$ 5,635	\$ (16,499)	\$ 12,284	\$ (10,925)
Income from discontinued operations	—	4,114	—	8,125
Loss on asset impairment from discontinued operations	—	(2,072)	—	(2,360)
Loss on early extinguishment of debt from discontinued operations	—	(3,345)	—	(3,345)
Net income (loss)	<u>\$ 5,635</u>	<u>\$ (17,802)</u>	<u>\$ 12,284</u>	<u>\$ (8,505)</u>
Weighted average common shares outstanding — basic ⁽¹⁾	<u>129,733</u>	<u>123,812</u>	<u>129,714</u>	<u>121,121</u>
Weighted average common shares outstanding — diluted ⁽¹⁾	<u>130,537</u>	<u>123,812</u>	<u>130,205</u>	<u>121,121</u>
Basic and diluted earnings per common share attributable to Equity Commonwealth common shareholders:				
Income (loss) from continuing operations	<u>\$ 0.04</u>	<u>\$ (0.13)</u>	<u>\$ 0.09</u>	<u>\$ (0.09)</u>
(Loss) income from discontinued operations	<u>\$ —</u>	<u>\$ (0.01)</u>	<u>\$ —</u>	<u>\$ 0.02</u>
Net income (loss)	<u>\$ 0.04</u>	<u>\$ (0.14)</u>	<u>\$ 0.09</u>	<u>\$ (0.07)</u>

Additional Income Statement Information

Non-recurring General and administrative				
Shareholder litigation and transition related expenses ⁽²⁾	\$ (215)	\$ 4,892	\$ 3,257	\$ 8,805
Fees paid to RMR ⁽³⁾				
Business management fee	\$ —	\$ 9,694	\$ —	\$ 19,214
Business management incentive fee	—	6,996	—	13,225
Transition services fee	180	—	2,415	—
(Loss) gain on sale of properties				
Gain excluding reclassification of accumulated foreign currency translation adjustment	\$ 60,499	\$ —	\$ 66,367	\$ —
Reclassification of accumulated foreign currency translation adjustment	(63,207)	—	(63,207)	—
Total (Loss) gain on sale of properties	<u>\$ (2,708)</u>	<u>\$ —</u>	<u>\$ 3,160</u>	<u>\$ —</u>

(1) Refer to the schedule of Common & Potential Common Shares for information regarding the components our weighted average common shares outstanding.

(2) Shareholder litigation and transition related expenses within general and administrative for the three and six months ended June 30, 2015 includes \$(0.4) million and \$2.3 million, respectively, for the change in the fair value of the shareholder-approved liability for the reimbursement of expenses incurred by Related/Corvex since February 2013 in connection with their consent solicitations to remove our former Trustees, elect the new Board of Trustees and engage in related litigation. On August 4, 2015, we reimbursed \$8.4 million to Related/Corvex under the terms of the shareholder-approved agreement. An additional \$8.4 million will be reimbursed only if the average closing price of our common shares is at least \$26.00 (as adjusted for any share splits or share dividends) from August 1, 2015 through July 31, 2016. As of June 30, 2015, the fair value of this aggregate liability is \$8.9 million, which includes the fair value of the portion paid on August 4, 2015.

(3) Amounts represent general and administrative expenses under our business management agreement.

CALCULATION OF SAME PROPERTY NET OPERATING INCOME (NOI) AND SAME PROPERTY CASH BASIS NOI
(amounts in thousands)

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Calculation of Same Property NOI and Same Property Cash Basis NOI⁽¹⁾:				
Rental income	\$ 163,697	\$ 172,407	\$ 331,669	\$ 344,447
Tenant reimbursements and other income	39,997	42,787	85,080	88,007
Operating expenses	(89,686)	(92,701)	(187,557)	(194,432)
NOI	\$ 114,008	\$ 122,493	\$ 229,192	\$ 238,022
Straight line rent adjustments	(1,864)	(1,079)	(1,683)	(6,975)
Lease value amortization	1,793	4,166	3,267	6,418
Lease termination fees	(4,167)	(1,145)	(6,116)	(1,738)
Cash Basis NOI	\$ 109,770	\$ 124,435	\$ 224,660	\$ 235,727
Cash Basis NOI from non-same properties ⁽²⁾	(17,410)	(33,246)	(43,469)	(57,057)
Same Property Cash Basis NOI	\$ 92,360	\$ 91,189	\$ 181,191	\$ 178,670
Non-cash rental and termination income from same properties	558	(3,757)	(1,785)	(2,622)
Same Property NOI	\$ 92,918	\$ 87,432	\$ 179,406	\$ 176,048
Reconciliation of Same Property NOI to GAAP Operating Income				
Same Property NOI	\$ 92,918	\$ 87,432	\$ 179,406	\$ 176,048
Non-cash rental and termination income from same properties	(558)	3,757	1,785	2,622
Same Property Cash Basis NOI	\$ 92,360	\$ 91,189	\$ 181,191	\$ 178,670
Cash Basis NOI from non-same properties ⁽²⁾	17,410	33,246	43,469	57,057
Cash Basis NOI	\$ 109,770	\$ 124,435	\$ 224,660	\$ 235,727
Straight line rent adjustments	1,864	1,079	1,683	6,975
Lease value amortization	(1,793)	(4,166)	(3,267)	(6,418)
Lease termination fees	4,167	1,145	6,116	1,738
NOI	\$ 114,008	\$ 122,493	\$ 229,192	\$ 238,022
Depreciation and amortization	(53,637)	(59,831)	(116,336)	(111,480)
General and administrative	(10,911)	(24,097)	(27,469)	(48,945)
Loss on asset impairment	(15,258)	(22,683)	(17,162)	(17,922)
Acquisition related costs	—	—	—	(5)
Operating Income	\$ 34,202	\$ 15,882	\$ 68,225	\$ 59,670

(1) Defined in the Definitions section of this document.

(2) Cash Basis NOI from non-same properties for all periods presented includes the operations of properties disposed or classified as held for sale during 2015.

SAME PROPERTY RESULTS OF OPERATIONS BY PROPERTY LOCATION
(dollars and square feet in thousands)

Total	As of and for the Three Months Ended June 30,			As of and for the Six Months Ended June 30,		
	2015	2014	% Change	2015	2014	% Change
Properties	86	86		86	86	
Square Feet	29,385	29,385		29,385	29,385	
% Leased	90.6%	90.5%	0.1 %	90.6%	90.5%	0.1 %
Total revenue	\$ 159,534	\$ 155,619	2.5 %	\$ 315,611	\$ 315,787	(0.1)%
Operating expenses	(66,616)	(68,187)	(2.3)%	(136,205)	(139,739)	(2.5)%
NOI ⁽¹⁾	\$ 92,918	87,432	6.3 %	179,406	176,048	1.9 %
<i>NOI Margin ⁽¹⁾</i>	58.2%	56.2%		56.8%	55.7%	
Straight line rent adjustment	(1,050)	214		888	(2,910)	
Lease value amortization	2,073	4,565		4,084	6,931	
Lease termination fees	(1,581)	(1,022)		(3,187)	(1,399)	
Cash Basis NOI ⁽¹⁾	92,360	91,189	1.3 %	181,191	178,670	1.4 %
<i>Cash Basis NOI Margin ⁽¹⁾</i>	58.1%	57.2%		57.1%	56.1%	

CBD						
Properties	29	29		29	29	
Square Feet	15,769	15,769		15,769	15,769	
% Leased	90.6%	90.0%	0.7 %	90.6%	90.0%	0.7 %
Total revenue	\$ 108,872	\$ 102,996	5.7 %	\$ 215,934	\$ 210,769	2.5 %
Operating expenses	(46,763)	(48,217)	(3.0)%	(95,751)	(98,343)	(2.6)%
NOI ⁽¹⁾	62,109	54,779	13.4 %	120,183	112,426	6.9 %
<i>NOI Margin ⁽¹⁾</i>	57.0%	53.2%		55.7%	53.3%	
Straight line rent adjustment	(1,151)	1,154		(1,601)	(1,007)	
Lease value amortization	1,617	4,120		3,184	6,117	
Lease termination fees	(1,403)	(971)		(2,569)	(1,290)	
Cash Basis NOI ⁽¹⁾	61,172	59,082	3.5 %	119,197	116,246	2.5 %
<i>Cash Basis NOI Margin ⁽¹⁾</i>	56.7%	55.1%		55.5%	54.2%	

Suburban						
Properties	57	57		57	57	
Square Feet	13,616	13,616		13,616	13,616	
% Leased	90.6%	91.1%	(0.5)%	90.6%	91.1%	(0.5)%
Total revenue	\$ 50,662	\$ 52,623	(3.7)%	\$ 99,677	\$ 105,018	(5.1)%
Operating expenses	(19,853)	(19,970)	(0.6)%	(40,454)	(41,396)	(2.3)%
NOI ⁽¹⁾	30,809	32,653	(5.6)%	59,223	63,622	(6.9)%
<i>NOI Margin ⁽¹⁾</i>	60.8%	62.1%		59.4%	60.6%	
Straight line rent adjustment	101	(940)		2,489	(1,903)	
Lease value amortization	456	445		900	814	
Lease termination fees	(178)	(51)		(618)	(109)	
Cash Basis NOI ⁽¹⁾	31,188	32,107	(2.9)%	61,994	62,424	(0.7)%
<i>Cash Basis NOI Margin ⁽¹⁾</i>	61.1%	61.7%		60.5%	60.1%	

(1) Defined in the Definitions section of this document.

CALCULATION OF EBITDA AND ADJUSTED EBITDA
(amounts in thousands)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
Net income	\$ 12,616	\$ 5,385	\$ 26,246	\$ 25,833
Interest expense from continuing operations	27,973	37,899	57,815	75,834
Interest expense from discontinued operations	—	274	—	577
Income tax expense	2,915	908	2,354	1,463
Depreciation and amortization from continuing operations	53,637	59,831	116,336	111,480
EBITDA from equity investees	—	18,112	—	34,539
Equity in earnings of investees	—	(12,454)	—	(23,388)
EBITDA	\$ 97,141	\$ 109,955	\$ 202,751	\$ 226,338
Loss on asset impairment from continuing operations	15,258	22,683	17,162	17,922
Acquisition related costs	—	—	—	5
Gain on early extinguishment of debt from continuing operations	(10,426)	—	(9,998)	—
Loss on early extinguishment of debt from discontinued operations	—	3,345	—	3,345
Shareholder litigation costs and transition-related expenses	(215)	4,892	3,257	8,805
Transition services fee	180	—	2,415	—
Adjusted EBITDA from equity investees, net of EBITDA	—	(73)	—	64
Loss (gain) on sale of properties	2,708	—	(3,160)	—
Loss on asset impairment from discontinued operations	—	2,072	—	2,360
Loss on sale of equity investments	—	33	—	33
Gain on issuance of shares by an equity investee	—	(16,911)	—	(17,020)
Adjusted EBITDA	\$ 104,646	\$ 125,996	\$ 212,427	\$ 241,852

CALCULATION OF FUNDS FROM OPERATIONS (FFO) AND NORMALIZED FFO
(amounts in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Calculation of FFO				
Net income	\$ 12,616	\$ 5,385	\$ 26,246	\$ 25,833
Depreciation and amortization	53,637	59,831	116,336	111,480
Loss on asset impairment from continuing operations	15,258	22,683	17,162	17,922
Loss on asset impairment from discontinued operations	—	2,072	—	2,360
FFO from equity investees	—	16,611	—	31,551
Loss (gain) on sale of properties	2,708	—	(3,160)	—
Equity in earnings of investees	—	(12,454)	—	(23,388)
FFO attributable to Equity Commonwealth	84,219	94,128	156,584	165,758
Preferred distributions	(6,981)	(6,982)	(13,962)	(18,133)
FFO attributable to EQC Common Shareholders	\$ 77,238	\$ 87,146	\$ 142,622	\$ 147,625
Calculation of Normalized FFO				
FFO attributable to EQC common shareholders	\$ 77,238	\$ 87,146	\$ 142,622	\$ 147,625
Recurring adjustments:				
Lease value amortization	1,793	4,166	3,267	6,418
Straight line rent adjustments from continuing operations	(1,864)	(1,079)	(1,683)	(6,975)
Straight line rent adjustments from discontinued operations	—	(145)	—	(226)
Gain on early extinguishment of debt from continuing operations	(10,426)	—	(9,998)	—
Loss on early extinguishment of debt from discontinued operations	—	3,345	—	3,345
Minimum cash rent from direct financing lease ⁽¹⁾	2,032	2,032	4,064	4,064
Loss on sale of equity investments	—	33	—	33
Gain on issuance of shares by an equity investee	—	(16,911)	—	(17,020)
Interest earned from direct financing lease	(119)	(208)	(260)	(437)
Normalized FFO from equity investees, net of FFO	—	(1,954)	—	(3,353)
Other items which affect comparability:				
Shareholder litigation and transition related expenses ⁽²⁾	(215)	4,892	3,257	8,805
Transition services fee	180	—	2,415	—
Acquisition related costs	—	—	—	5
Gain on sale of securities	—	—	(3,080)	—
Foreign currency exchange gain	(856)	—	(856)	—
Normalized FFO attributable to EQC Common Shareholders	\$ 67,763	\$ 81,317	\$ 139,748	\$ 142,284
Weighted average common shares outstanding -- basic ⁽³⁾	129,733	123,812	129,714	121,121
Weighted average common shares outstanding -- diluted ⁽³⁾	130,537	123,812	130,205	121,121
FFO attributable to EQC common shareholders per share -- basic ⁽³⁾	\$ 0.60	\$ 0.70	\$ 1.10	\$ 1.22
FFO attributable to EQC common shareholders per share -- diluted ⁽³⁾	\$ 0.59	\$ 0.70	\$ 1.10	\$ 1.22
Normalized FFO attributable to EQC common shareholders per share -- basic ⁽³⁾	\$ 0.52	\$ 0.66	\$ 1.08	\$ 1.17
Normalized FFO attributable to EQC common shareholders per share -- diluted ⁽³⁾	\$ 0.52	\$ 0.66	\$ 1.07	\$ 1.17

- (1) Contractual cash payments (including management fees) from one tenant at Arizona Center for the three and six months ended June 30, 2015 and 2014 were \$2,032 and \$4,064, respectively. These payments will decrease to approximately \$515 per year beginning in 2016. Our calculation of Normalized FFO reflects the cash payments received from this tenant. The terms of this tenant's lease require us to classify the lease as a direct financing (or capital) lease. As such, the revenue recognized on a GAAP basis within our condensed consolidated statements of operations was \$119 and \$208 for the three months ended June 30, 2015 and 2014, and \$260 and \$437 for the six months ended June 30, 2015 and 2014, respectively. This direct financing lease has an expiration date in 2045.
- (2) Refer to the Additional Income Statement Information for a discussion of expenses related to the shareholder-approved Related/Corvex consent solicitation liability.
- (3) Refer to the schedule of Common & Potential Common Shares for information regarding the components our weighted average common shares outstanding.

DEBT SUMMARY
As of June 30, 2015
(dollars in thousands)

	Interest Rate	Principal Balance	Maturity Date	Due at Maturity	Years to Maturity
Unsecured Debt:					
Unsecured Floating Rate Debt:					
Revolving credit facility (LIBOR + 125 bps) ⁽¹⁾	1.44%	\$ —	1/28/2019	\$ —	3.6
Term loan (LIBOR + 140 bps) ⁽²⁾	1.59%	200,000	1/28/2020	200,000	4.6
Term loan (LIBOR + 180 bps) ⁽²⁾	1.99%	200,000	1/28/2022	200,000	6.6
Total / weighted average unsecured floating rate debt	1.79%	\$ 400,000		\$ 400,000	5.6
Unsecured Fixed Rate Debt:					
6.25% Senior Unsecured Notes Due 2016	6.25%	\$ 139,104	8/15/2016	\$ 139,104	1.1
6.25% Senior Unsecured Notes Due 2017	6.25%	250,000	6/15/2017	250,000	2.0
6.65% Senior Unsecured Notes Due 2018	6.65%	250,000	1/15/2018	250,000	2.5
5.875% Senior Unsecured Notes Due 2020	5.88%	250,000	9/15/2020	250,000	5.2
5.75% Senior Unsecured Notes Due 2042	5.75%	175,000	8/1/2042	175,000	27.1
Total / weighted average unsecured fixed rate debt	6.17%	\$ 1,064,104		\$ 1,064,104	6.9
Secured Fixed Rate Debt:					
111 Monument Circle	5.24%	\$ 116,000	3/1/2016	\$ 116,000	0.7
111 East Wacker Drive ⁽³⁾	6.29%	141,681	7/11/2016	139,478	1.0
Parkshore Plaza	5.67%	41,275	5/1/2017	41,275	1.8
1735 Market Street ⁽⁴⁾	5.66%	170,573	12/2/2019	160,710	4.4
206 East 9th Street	5.69%	27,741	1/5/2021	24,836	5.5
33 Stiles Lane	6.75%	2,961	3/1/2022	—	6.7
97 Newberry Road	5.71%	6,600	3/1/2026	—	10.7
Total / weighted average secured fixed rate debt	5.75%	\$ 506,831		\$ 482,299	2.6
Total / weighted average ⁽⁵⁾	5.18%	\$ 1,970,935		\$ 1,946,403	5.5

- (1) Represents amounts outstanding on EQC's \$750,000 revolving credit facility as of June 30, 2015. The interest rate presented is as of June 30, 2015, and equals LIBOR plus 1.25%. We also pay a 25 basis point facility fee annually. The spread over LIBOR and the facility fee vary depending upon EQC's credit rating.
- (2) Represents amounts outstanding on EQC's term loans as of June 30, 2015. The interest rate presented is as of June 30, 2015, and equals LIBOR plus 1.4% for the loan maturing on January 28, 2020, and LIBOR plus 1.8% for the loan maturing January 28, 2022. The spreads over LIBOR vary depending upon EQC's credit rating.
- (3) On August 4, 2015, we sold 111 East Wacker Drive (Illinois Center). Its real estate assets and liabilities have been classified as properties held for sale and liabilities related to properties held for sale, respectively, on our Condensed Consolidated Balance Sheets as of June 30, 2015. On August 3, 2015, we defeased the outstanding \$141.4 million balance of the mortgage loan secured by the property, and this mortgage loan is no longer a liability of EQC. Because the secured mortgage note was not assumed by the buyer, the balance remains in mortgage notes payable, net on our Condensed Consolidated Balance Sheets as of June 30, 2015.
- (4) Interest is payable at a rate equal to LIBOR plus 2.625% but has been fixed by a cash flow hedge, which sets the rate at approximately 5.66% until December 1, 2016.
- (5) Total debt outstanding as of June 30, 2015, including net unamortized premiums and discounts, was \$1,973,692.

DEBT MATURITY SCHEDULE
(dollars in thousands)

Scheduled Payments During Period

Year	Unsecured Floating Rate Debt	Unsecured Fixed Rate Debt	Secured Fixed Rate Debt	Total	Weighted Average Interest Rate
2015	\$ —	\$ —	\$ 2,580	\$ 2,580	6.0%
2016	—	139,104	260,035 ⁽¹⁾	399,139	6.0%
2017	—	250,000	44,865	294,865	6.2%
2018	—	250,000	3,847	253,847	6.6%
2019	—	—	164,613 ⁽²⁾	164,613	5.7%
2020	200,000 ⁽³⁾	250,000	1,674	451,674	4.0%
2021	—	—	25,982	25,982	5.7%
2022	200,000 ⁽³⁾	—	799	200,799	2.0%
2023	—	—	702	702	5.7%
2024	—	—	743	743	5.7%
Thereafter	—	175,000	991	175,991	5.8%
Total	\$ 400,000	\$ 1,064,104	\$ 506,831	\$ 1,970,935 ⁽⁴⁾	5.2%

Percent 20.3% 54.0% 25.7% 100.0%

- (1) On August 4, 2015, we sold 111 East Wacker Drive (Illinois Center). Its real estate assets and liabilities have been classified as properties held for sale and liabilities related to properties held for sale, respectively, on our Condensed Consolidated Balance Sheets as of June 30, 2015. On August 3, 2015, we defeased the outstanding \$141.4 million balance of the mortgage loan secured by the property, and this mortgage loan is no longer a liability of EQC. Because the secured mortgage note was not assumed by the buyer, the balance remains in mortgage notes payable, net on our Condensed Consolidated Balance Sheets as of June 30, 2015.
- (2) Interest is payable at a rate equal to LIBOR plus 2.625% but has been fixed by a cash flow hedge, which sets the rate at approximately 5.66% until December 1, 2016.
- (3) Represents amounts outstanding on EQC's term loans as of June 30, 2015. The interest rate presented is as of June 30, 2015, and equals LIBOR plus 1.4% for the loan maturing on January 28, 2020, plus LIBOR plus 1.8% for the loan maturing January 28, 2022. The spreads over LIBOR vary depending upon EQC's credit rating.
- (4) Total debt outstanding as of June 30, 2015, including net unamortized premiums and discounts, was \$1,973,692.

LEVERAGE RATIOS, COVERAGE RATIOS AND PUBLIC DEBT COVENANTS
(dollars in thousands)

As of and for the Three Months Ended

	6/30/2015	3/31/2015	12/31/2014	9/30/2014	6/30/2014
Leverage Ratios					
Total debt ⁽¹⁾ / total assets	35.6%	38.5%	38.3%	39.6%	45.3%
Total debt ⁽¹⁾ / total market capitalization	34.6%	36.4%	37.2%	39.7%	44.0%
Total debt ⁽¹⁾ + preferred stock / total market capitalization	41.6%	43.1%	43.9%	46.2%	50.0%
Total debt ⁽¹⁾ / annualized adjusted EBITDA	4.7x	5.1x	5.1x	6.1x	5.9x
Total debt ⁽¹⁾ + preferred stock / annualized adjusted EBITDA	5.7x	6.1x	6.1x	7.1x	6.7x
Net debt ⁽¹⁾ / enterprise value ⁽¹⁾	15.5%	31.6%	33.1%	33.2%	40.3%
Net debt ⁽¹⁾ + preferred stock / enterprise value ⁽¹⁾	24.6%	38.9%	40.3%	40.4%	46.6%
Net debt ⁽¹⁾ / annualized adjusted EBITDA	1.6x	4.1x	4.3x	4.6x	5.1x
Net debt ⁽¹⁾ + preferred stock / annualized adjusted EBITDA	2.6x	5.1x	5.2x	5.6x	5.9x
Secured debt / total assets	9.3%	10.6%	10.6%	10.0%	13.6%
Variable rate debt / total debt ⁽¹⁾	20.3%	18.1%	18.1%	20.5%	24.6%
Variable rate debt / total assets	7.2%	7.0%	6.9%	8.1%	11.1%
Coverage Ratios					
Adjusted EBITDA ⁽¹⁾ / interest expense	3.7x	3.6x	3.3x	2.8x	3.3x
Adjusted EBITDA ⁽¹⁾ / interest expense + preferred distributions	3.0x	2.9x	2.7x	2.4x	2.8x
Public Debt Covenants					
Debt / adjusted total assets ⁽²⁾ (maximum 60%)	29.9%	30.9%	31.0%	33.4%	38.9%
Secured debt / adjusted total assets ⁽²⁾ (maximum 40%)	7.8%	8.5%	8.6%	8.5%	11.6%
Consolidated income available for debt service ⁽¹⁾ / debt service (minimum 1.5x)	3.3x	3.9x	3.9x	3.4x	3.1x
Total unencumbered assets ⁽²⁾ / unsecured debt (minimum 150% / 200%)	394.7%	386.5%	385.6%	348.7%	302.8%

(1) Defined in the Definitions section of this document.

(2) Adjusted total assets and total unencumbered assets includes original cost of real estate assets plus capital improvements, both calculated in accordance with GAAP, and excludes depreciation and amortization, accounts receivable, other intangible assets and impairment write downs, if any.

ACQUISITIONS AND DISPOSITIONS
(dollars in thousands)

Acquisitions

None

Dispositions

Property/Portfolio	City	State	No. of Properties	Sq. Feet ⁽¹⁾	% Leased ⁽¹⁾	Gross Sales Price	Net Book Value ⁽²⁾	Secured Mortgage Debt	Annualized Rental Revenue ⁽¹⁾
11350 N Meridian St.	Carmel	IN	1	72,264	78.4%	\$ 4,200	\$ 2,537	\$ —	\$ 751
333 Laurel Oak Dr.	Voorhees	NJ	⁽³⁾	27,164	0.0%	2,450	1,441	—	—
1921 E Alton Ave.	Santa Ana	CA	1	67,846	84.7%	14,533	8,567	—	1,691
Total Q1 Dispositions			2	167,274	68.2%	\$ 21,183	\$ 12,545	\$ —	\$ 2,442
Small Office & Industrial Assets Portfolio	Multiple	Multi.	45	5,287,790	77.5%	\$ 376,000	\$ 346,937	\$ —	\$ 67,723
Land Parcel	Birmingham	AL	N/A	N/A	N/A	2,000	155	—	N/A
225 Water Street ⁽⁴⁾	Jacksonville	FL	1	318,997	44.7%	N/A	19,357	40,059	3,144
AL, LA, NC, SC Office Portfolio ⁽⁵⁾	Multiple	Multi.	6	3,031,848	89.6%	417,450	294,567	56,805 ⁽⁶⁾	55,799
Sorrento Valley Business Park	San Diego	CA	1	105,003	100.0%	23,500	10,405	—	2,193
Australia Office and Industrial Portfolio	Multiple	Austr.	11	1,758,525	95.7%	232,955	192,661	—	23,389
St. Louis Portfolio	St. Louis	MO	2	165,098	77.6%	14,300	14,500	—	2,731
Total Q2 Dispositions			66	10,667,261	83.2%	\$ 1,066,205	\$ 878,582	\$ 96,864	\$ 154,979
Total 2015 Dispositions			68	10,834,535	83.0%	\$ 1,087,388	\$ 891,127	\$ 96,864	\$ 157,421

The dispositions above resulted in a (loss) gain on sale of properties of \$(2.7) million and \$3.2 million for the three and six months ended June 30, 2015, respectively.

(1) As of or for the quarter-ended preceding each sale.

(2) Defined in the Definitions section of this document.

(3) We sold one building in a property containing multiple buildings.

(4) On May 22, 2015, title to 225 Water Street was transferred to the lender pursuant to the consensual foreclosure in full satisfaction of the mortgage debt. The transaction resulted in a gain on extinguishment of debt of \$17.3 million for the three and six months ended June 30, 2015.

(5) Proceeds from the AL, LA, NC, SC portfolio sale, net of mortgage debt repayments and credits for contractual lease costs, were \$320 million.

(6) Comprised of the secured mortgage loan for 1320 Main Street, \$38.7 million, defeasance costs for 1320 Main Street, \$7.4 million, secured mortgage loan for 2501 20th Place South, \$10.0 million, and a prepayment fee for 2501 20th Place South, \$0.8 million.

TOP 30 PROPERTIES BY ANNUALIZED RENTAL REVENUE ⁽¹⁾

As of June 30, 2015

(sorted by annualized rental revenue, dollars in thousands)

Property	City	State	No. of Buildings	CBD/ SUB	Sq. Feet	% Leased	Annualized Rental Revenue ⁽²⁾	Undepreciated Book Value ⁽²⁾	Net Book Value ⁽²⁾	Year Acquired	Weighted Average Year Built or Substantially Renovated ⁽³⁾	
1	600 West Chicago Avenue	Chicago	IL	2	CBD	1,511,849	90.9%	\$ 46,386	\$ 355,800	\$ 324,179	2011	2001
2	1735 Market Street	Philadelphia	PA	1	CBD	1,290,678	93.3%	39,274	298,458	182,047	1998	1990
3	1500 Market Street	Philadelphia	PA	1	CBD	1,773,967	79.5%	37,257	286,111	212,077	2002	1974
4	111 River Street	Hoboken	NJ	1	CBD	566,215	99.7%	23,197	134,806	114,892	2009	2002
5	111 Monument Circle	Indianapolis	IN	2	CBD	1,063,885	84.8%	23,098	173,898	163,002	2012	1990
6	1225 Seventeenth Street	Denver	CO	1	CBD	672,465	99.1%	22,014	147,423	127,958	2009	1982
7	185 Asylum Street	Hartford	CT	1	CBD	868,395	98.7%	20,971	78,046	72,971	2012	2010
8	333 108th Avenue NE	Bellevue	WA	1	CBD	416,503	100.0%	18,507	152,543	132,296	2009	2008
9	1600 Market Street	Philadelphia	PA	1	CBD	825,968	84.6%	18,495	131,927	78,422	1998	1983
10	6600 North Military Trail	Boca Raton	FL	3	SUB	639,830	100.0%	16,171	145,776	131,175	2011	2008
11	North Point Office Complex	Cleveland	OH	2	CBD	873,335	83.8%	15,924	122,007	101,403	2008	1988
12	8750 Bryn Mawr Avenue	Chicago	IL	2	SUB	631,518	89.3%	15,670	90,960	80,497	2010	2005
13	Arizona Center ⁽⁴⁾	Phoenix	AZ	4	CBD	1,070,724	91.7%	14,175	98,651	90,391	2011	1992
14	Foster Plaza	Pittsburgh	PA	8	SUB	727,365	84.8%	12,295	73,509	55,266	2005	1993
15	111 Market Place	Baltimore	MD	1	CBD	540,854	99.5%	12,168	76,201	52,977	2003	1990
16	101-115 W. Washington Street	Indianapolis	IN	1	CBD	634,058	94.8%	12,118	90,277	67,839	2005	1977
17	Research Park	Austin	TX	4	SUB	1,110,007	98.0%	11,484	90,629	62,430	1998	1976
18	Bridgepoint Parkway	Austin	TX	5	SUB	440,007	93.2%	11,423	88,209	51,986	1997	1995
19	100 East Wisconsin Avenue	Milwaukee	WI	1	CBD	435,067	88.3%	10,805	82,189	72,103	2010	1989
20	East Eisenhower Parkway	Ann Arbor	MI	2	SUB	410,464	92.2%	10,195	55,045	48,867	2010	2006
21	109 Brookline Avenue	Boston	MA	1	CBD	285,556	99.8%	9,892	45,615	27,648	1995	1915
22	111 East Kilbourn Avenue	Milwaukee	WI	1	CBD	373,669	95.0%	9,419	55,077	45,348	2008	1988
23	Woodcliff Drive	Fairport	NY	6	SUB	516,760	80.9%	8,571	44,409	39,853	2006	1995
24	1601 Dry Creek Drive	Longmont	CO	1	SUB	552,865	97.0%	8,392	32,290	23,553	2004	1982
25	5073, 5075, & 5085 S. Syracuse Street	Denver	CO	1	SUB	248,493	100.0%	7,164	63,610	56,003	2010	2007
26	25 S. Charles Street	Baltimore	MD	1	CBD	343,815	94.4%	7,119	38,504	26,686	2004	1972
27	Danac Stiles Business Park	Rockville	MD	3	SUB	276,637	85.4%	6,891	66,060	48,036	2004	2002
28	Widewaters Parkway	Dewitt	NY	8	SUB	514,241	73.5%	6,463	17,687	16,340	1999; 2006	1988
29	1250 H Street, NW	Washington	DC	1	CBD	187,684	79.8%	6,418	67,109	42,040	1998	1992
30	Parkshore Plaza	Folsom	CA	4	SUB	269,281	87.0%	6,362	47,511	43,136	2011	1999
Subtotal (30 properties)			71	20,072,155	90.6%	\$ 468,318	\$ 3,250,337	\$2,591,421				
All other properties (56 properties)			105	9,313,358	90.3%	122,236	1,041,132	786,745				
Total (86 properties)			176	29,385,513	90.6%	\$ 590,554	\$ 4,291,469	\$3,378,166				

	Q2 2015 NOI ⁽²⁾	% of NOI	Q2 2015 Cash Basis NOI ⁽²⁾	% of Cash Basis NOI
Top 30 Properties	\$ 75,601	81.4%	\$ 74,540	80.7%
All other properties (56 properties)	17,317	18.6%	17,820	19.3%
Total (86 properties)	\$ 92,918	100%	\$ 92,360	100.0%

(1) Excludes properties classified as held for sale.

(2) Defined in the Definitions section of this document.

(3) Weighted based on square feet.

(4) Contractual cash payments (including management fees) from one tenant at Arizona Center for the three and six months ended June 30, 2015 and 2014 were \$2,032 and \$4,064, respectively. These payments will decrease to approximately \$515 per year beginning in 2016. The terms of this tenant's lease require us to classify the lease as a direct financing (or capital) lease. As such, the revenue recognized on a GAAP basis within our condensed consolidated statements of operations was \$119 and \$208 for the three months ended June 30, 2015 and 2014, and \$260 and \$437 for the six months ended June 30, 2015 and 2014, respectively. Annualized rental revenue excludes the cash payments received from this tenant. This direct financing lease has an expiration date in 2045.

LEASING SUMMARY
(dollars and square feet in thousands, except per square foot data)

	As of and for the Three Months Ended				
	6/30/2015	3/31/2015	12/31/2014	9/30/2014	6/30/2014
Properties	86	154	156	156	156
Total square feet ⁽¹⁾	29,385	42,752	42,919	42,919	42,920
Percentage leased ⁽²⁾	90.6 %	85.9 %	85.8 %	85.9 %	86.7 %

Total Leases					
Square feet	1,030	1,478	1,448	1,109	1,562
Lease term (years)	5.5	6.6	4.8	10.8	6.0
Percent change in cash rent ⁽³⁾	(1.9)%	0.0 %	1.2 %	(2.8)%	(3.7)%
Percent change in GAAP rent ⁽³⁾	5.4 %	5.6 %	8.1 %	0.1 %	2.0 %
Total TI & LC per square foot ⁽⁴⁾	\$ 22.63	\$ 27.61	\$ 14.92	\$ 30.66	\$ 14.07
Total TI & LC per sq. ft. per year of lease term ⁽⁴⁾	\$ 4.11	\$ 4.20	\$ 3.08	\$ 2.84	\$ 2.36

Renewal Leases					
Square feet	518	758	1,173	792	1,204
Lease term (years)	5.2	4.5	4.5	12.4	6.0
Percent change in cash rent ⁽³⁾	(3.4)%	(2.8)%	1.6 %	(2.8)%	(2.2)%
Percent change in GAAP rent ⁽³⁾	5.3 %	(0.1)%	8.8 %	0.4 %	3.7 %
Total TI & LC per square foot ⁽⁴⁾	\$ 19.37	\$ 12.09	\$ 10.17	\$ 37.39	\$ 9.37
Total TI & LC per sq. ft. per year of lease term ⁽⁴⁾	\$ 3.74	\$ 2.70	\$ 2.28	\$ 3.02	\$ 1.56

New Leases					
Square feet	512	720	275	317	358
Lease term (years)	5.8	8.8	6.4	7.0	5.9
Percent change in cash rent ⁽³⁾	0.7 %	3.6 %	(2.9)%	(2.9)%	(8.9)%
Percent change in GAAP rent ⁽³⁾	5.5 %	12.7 %	1.3 %	(1.6)%	(3.6)%
Total TI & LC per square foot ⁽⁴⁾	\$ 25.93	\$ 43.95	\$ 35.16	\$ 13.83	\$ 29.89
Total TI & LC per sq. ft. per year of lease term ⁽⁴⁾	\$ 4.44	\$ 4.99	\$ 5.48	\$ 1.98	\$ 5.07

The above leasing summary is based on leases executed during the periods indicated.

- (1) Changes in total square footage result from remeasurement and property dispositions. Refer to either the schedule of Acquisitions and Dispositions or Disposed Property Detail.
- (2) Defined in the Definitions section of this document.
- (3) Percent change in GAAP and cash rent is a comparison of current rent (including tenant expense reimbursements, if any, and excluding any initial period free rent), to the rent (including tenant expense reimbursements, if any) last received for the same space during EQC's ownership on a GAAP and cash basis, respectively. Beginning in Q4 2014, new leasing in suites vacant longer than 2 years were excluded from the calculation.
- (4) Includes tenant improvements (TI) and leasing commissions (LC).

SAME PROPERTY LEASING SUMMARY
(dollars and square feet in thousands, except per square foot data)

	As of and for the Three Months Ended				
	6/30/2015	3/31/2015	12/31/2014	9/30/2014	6/30/2014
Properties	86	86	86	86	86
Total square feet	29,385	29,385	29,385	29,385	29,385
Percentage leased ⁽¹⁾	90.6 %	89.5 %	89.4 %	89.7 %	90.5 %

Total Leases					
Square feet	1,030	908	1,110	711	1,264
Lease term (years)	5.5	8.1	4.2	12.7	5.6
Percent change in cash rent ⁽²⁾	(1.9)%	2.1 %	4.0 %	(5.5)%	(7.3)%
Percent change in GAAP rent ⁽²⁾	5.4 %	10.1 %	10.2 %	(2.2)%	(1.2)%
Total TI & LC per square foot ⁽³⁾	\$ 22.63	\$ 38.16	\$ 15.92	\$ 43.82	\$ 10.86
Total TI & LC per sq. ft. per year of lease term ⁽³⁾	\$ 4.11	\$ 4.72	\$ 3.75	\$ 3.46	\$ 1.93

Renewal Leases					
Square feet	518	258	932	558	976
Lease term (years)	5.2	5.8	3.7	14.5	5.4
Percent change in cash rent ⁽²⁾	(3.4)%	(0.2)%	4.6 %	(3.9)%	(4.0)%
Percent change in GAAP rent ⁽²⁾	5.3 %	5.3 %	10.7 %	(0.4)%	2.6 %
Total TI & LC per square foot ⁽³⁾	\$ 19.37	\$ 19.32	\$ 10.63	\$ 50.13	\$ 4.74
Total TI & LC per sq. ft. per year of lease term ⁽³⁾	\$ 3.74	\$ 3.34	\$ 2.87	\$ 3.46	\$ 0.87

New Leases					
Square feet	512	650	178	153	288
Lease term (years)	5.8	9.0	7.1	6.2	6.2
Percent change in cash rent ⁽²⁾	0.7 %	3.4 %	(1.9)%	(14.4)%	(13.8)%
Percent change in GAAP rent ⁽²⁾	5.5 %	12.7 %	9.1 %	(12.2)%	(8.5)%
Total TI & LC per square foot ⁽³⁾	\$ 25.93	\$ 45.65	\$ 43.66	\$ 20.85	\$ 31.59
Total TI & LC per sq. ft. per year of lease term ⁽³⁾	\$ 4.44	\$ 5.07	\$ 6.17	\$ 3.38	\$ 5.08

The above leasing summary is based on leases executed during the periods indicated.

- (1) Defined in the Definitions section of this document.
- (2) Percent change in GAAP and cash rent is a comparison of current rent (including tenant expense reimbursements, if any, and excluding any initial period free rent), to the rent (including tenant expense reimbursements, if any) last received for the same space during EQC's ownership on a GAAP and cash basis, respectively. Beginning in Q4 2014, new leasing in suites vacant longer than 2 years were excluded from the calculation.
- (3) Includes tenant improvements (TI) and leasing commissions (LC).

LEASING SUMMARY BY PROPERTY LOCATION
(dollars and square feet in thousands, except per square foot data)

	As of and for the Three Months Ended June 30, 2015		
	CBD Properties	Suburban Properties	Total
Properties	29	57	86
Total square feet	15,769	13,616	29,385
Percentage leased ⁽¹⁾	90.6 %	90.6 %	90.6 %
Total Leases			
Square feet	492	538	1,030
Lease term (years)	6.8	4.3	5.5
Percentage change in cash rent ⁽²⁾	(0.8)%	(3.6)%	(1.9)%
Percentage change in GAAP rent ⁽²⁾	7.4 %	2.2 %	5.4 %
Total TI & LC per square foot ⁽³⁾	\$ 36.95	\$ 9.55	\$ 22.63
Total TI & LC per sq. ft. per year of lease term ⁽³⁾	\$ 5.42	\$ 2.21	\$ 4.11
Renewal Leases			
Square feet	247	271	518
Lease term (years)	6.8	3.7	5.2
Percentage change in cash rent ⁽²⁾	(2.5)%	(4.6)%	(3.4)%
Percentage change in GAAP rent ⁽²⁾	7.4 %	2.5 %	5.3 %
Total TI & LC per square foot ⁽³⁾	\$ 31.32	\$ 8.47	\$ 19.37
Total TI & LC per sq. ft. per year of lease term ⁽³⁾	\$ 4.62	\$ 2.28	\$ 3.74
New Leases			
Square feet	245	267	512
Lease term (years)	6.8	4.9	5.8
Percentage change in cash rent ⁽²⁾	1.6 %	(1.3)%	0.7 %
Percentage change in GAAP rent ⁽²⁾	7.4 %	1.3 %	5.5 %
Total TI & LC per square foot ⁽³⁾	\$ 42.54	\$ 10.64	\$ 25.93
Total TI & LC per sq. ft. per year of lease term ⁽³⁾	\$ 6.22	\$ 2.16	\$ 4.44

The above leasing summary is based on leases executed during the periods indicated.

- (1) Defined in the Definitions section of this document.
- (2) Percent change in GAAP and cash rent is a comparison of current rent (including tenant expense reimbursements, if any, and excluding any initial period free rent), to the rent (including tenant expense reimbursements, if any) last received for the same space during EQC's ownership on a GAAP and cash basis, respectively. New leasing in suites vacant longer than 2 years is excluded from the calculation.
- (3) Includes tenant improvements (TI) and leasing commissions (LC).

OCCUPANCY AND LEASING ANALYSIS BY PROPERTY LOCATION
(square feet in thousands)

Quarter-to-Date Square Footage Leased

Property Location	March 31, 2015		Expired	Renewals		June 30, 2015	
	Total	% Leased ⁽¹⁾		and New	Disposed ⁽¹⁾	Total	% Leased ⁽²⁾
CBD Properties	18,628	85.1%	(333)	492	(4,498)	14,289	90.6%
Suburban Properties	18,091	86.7%	(379)	538	(5,908)	12,342	90.6%
Total	<u>36,719</u>	<u>85.9%</u>	<u>(712)</u>	<u>1,030</u>	<u>(10,406)</u>	<u>26,631</u>	<u>90.6%</u>

Year-to-Date Square Footage Leased

Property Location	December 31, 2014		Expired	Renewals		June 30, 2015	
	Total	% Leased ⁽¹⁾		and New	Disposed ⁽¹⁾	Total	% Leased ⁽²⁾
CBD Properties	18,552	84.7%	(707)	942	(4,498)	14,289	90.6%
Suburban Properties	18,288	87.0%	(1,490)	1,566	(6,022)	12,342	90.6%
Total	<u>36,840</u>	<u>85.8%</u>	<u>(2,197)</u>	<u>2,508</u>	<u>(10,520)</u>	<u>26,631</u>	<u>90.6%</u>

Total Square Feet
as of

Property Location	June 30, 2015
CBD Properties	15,769
Suburban Properties	13,616
Total	<u>29,385</u>

(1) Includes the square footage leased of properties classified as held for sale.

(2) Defined in the Definitions section of this document.

CAPITAL EXPENDITURES & LEASING COMMITMENTS SUMMARY
(dollars and square feet in thousands, except per square foot data)

CAPITAL EXPENDITURES SUMMARY	For the Three Months Ended				
	6/30/2015	3/31/2015	12/31/2014	9/30/2014	6/30/2014
Tenant improvements	\$ 11,734	\$ 8,167	\$ 15,989	\$ 10,719	\$ 11,687
Leasing costs	9,698	10,868	10,517	15,838	5,661
Building improvements	5,012	2,674	8,206	5,897	4,659
Development, redevelopment and other activities	163	76	1,544	2,273	2,804
Total capital expenditures	\$ 26,607	\$ 21,785	\$ 36,256	\$ 34,727	\$ 24,811

Average square feet during period ⁽¹⁾	37,418	42,835	42,919	42,919	44,309
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Building improvements per average total sq. ft. during period	\$ 0.13	\$ 0.06	\$ 0.19	\$ 0.14	\$ 0.11
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LEASING COMMITMENTS SUMMARY	For the Three Months Ended June 30, 2015		
	New Leases	Renewals	Total
Rentable square feet leased during the period	512	518	1,030
Tenant leasing costs and concession commitments ⁽²⁾	\$ 13,276	\$ 10,034	\$ 23,310
Tenant leasing costs and concession commitments per rentable square foot ⁽²⁾	\$ 25.93	\$ 19.37	\$ 22.63
Weighted average lease term by square foot (years)	5.8	5.2	5.5
Total leasing costs and concession commitments per rentable square foot per year ⁽²⁾	\$ 4.44	\$ 3.74	\$ 4.11

(1) Average square feet during each period includes properties held for sale at the end of each period.

(2) Includes tenant improvements (TI) and leasing commissions (LC).

TENANTS REPRESENTING 1% OR MORE OF ANNUALIZED RENTAL REVENUE

As of June 30, 2015

(square feet in thousands)

Tenant ⁽¹⁾	Square Feet ⁽²⁾	% of Total Sq. Ft. ⁽²⁾	% of Annualized Rental Revenue ⁽³⁾	Weighted Average Remaining Lease Term
1 Expedia, Inc.	398	1.5%	2.9%	3.3
2 Office Depot, Inc.	640	2.4%	2.7%	8.3
3 John Wiley & Sons, Inc.	414	1.6%	2.7%	16.7
4 PNC Financial Services Group	587	2.2%	2.5%	5.6
5 J.P. Morgan Chase & Co.	381	1.4%	1.8%	9.0
6 Flextronics International Ltd.	1,051	3.9%	1.8%	4.5
7 United Healthcare Services Inc.	464	1.7%	1.7%	7.6
8 Level 3 Communications, Inc.	219	0.8%	1.7%	4.9
9 Jones Day	343	1.3%	1.5%	11.0
10 The Bank of New York Mellon Corp.	242	0.9%	1.5%	2.5
11 Towers Watson & Co	376	1.4%	1.5%	4.1
12 Ballard Spahr LLP	218	0.8%	1.3%	14.6
13 Carmike Cinemas, Inc.	552	2.1%	1.3%	1.2
14 RE/MAX Holdings, Inc.	248	0.9%	1.2%	12.8
15 Sunoco	191	0.7%	1.1%	2.9
16 Exelon Corporation	279	1.0%	1.1%	2.9
17 Georgetown University	240	0.9%	1.0%	4.3
18 Bankers Life and Casualty Company	210	0.8%	1.0%	3.4
19 University of Pennsylvania Health System	238	0.9%	1.0%	6.3
20 Snell & Wilmer LLP	219	0.8%	1.0%	7.3
Total	7,510	28.0%	32.3%	6.5

(1) Tenants located in properties classified as held for sale are excluded.

(2) Square footage is pursuant to existing leases as of June 30, 2015 and includes (i) space being fitted out for occupancy and (ii) space which is leased but is not occupied or is being offered for sublease.

(3) Defined in the Definitions section of this document.

SAME PROPERTY LEASE EXPIRATION SCHEDULE
As of June 30, 2015 (dollars and sq. ft. in thousands)

Total Properties								
Year	Number of Tenants Expiring	Sq. Ft. Expiring ⁽¹⁾	% of Sq. Ft. Expiring	Cumulative % of Sq. Ft. Expiring	Annualized Rental Revenue Expiring ⁽²⁾	% of Annualized Rental Revenue Expiring	Cumulative % of Annualized Rental Revenue Expiring	
2015	154	1,419	5.3%	5.3%	43,991	7.4%	7.4%	
2016	223	2,886	10.8%	16.1%	65,309	11.1%	18.5%	
2017	181	2,560	9.6%	25.7%	61,551	10.4%	28.9%	
2018	186	3,237	12.2%	37.9%	81,019	13.7%	42.6%	
2019	134	2,279	8.6%	46.5%	53,760	9.1%	51.7%	
2020	132	4,264	16.0%	62.5%	59,338	10.0%	61.7%	
2021	68	1,927	7.2%	69.7%	44,214	7.5%	69.2%	
2022	51	1,058	4.0%	73.7%	26,968	4.6%	73.8%	
2023	50	2,285	8.6%	82.3%	51,013	8.7%	82.5%	
2024	24	670	2.5%	84.8%	14,774	2.5%	85.0%	
Thereafter	63	4,046	15.2%	100.0%	88,617	15.0%	100.0%	
Total	1,266	26,631	100.0%		590,554	100.0%		
Weighted average remaining lease term (in years)		<u>5.6</u>			<u>5.4</u>			

CBD Properties								
Year	Number of Tenants Expiring	Sq. Ft. Expiring ⁽¹⁾	% of Sq. Ft. Expiring	Cumulative % of Sq. Ft. Expiring	Annualized Rental Revenue Expiring ⁽²⁾	% of Annualized Rental Revenue Expiring	Cumulative % of Annualized Rental Revenue Expiring	
2015	98	783	5.5%	5.5%	26,268	6.7%	6.7%	
2016	104	1,235	8.6%	14.1%	39,238	10.1%	16.8%	
2017	95	1,212	8.5%	22.6%	38,599	9.9%	26.7%	
2018	106	2,168	15.2%	37.8%	62,174	16.0%	42.7%	
2019	81	1,186	8.3%	46.1%	28,815	7.4%	50.1%	
2020	70	1,526	10.7%	56.8%	41,531	10.7%	60.8%	
2021	44	1,298	9.1%	65.9%	30,812	7.9%	68.7%	
2022	34	790	5.5%	71.4%	17,898	4.6%	73.3%	
2023	33	999	7.0%	78.4%	23,652	6.1%	79.4%	
2024	16	265	1.8%	80.2%	10,893	2.8%	82.2%	
Thereafter	50	2,827	19.8%	100.0%	69,424	17.8%	100.0%	
Total	731	14,289	100.0%		389,304	100.0%		
Weighted average remaining lease term (in years)		<u>6.3</u>			<u>5.7</u>			

Suburban Properties								
Year	Number of Tenants Expiring	Sq. Ft. Expiring ⁽¹⁾	% of Sq. Ft. Expiring	Cumulative % of Sq. Ft. Expiring	Annualized Rental Revenue Expiring ⁽²⁾	% of Annualized Rental Revenue Expiring	Cumulative % of Annualized Rental Revenue Expiring	
2015	56	636	5.2%	5.2%	17,723	8.8%	8.8%	
2016	119	1,651	13.4%	18.6%	26,071	13.0%	21.8%	
2017	86	1,348	10.9%	29.5%	22,952	11.4%	33.2%	
2018	80	1,069	8.6%	38.1%	18,845	9.4%	42.6%	
2019	53	1,093	8.8%	46.9%	24,945	12.4%	55.0%	
2020	62	2,738	22.2%	69.1%	17,807	8.8%	63.8%	
2021	24	629	5.1%	74.2%	13,402	6.7%	70.5%	
2022	17	268	2.2%	76.4%	9,070	4.5%	75.0%	
2023	17	1,286	10.4%	86.8%	27,361	13.6%	88.6%	
2024	8	405	3.3%	90.1%	3,881	1.9%	90.5%	
Thereafter	13	1,219	9.9%	100.0%	19,193	9.5%	100.0%	
Total	535	12,342	100.0%		201,250	100.0%		
Weighted average remaining lease term (in years)		<u>4.8</u>			<u>4.9</u>			

(1) Square footage is pursuant to existing leases as of June 30, 2015 and includes (i) space being fitted out for occupancy and (ii) space which is leased but is not occupied or is being offered for sublease.

(2) Defined in the Definitions section of this document.

PROPERTY DETAIL ⁽¹⁾
As of June 30, 2015
(sorted by geographic location, dollars in thousands)

Property	City and State/ Country		No. of Bldgs.	CBD /SUB	Sq. Feet	% Leased	Annualized Rental Revenue ⁽²⁾	Undepreciated Book Value ⁽²⁾	Net Book Value ⁽²⁾	Year Acquired	Weighted Average Year Built or Substantially Renovated ⁽³⁾
1 785 Schilinger Road South	Mobile	AL	1	SUB	72,000	100.0%	\$ 986	\$ 11,269	\$ 9,401	2007	1998
2 Arizona Center ⁽⁴⁾	Phoenix	AZ	4	CBD	1,070,724	91.7%	14,175	98,651	90,391	2011	1992
3 4 South 84th Avenue	Tolleson	AZ	1	SUB	236,007	100.0%	1,597	11,401	8,636	2003	1989
4 One South Church Avenue	Tucson	AZ	1	CBD	240,811	65.4%	3,737	33,763	24,128	2002	1986
5 Parkshore Plaza	Folsom	CA	4	SUB	269,281	87.0%	6,362	47,511	43,136	2011	1999
6 Leased Land	Gonzalez	CA	7	SUB	0	100.0%	2,837	31,825	29,255	2010	—
7 Sky Park Centre	San Diego	CA	2	SUB	63,485	100.0%	1,373	9,790	6,622	2002	1986
8 9110 East Nichols Avenue	Centennial	CO	1	SUB	143,958	96.2%	2,434	20,305	14,217	2001	1984
9 1225 Seventeenth Street	Denver	CO	1	CBD	672,465	99.1%	22,014	147,423	127,958	2009	1982
10 5073, 5075, & 5085 S. Syracuse Street	Denver	CO	1	SUB	248,493	100.0%	7,164	63,610	56,003	2010	2007
11 1601 Dry Creek Drive	Longmont	CO	1	SUB	552,865	97.0%	8,392	32,290	23,553	2004	1982
12 97 Newberry Road	East Windsor	CT	1	SUB	289,386	100.0%	1,817	15,350	12,640	2006	1989
13 185 Asylum Street	Hartford	CT	1	CBD	868,395	98.7%	20,971	78,046	72,971	2012	2010
14 33 Stiles Lane	North Haven	CT	1	SUB	175,301	100.0%	1,126	9,793	7,735	2006	2002
15 1250 H Street, NW	Washington	DC	1	CBD	187,684	79.8%	6,418	67,109	42,040	1998	1992
16 Georgetown-Green and Harris Buildings	Washington	DC	2	CBD	240,475	100.0%	6,140	60,023	54,776	2009	2006
17 802 Delaware Avenue	Wilmington	DE	1	CBD	240,780	100.0%	4,127	43,467	20,939	1998	1986
18 6600 North Military Trail	Boca Raton	FL	3	SUB	639,830	100.0%	16,171	145,776	131,175	2011	2008
19 9040 Roswell Road	Atlanta	GA	1	SUB	178,941	78.9%	2,681	21,708	15,975	2004	1985
20 Executive Park	Atlanta	GA	9	SUB	427,443	67.1%	4,867	43,655	29,260	2004; 2007	1972
21 The Exchange	Atlanta	GA	2	SUB	187,632	79.3%	2,496	16,733	12,070	2004; 2005	1995
22 3920 Arkwright Road	Macon	GA	1	SUB	196,156	79.5%	2,766	19,154	13,994	2006	1988
23 1775 West Oak Commons Court	Marietta	GA	1	SUB	79,854	100.0%	1,368	7,719	6,104	2007	1998
24 633 Ahua Street	Honolulu	HI	1	SUB	120,803	87.0%	1,840	16,401	12,820	2003	2006
25 625 Crane Street	Aurora	IL	1	SUB	103,683	100.0%	435	1,611	1,540	2007	1977
26 1200 Lakeside Drive	Bannockburn	IL	1	SUB	260,084	100.0%	2,079	59,226	45,812	2005	1999
27 600 West Chicago Avenue	Chicago	IL	2	CBD	1,511,849	90.9%	46,386	355,800	324,179	2011	2001
28 8750 Bryn Mawr Avenue	Chicago	IL	2	SUB	631,518	89.3%	15,670	90,960	80,497	2010	2005
29 101-115 W. Washington Street	Indianapolis	IN	1	CBD	634,058	94.8%	12,118	90,277	67,839	2005	1977
30 111 Monument Circle	Indianapolis	IN	2	CBD	1,063,885	84.8%	23,098	173,898	163,002	2012	1990
31 109 Brookline Avenue	Boston	MA	1	CBD	285,556	99.8%	9,892	45,615	27,648	1995	1915
32 Cabot Business Park Land	Mansfield	MA	—	SUB	—	—	—	1,033	1,033	2003	
33 111 Market Place	Baltimore	MD	1	CBD	540,854	99.5%	12,168	76,201	52,977	2003	1990
34 25 S. Charles Street	Baltimore	MD	1	CBD	343,815	94.4%	7,119	38,504	26,686	2004	1972
35 820 W. Diamond	Gaithersburg	MD	1	SUB	134,933	88.7%	2,624	33,695	22,848	1997	1995
36 Danac Stiles Business Park	Rockville	MD	3	SUB	276,637	85.4%	6,891	66,060	48,036	2004	2002
37 East Eisenhower Parkway	Ann Arbor	MI	2	SUB	410,464	92.2%	10,195	55,045	48,867	2010	2006
38 2250 Pilot Knob Road	Mendota Heights	MN	1	SUB	87,183	100.0%	737	6,530	4,013	1998	1995
39 411 Farwell Avenue	South St. Paul	MN	1	SUB	422,727	100.0%	1,906	16,355	13,091	2004	1970
40 6200 Glenn Carlson Drive	St. Cloud	MN	1	SUB	338,000	100.0%	2,151	15,753	13,769	2009	2013
41 4700 Belleview Avenue	Kansas City	MO	1	SUB	80,615	79.2%	1,204	6,834	5,926	2008	1986

PROPERTY DETAIL ⁽¹⁾
As of June 30, 2015
(sorted by geographic location, dollars in thousands)

Property	City and State/ Country	No. of Bldgs.	CBD /SUB	Sq. Feet	% Leased	Annualized Rental Revenue ⁽²⁾	Undepreciated Book Value ⁽²⁾	Net Book Value ⁽²⁾	Year Acquired	Weighted Average Year Built or Substantially Renovated ⁽³⁾		
42	111 River Street	Hoboken	NJ	1	CBD	566,215	99.7%	23,197	134,806	114,892	2009	2002
43	One Park Square	Albuquerque	NM	6	CBD	259,737	90.1%	4,516	29,911	20,919	2002	1986
44	Widewaters Parkway	Dewitt	NY	8	SUB	514,241	73.5%	6,463	17,687	16,340	1999; 2006	1988
45	5062 Brittonfield Parkway	East Syracuse	NY	1	SUB	40,162	100.0%	1,050	3,399	3,275	2006	1995
46	Woodcliff Drive	Fairport	NY	6	SUB	516,760	80.9%	8,571	44,409	39,853	2006	1995
47	Interstate Place	North Syracuse	NY	2	SUB	61,399	81.0%	843	2,673	2,542	2006	1973
48	1000 Pittsford-Victor Road	Pittsford	NY	1	SUB	73,358	54.5%	585	2,923	2,770	2006	1986
49	1200 Pittsford - Victor Road	Pittsford	NY	1	SUB	18,900	100.0%	418	1,681	1,618	2004	2003
50	Corporate Crossing	Pittsford	NY	5	SUB	216,126	81.8%	3,213	13,128	12,559	2004	2000
51	Canal View Boulevard	Rochester	NY	3	SUB	118,375	91.1%	1,586	10,741	8,746	2006	2000
52	14 Classic Street	Sherburne	NY	1	SUB	37,084	100.0%	204	1,289	998	2006	2000
53	110 W Fayette Street	Syracuse	NY	1	CBD	304,906	80.5%	3,765	14,373	13,379	1999	2012
54	251 Salina Meadows Parkway	Syracuse	NY	1	SUB	65,617	87.5%	929	2,731	2,522	1999	1990
55	North Point Office Complex	Cleveland	OH	2	CBD	873,335	83.8%	15,924	122,007	101,403	2008	1988
56	Raintree Industrial Park	Solon	OH	12	SUB	563,182	88.8%	2,171	12,211	11,583	2004	1975
57	401 Vine Street	Delmont	PA	1	SUB	53,980	100.0%	548	7,117	6,056	2007	1999
58	Cherrington Corporate Center	Moon Township	PA	7	SUB	454,890	78.7%	5,120	66,998	46,898	1998; 1999	1997
59	1500 Market Street	Philadelphia	PA	1	CBD	1,773,967	79.5%	37,257	286,111	212,077	2002	1974
60	1525 Locust Street	Philadelphia	PA	1	CBD	98,009	94.9%	2,298	11,161	7,239	1999	1987
61	1600 Market Street	Philadelphia	PA	1	CBD	825,968	84.6%	18,495	131,927	78,422	1998	1983
62	1735 Market Street	Philadelphia	PA	1	CBD	1,290,678	93.3%	39,274	298,458	182,047	1998	1990
63	Foster Plaza	Pittsburgh	PA	8	SUB	727,365	84.8%	12,295	73,509	55,266	2005	1993
64	128 Crews Drive	Columbia	SC	1	SUB	185,600	100.0%	636	3,747	3,310	2007	2011
65	111 Southchase Boulevard	Fountain Inn	SC	1	SUB	168,087	100.0%	838	6,164	4,702	2007	1987
66	1043 Global Avenue	Graniteville	SC	1	SUB	450,000	100.0%	1,484	16,875	13,585	2007	1998
67	633 Frazier Drive	Franklin	TN	1	SUB	150,000	100.0%	2,079	18,980	16,434	2007	1999
68	775 Ridge Lake Boulevard	Memphis	TN	1	CBD	120,678	78.1%	2,467	20,823	15,525	2004	2000
69	1601 Rio Grande Street	Austin	TX	1	CBD	56,219	100.0%	1,396	8,266	5,268	1999	1985
70	206 East 9th Street	Austin	TX	1	CBD	170,052	100.0%	6,071	48,282	45,148	2012	1984
71	4515 Seton Center Parkway	Austin	TX	1	SUB	117,265	95.1%	2,797	22,876	14,164	1999	1997
72	4516 Seton Center Parkway	Austin	TX	1	SUB	120,559	94.8%	2,856	23,301	14,106	1999	1985
73	7800 Shoal Creek Boulevard	Austin	TX	4	SUB	151,917	95.6%	3,070	21,222	13,977	1999	1974
74	812 San Antonio Street	Austin	TX	1	CBD	59,321	99.3%	1,591	8,544	5,593	1999	1987
75	8701 N Mopac	Austin	TX	1	SUB	121,901	67.1%	1,744	18,295	11,809	1999	1982
76	Bridgepoint Parkway	Austin	TX	5	SUB	440,007	93.2%	11,423	88,209	51,986	1997	1995
77	Lakewood on the Park	Austin	TX	2	SUB	180,558	97.3%	4,406	37,176	23,059	1998	1998
78	Research Park	Austin	TX	4	SUB	1,110,007	98.0%	11,484	90,629	62,430	1998	1976
79	9840 Gateway Boulevard North	El Paso	TX	1	SUB	72,000	100.0%	1,126	11,432	9,558	2007	1999
80	3003 South Expressway 281	Hidalgo	TX	1	SUB	150,000	100.0%	1,920	17,004	14,005	2007	1999
81	3330 N Washington Boulevard	Arlington	VA	1	SUB	55,719	15.3%	278	8,822	5,617	1998	1987

PROPERTY DETAIL ⁽¹⁾
As of June 30, 2015
(sorted by geographic location, dollars in thousands)

Property	City and State/ Country		No. of Bldgs.	CBD /SUB	Sq. Feet	% Leased	Annualized Rental Revenue ⁽²⁾	Undepreciated Book Value ⁽²⁾	Net Book Value ⁽²⁾	Year Acquired	Weighted Average Year Built or Substantially Renovated ⁽³⁾
82 333 108th Avenue NE	Bellevue	WA	1	CBD	416,503	100.0%	18,507	152,543	132,296	2009	2008
83 600 108th Avenue NE	Bellevue	WA	1	CBD	243,520	93.1%	5,960	46,407	35,404	2004	2012
84 1331 North Center Parkway	Kennewick	WA	1	SUB	53,980	100.0%	943	9,187	7,773	2007	1999
85 100 East Wisconsin Avenue	Milwaukee	WI	1	CBD	435,067	88.3%	10,805	82,189	72,103	2010	1989
86 111 East Kilbourn Avenue	Milwaukee	WI	1	CBD	373,669	95.0%	9,419	55,077	45,348	2008	1988
Subtotal			176		29,385,513	90.6%	\$ 590,554	\$ 4,291,469	\$ 3,378,166	2005	1990

Properties Held for Sale as of June 30, 2015

Property	City and State/Country		No. of Bldgs.	CBD /SUB	Sq. Feet	% Leased	Annualized Rental Revenue ⁽²⁾	Undepreciated Book Value ⁽²⁾	Net Book Value ⁽²⁾	Year Acquired	Weighted Average Year Built or Substantially Renovated ⁽³⁾
87 16th and Race Street	Philadelphia	PA	1	CBD	608,625	0%	\$ 0	\$ 36,306	\$ 34,391	1997	1980
88 Illinois Center	Chicago	IL	2	CBD	2,090,162	71.6%	45,965	334,132	306,863	2011; 2012	2001
Total Held for Sale			3		2,698,787	55.5%	\$ 45,965	\$ 370,438	\$ 341,254	2010	1999
Total Portfolio			179		32,084,300	87.6%	\$ 636,519	\$ 4,661,907	\$ 3,719,420	2005	1991

(1) Excludes properties disposed prior to July 1, 2015.

(2) Defined in the Definitions section of this document.

(3) Weighted based on square feet.

(4) Contractual cash payments (including management fees) from one tenant at Arizona Center for the three and six months ended June 30, 2015 and 2014 were \$2,032 and \$4,064, respectively. These payments will decrease to approximately \$515 per year beginning in 2016. The terms of this tenant's lease require us to classify the lease as a direct financing (or capital) lease. As such, the revenue recognized on a GAAP basis within our condensed consolidated statements of operations was \$119 and \$208 for the three months ended June 30, 2015 and 2014, and \$260 and \$437 for the six months ended June 30, 2015 and 2014, respectively. Annualized rental revenue excludes the cash payments received from this tenant. This direct financing lease has an expiration date in 2045.

DISPOSED PROPERTY DETAIL ⁽¹⁾

(dollars in thousands)

Property	City and State/ Country	No. of Bldgs.	CBD /SUB	Sq. Feet	% Leased	Annualized Rental Revenue ⁽²⁾	Undepreciated Book Value ⁽²⁾	Net Book Value ⁽²⁾	Year Acquired	Weighted Average Year Built or Substantially Renovated ⁽³⁾
1 1921 E Alton Ave.	Santa Ana	CA	1 SUB	67,846	84.7%	\$ 1,691	\$ 11,522	\$ 8,567	2003	2000
2 11350 N Meridian St.	Carmel	IN	1 SUB	72,264	78.4%	751	2,721	2,537	2006	1982
3 333 Laurel Oak Dr. ⁽⁴⁾	Voorhees	NJ	1 SUB	27,164	—%	0	1,496	1,441	1998	1989
Subtotal Q1 2015 Sales			3	167,274	68.2%	\$ 2,442	\$ 15,739	\$ 12,545	2004	1990
3 7450 Campus Drive	Colorado Springs	CO	1 SUB	77,411	88.1%	1,771	9,481	8,462	2010	1996
4 129 Worthington Ridge Road	Berlin	CT	1 SUB	227,500	100.0%	862	5,252	4,473	2006	1968
5 599 Research Parkway	Meriden	CT	1 SUB	48,249	100.0%	823	8,092	6,090	2003	1982
6 181 Marsh Hill Road	Orange	CT	1 SUB	162,036	100.0%	1,211	10,794	9,080	2006	2006
7 101 Barnes Road	Wallingford	CT	1 SUB	45,755	90.5%	869	1,423	1,371	1998	1988
8 15 Sterling Drive	Wallingford	CT	1 SUB	173,015	60.5%	1,133	4,808	4,653	2006	1978
9 35 Thorpe Avenue	Wallingford	CT	1 SUB	79,862	87.2%	1,279	6,464	6,212	1998	1986
10 50 Barnes Industrial Road North	Wallingford	CT	1 SUB	154,255	100.0%	1,421	11,404	8,866	2006	1976
11 5-9 Barnes Industrial Road	Wallingford	CT	1 SUB	38,006	99.3%	437	3,510	2,945	2006	1980
12 860 North Main Street	Wallingford	CT	1 SUB	31,165	99.5%	477	3,850	2,898	2006	1982
13 One Barnes Industrial Road South	Wallingford	CT	1 SUB	30,170	100.0%	382	2,366	1,890	2006	1977
14 Village Lane	Wallingford	CT	2 SUB	58,185	100.0%	682	4,199	4,051	2006	1977
15 100 Northfield Drive	Windsor	CT	1 SUB	116,986	99.6%	1,822	13,272	8,964	2003	1988
16 905 Meridian Lake Drive	Aurora	IL	1 SUB	74,652	93.1%	1,886	12,298	9,636	2007	1999
17 1717 Deerfield Road	Deerfield	IL	1 SUB	141,186	69.5%	2,450	8,499	8,214	2005	1986
18 1955 West Field Court	Lake Forest	IL	1 SUB	59,130	100.0%	1,278	11,925	8,782	2005	2001
19 5015 S. Water Circle	Wichita	KS	1 SUB	113,524	100.0%	581	5,874	5,103	2007	1995
20 Adams Place	Braintree/Quincy	MA	2 SUB	230,259	72.7%	4,034	19,775	18,628	1998	2006
21 Cabot Business Park	Mansfield	MA	2 SUB	252,755	50.0%	2,096	14,829	14,088	2003	1980
22 2300 Crown Colony Drive	Quincy	MA	1 SUB	45,974	95.5%	1,037	7,144	4,646	2004	1999
23 Myles Standish Industrial Park	Taunton	MA	2 SUB	74,800	100.0%	1,016	7,664	7,479	2007	1988
24 340 Thompson Road	Webster	MA	1 SUB	25,000	100.0%	226	3,188	1,900	1997	1,995
25 100 South Charles Street	Baltimore	MD	1 CBD	159,616	86.0%	2,784	16,362	9,285	1997	1988
26 6710 Oxon Hill	Oxon Hill	MD	1 SUB	118,336	60.3%	1,803	17,538	10,380	1997	1992
27 8800 Queen Avenue South	Bloomington	MN	1 SUB	280,822	92.7%	3,959	13,639	13,155	1998	1957
28 9800 Shelard Parkway	Plymouth	MN	1 SUB	46,765	80.3%	858	5,289	2,865	1999	1987
29 Rosedale Corporate Plaza	Roseville	MN	3 SUB	149,116	100.0%	2,889	27,548	18,462	1999	1987
30 1000 Shelard Parkway	St. Louis Park	MN	1 SUB	62,499	64.7%	907	7,917	4,839	1999	1986
31 525 Park Street	St. Paul	MN	1 CBD	75,636	89.1%	1,249	8,456	5,280	1999	1987
32 1900 Meyer Drury Drive	Arnold	MO	1 SUB	65,225	100.0%	1,014	8,610	6,518	2004	1999
33 131-165 West Ninth Street	N. Kansas City	MO	1 SUB	75,517	100.0%	280	1,753	1,544	2008	1970
34 7-9 Vreeland Road	Florham Park	NJ	1 SUB	155,891	66.0%	1,782	7,215	6,635	1998	1979
35 5 Paragon Drive	Montvale	NJ	1 SUB	119,089	100.0%	3,721	14,426	12,993	2011	2008
36 1000 Voorhees Drive 400 Laurel Oak Drive	Voorhees	NJ	2 SUB	125,415	55.0%	1,451	6,165	5,788	1998	1989
37 1601 Veterans Highway	Islandia	NY	1 SUB	63,608	92.1%	1,470	3,535	3,373	1999	1987
38 Two Corporate Center Drive	Melville	NY	1 SUB	291,230	49.3%	3,812	11,831	10,798	1999	1985
39 11311 Cornell Park Drive	Blue Ash	OH	1 SUB	93,413	69.3%	1,064	6,617	6,332	2006	1982
40 5300 Kings Island Drive	Mason	OH	1 SUB	159,421	68.1%	367	11,072	10,264	1998	1994

DISPOSED PROPERTY DETAIL ⁽¹⁾
(dollars in thousands)

Property	City and State/ Country	No. of Bldgs.	CBD /SUB	Sq. Feet	% Leased	Annualized Rental Revenue ⁽²⁾	Undepreciated Book Value ⁽²⁾	Net Book Value ⁽²⁾	Year Acquired	Weighted Average Year Built or Substantially Renovated ⁽³⁾
41 3 Crown Point Court	Sharonville OH	1	SUB	73,987	100.0%	1,248	10,750	8,762	2005	1999
42 515 Pennsylvania Avenue	Fort Washington PA	1	SUB	82,000	77.0%	1,443	10,710	6,236	1997	1998
43 443 Gulph Road	King of Prussia PA	1	SUB	21,000	100.0%	462	4,673	3,115	1997	1966
44 4350 Northern Pike	Monroeville PA	1	SUB	503,885	46.9%	4,042	40,818	25,466	2004	2012
45 Thunderbolt Place	Chantilly VA	2	SUB	100,505	87.9%	1,433	14,562	9,464	1999	1988
46 6160 Kempsville Circle	Norfolk VA	1	SUB	129,565	44.8%	895	15,288	11,107	2002	1987
47 448 Viking Drive	Virginia Beach VA	1	SUB	75,374	75.7%	1,017	7,576	5,845	2004	1991
Subtotal Small Office & Industrial Assets Portfolio		53		5,287,790	77.5%	\$ 67,723	\$ 448,461	\$346,937	2002	1989
48 2501 20th Place South	Birmingham AL	1	CBD	125,722	98.6%	3,115	24,116	19,815	2006	2001
49 420 20th Street North	Birmingham AL	1	CBD	514,893	75.6%	9,600	55,760	50,652	2011	2006
50 Inverness Center	Birmingham AL	4	SUB	475,882	87.0%	8,471	51,756	46,140	2010	1981
51 701 Poydras Street	New Orleans LA	1	CBD	1,256,971	95.6%	19,250	97,897	89,971	2011	2010
52 300 North Greene Street	Greensboro NC	1	CBD	324,305	86.3%	6,684	40,799	36,175	2010	1989
53 1320 Main Street	Columbia SC	1	CBD	334,075	91.8%	8,679	55,168	51,814	2012	2004
Subtotal AL, LA, NC, SC Office Portfolio		9		3,031,848	89.6%	\$ 55,799	\$ 325,496	\$294,567	2011	2002
54 225 Water Street ⁽⁵⁾	Jacksonville FL	1	CBD	318,997	44.7%	\$ 3,144	\$ 20,012	\$ 19,357	2008	1985
55 Sorrento Valley Business Park	San Diego CA	4	SUB	105,003	100.0%	\$ 2,193	\$ 17,530	\$ 10,405	1996	1984
56 12655 Olive Boulevard	St. Louis MO	1	SUB	98,588	98.6%	2,091	13,134	11,010	2006	1988
57 1285 Fern Ridge Parkway	St. Louis MO	1	SUB	66,510	46.5%	640	6,039	3,490	2003	1998
Subtotal St. Louis Portfolio		2		165,098	77.6%	\$ 2,731	\$ 19,173	\$ 14,500	2005	1992
58 310-320 Pitt Street	Sydney Aust.	1	CBD	313,865	100.0%	\$ 14,082	\$ 129,100	\$120,156	2010	1989
59 7 Modal Crescent	Canning Vale Aust.	1	SUB	164,160	100.0%	1,293	12,313	11,861	2010	2001
60 71-93 Whiteside Road	Clayton Aust.	1	SUB	303,488	100.0%	1,782	14,213	13,475	2010	1965
61 9-13 Titanium Court	Crestmead Aust.	1	SUB	69,664	46.8%	101	4,699	4,422	2010	2005
62 16 Rodborough Road	Frenchs Forest Aust.	1	SUB	90,525	100.0%	1,634	13,468	12,620	2010	1987
63 22 Rodborough Road	Frenchs Forest Aust.	1	SUB	43,427	100.0%	217	6,356	5,888	2010	1997
64 127-161 Cherry Lane	Laverton North Aust.	1	SUB	278,570	100.0%	1,009	7,680	7,222	2010	1965
65 310-314 Invermay Road	Mowbray Aust.	1	SUB	47,480	100.0%	373	44	0	2010	1970
66 253-293 George Town Road	Rocherlea Aust.	1	SUB	143,914	100.0%	1,047	109	0	2010	1970
67 44-46 Mandarin Street	Villawood Aust.	1	SUB	226,718	82.7%	1,011	12,542	11,730	2010	1980
68 19 Leadership Way	Wangara Aust.	1	SUB	76,714	100.0%	840	5,531	5,287	2010	2000
Subtotal Australia Office and Industrial Portfolio		11		1,758,525	95.7%	\$ 23,389	\$ 206,055	\$192,661	2010	1980
Total Disposed in 2015 ⁽⁶⁾		83		10,834,535	83.0%	\$ 157,421	\$ 1,052,466	\$890,972	2006	1991

(1) Statistics for disposed properties are presented as of or for the quarter-ended preceding each sale.

(2) Defined in the Definitions section of this document.

(3) Weighted based on square feet.

(4) We sold one building in a property containing multiple buildings.

(5) On May 22, 2015, title to 225 Water Street was transferred to the lender pursuant to the consensual foreclosure in full satisfaction of the mortgage debt. The transaction resulted in a gain on extinguishment of debt of \$17.3 million for the three and six months ended June 30, 2015.

(6) Excludes a land parcel located in Birmingham, Alabama that was sold during the second quarter of 2015. Refer to the Acquisitions & Dispositions section of this document.

COMMON & POTENTIAL COMMON SHARES
(share amounts in thousands)

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
Weighted Average Share Calculation	2015	2014	2015	2014
Weighted average EQC common shares outstanding	128,894	123,812	128,893	121,121
Weighted average restricted shares outstanding	839	—	821	—
Weighted average common shares outstanding - basic - GAAP EPS, FFO, & Normalized FFO	129,733	123,812	129,714	121,121
Weighted average number of dilutive RSUs ⁽¹⁾	804	—	491	—
Weighted average common shares outstanding - diluted - GAAP EPS, FFO, & Normalized FFO	130,537	123,812	130,205	121,121

	Series D Preferred Shares ⁽²⁾	Series E Preferred Shares ⁽³⁾	EQC Common Shares ⁽⁴⁾
Rollforward of Share Count to June 30, 2015			
Outstanding on December 31, 2014	4,915	11,000	129,607
Issuance of restricted shares, net of forfeitures	—	—	153
Outstanding on June 30, 2015	4,915	11,000	129,760
Series D preferred shares convertible into common shares on June 30, 2015 ⁽²⁾			2,363
Common shares issuable from RSUs as measured on June 30, 2015 ⁽¹⁾			803
Potential common shares as measured on June 30, 2015			132,926

- (1) As of June 30, 2015, we had granted restricted share units ("RSU"s) to certain employees, officers, and the chairman of the Board of Trustees. The RSUs contain both service and market-based vesting components. None of the RSUs have vested. If the market-based vesting component was measured as of June 30, 2015, 803 common shares would be issued to the RSU holders. Using a weighted average basis, 804 and 491 common shares are reflected in diluted GAAP EPS, FFO per common share and Normalized FFO per common share for the three and six months ended June 30, 2015, respectively. The RSUs are excluded from basic GAAP EPS, FFO per common share and Normalized FFO per common share for all periods presented because the market-based vesting measurement date has not yet occurred.
- (2) As of June 30, 2015, we had 4,915 series D preferred shares outstanding that were convertible into 2,363 of our common shares, which are anti-dilutive for GAAP EPS, FFO per common share and Normalized FFO per common share for all periods presented.
- (3) The Series E preferred shares are convertible to EQC common shares only upon limited circumstances surrounding a change in control of EQC. As such, the effect of the potential conversion of the Series E preferred shares on EQC common shares is not contemplated in this schedule.
- (4) EQC common shares include unvested restricted shares.

SUMMARY OF EQUITY INVESTMENTS
(in thousands)

	6/30/2015	3/31/2015	12/31/2014	9/30/2014	6/30/2014
Common Shares Owned:					
Select Income REIT ⁽¹⁾	—	—	—	—	22,000
Affiliates Insurance Company ⁽²⁾	—	—	—	—	—
Percent Owned:					
Select Income REIT ⁽¹⁾	0.0%	0.0%	0.0%	0.0%	36.7%
Affiliates Insurance Company ⁽²⁾	0.0%	0.0%	0.0%	0.0%	0.0%
Percent of Total Assets (book value):					
Select Income REIT ⁽¹⁾	0.0%	0.0%	0.0%	0.0%	8.1%
Affiliates Insurance Company ⁽²⁾	0.0%	0.0%	0.0%	0.0%	0.0%
Total	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>8.1%</u>
Carrying Book Value on Balance Sheet:					
Select Income REIT ⁽¹⁾	\$ —	\$ —	\$ —	\$ —	\$ 531,862
Affiliates Insurance Company ⁽²⁾	—	—	—	—	—
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 531,862</u>
Market Value of Shares Owned:					
Select Income REIT ⁽¹⁾	\$ —	\$ —	\$ —	\$ —	\$ 652,080
Affiliates Insurance Company ⁽²⁾	N/A	N/A	N/A	N/A	N/A
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 652,080</u>

For the Three Months Ended		For the Six Months Ended	
June 30,		June 30,	
2015	2014	2015	2014

Equity in earnings of investees			
Select Income REIT ⁽¹⁾	\$ —	\$ 12,412	\$ —
Affiliates Insurance Company ⁽²⁾	—	42	(56)
Total	<u>\$ —</u>	<u>\$ 12,454</u>	<u>\$ —</u>
FFO From Investees			
Select Income REIT ⁽¹⁾	\$ —	\$ 16,569	\$ —
Affiliates Insurance Company ⁽²⁾	—	42	(56)
Total	<u>\$ —</u>	<u>\$ 16,611</u>	<u>\$ —</u>

(1) Beginning on July 2, 2013, EQC no longer consolidated its investment in SIR, but instead accounted for its investment in SIR under the equity method. In addition, in May and June 2014, SIR issued 10,000,000 of its common shares in a public offering, which reduced EQC's ownership interest in SIR to 36.7%. On July 9, 2014, EQC sold its entire stake of 22,000,000 common shares of SIR.

(2) Affiliates Insurance Company, or AIC, is a private company that, until May 9, 2014, was owned equally by Reit Management & Research LLC, or RMR, and each of the public companies to which RMR provides management services, including EQC and SIR. On May 9, 2014, as a result of the change in control of EQC and in accordance with the terms of a shareholders agreement among EQC and the other AIC shareholders, the other AIC shareholders purchased pro rata from EQC all 20,000 shares of AIC that EQC then owned for aggregate proceeds of \$5,776.

DEFINITIONS

Annualized Rental Revenue

Annualized rental revenue is annualized contractual rents from our tenants pursuant to leases which have commenced as of June 30, 2015, plus estimated recurring expense reimbursements; includes some triple net lease rents and excludes lease value amortization, straight line rent adjustments, free rent periods and parking revenue. The annualized rental revenue of disposed properties is presented for the quarter-ended preceding each disposition.

Building Improvements

Building improvements are expenditures to replace obsolete building components or extend the useful life of existing assets.

Consolidated Income Available for Debt Service

Consolidated income available for debt service is earnings from operations excluding interest expense, depreciation and amortization, taxes, loss on asset impairment and gains and losses on acquisitions and sales of assets and early extinguishment of debt, determined together with debt service on a pro forma basis for the four consecutive fiscal quarters most recently ended.

Development, Redevelopment and Other Activities

Development, redevelopment and other activities include: 1) major capital expenditures that are identified at the time of a property acquisition and incurred within a short time period after acquiring the property, and 2) major capital expenditure projects that reposition a property or result in new sources of revenue.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA

We calculate EBITDA as net income (loss) excluding 1) interest expense, 2) income tax expense, 3) depreciation and amortization, and 4) our portion of these items related to equity investees.

We calculate Adjusted EBITDA as EBITDA excluding 1) loss on asset impairment, 2) acquisition related costs, 3) loss on early extinguishment of debt, 4) shareholder litigation costs and transition-related expenses, 5) gains or losses on sale of properties, 6) gains or losses on sale of equity investments, 7) gains or losses on issuance of shares by an equity investee, and 8) our portion of these items related to equity investees.

We consider EBITDA and Adjusted EBITDA to be appropriate measures of our operating performance, along with net income, net income attributable to EQC common shareholders, operating income and cash flow from operating activities. We believe that EBITDA and Adjusted EBITDA provide useful information to investors because by excluding the effects of certain historical amounts, such as interest, depreciation and amortization expense, EBITDA and Adjusted EBITDA may facilitate a comparison of current operating performance with our past operating performance. EBITDA and Adjusted EBITDA do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to net income, net income attributable to EQC common shareholders, operating income or cash flow from operating activities, determined in accordance with GAAP, or as indicators of our financial performance or liquidity, nor are these measures necessarily indicative of sufficient cash flow to fund all of our needs. These measures should be considered in conjunction with net income, net income attributable to EQC common shareholders, operating income and cash flow from operating activities as presented in our condensed consolidated statements of operations, condensed consolidated statements of comprehensive income (loss) and condensed consolidated statements of cash flows. Other REITs and real estate companies may calculate EBITDA and Adjusted EBITDA differently than we do.

Enterprise Value

Enterprise value is net debt plus the market value of our preferred shares plus the market value of our common shares.

Funds from Operations (FFO) and Normalized FFO

We compute FFO in accordance with standards established by the National Association of Real Estate Investment Trusts (NAREIT). NAREIT defines FFO as net income (loss), calculated in accordance with GAAP, excluding real estate depreciation and amortization, gains (or losses) from sales of depreciable property, impairment of depreciable real estate, and our portion of these items related to equity investees and noncontrolling interests. Our calculation of Normalized FFO differs from NAREIT's definition of FFO because we exclude certain items that we view as nonrecurring or impacting comparability from period to period. We consider FFO and Normalized FFO to

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be appropriate measures of operating performance for a REIT, along with net income, net income attributable to Equity Commonwealth common shareholders, operating income and cash flow from operating activities.

We believe that FFO and Normalized FFO provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation expense, FFO and Normalized FFO may facilitate a comparison of our operating performance between periods and with other REITs. FFO and Normalized FFO are among the factors considered by our Board of Trustees when determining the amount of distributions to our shareholders. FFO and Normalized FFO do not represent cash generated by operating activities in accordance with GAAP and should not be considered as alternatives to net income, net income attributable to Equity Commonwealth common shareholders, operating income or cash flow from operating activities, determined in accordance with GAAP, or as indicators of our financial performance or liquidity, nor are these measures necessarily indicative of sufficient cash flow to fund all of our needs. These measures should be considered in conjunction with net income, net income attributable to Equity Commonwealth common shareholders, operating income and cash flow from operating activities as presented in our condensed consolidated statements of operations, condensed consolidated statements of comprehensive income and condensed consolidated statements of cash flows. Other REITs and real estate companies may calculate FFO and Normalized FFO differently than we do.

Leasing Costs

These are leasing costs such as brokerage commissions and related legal expenses.

Net Debt

Net debt is total debt minus cash and cash equivalents.

Net Operating Income (NOI), Same Property NOI, Cash Basis NOI, and Same Property Cash Basis NOI

NOI is total revenues minus operating expenses. Cash Basis NOI is NOI excluding the effects of straight line rent adjustments, lease value amortization, and lease termination fees. The quarter-to-date same property versions of these measures include the results of properties continuously owned from April 1, 2014 through June 30, 2015. The year-to-date same property versions of these measures include the results of properties continuously owned from January 1, 2014 through June 30, 2015. Discontinued operations and properties classified as held for sale are excluded from same property results.

We consider these measures to be appropriate supplemental measures to net income because they may help both investors and management to understand the operations of our properties. We use these measures internally to evaluate individual, regional and combined property level performance, and we believe that they provide useful information to investors regarding our results of operations because they reflect only those income and expense items that are incurred at the property level and may facilitate comparisons of our operating performance between periods and with other REITs. These measures do not represent cash generated by operating activities in accordance with GAAP and should not be considered as an alternative to net income, net income attributable to Equity Commonwealth common shareholders, operating income or cash flow from operating activities, determined in accordance with GAAP, or as indicators of our financial performance or liquidity, nor are these measures necessarily indicative of sufficient cash flow to fund all of our needs. These measures should be considered in conjunction with net income, net income attributable to Equity Commonwealth common shareholders, operating income and cash flow from operating activities as presented in our condensed consolidated statements of operations, condensed consolidated statements of comprehensive income and condensed consolidated statements of cash flows. Other REITs and real estate companies may calculate these measures differently than we do.

Net Book Value

Net book value represents the carrying value of real estate properties after depreciation and amortization, purchase price allocations, impairment write-downs, and currency adjustments, if any.

NOI Margin

NOI Margin is NOI (or the same property or cash basis derivations of NOI defined above) divided by the total revenues used to calculate NOI (or its derivation).

Percentage Leased

Percentage leased includes: 1) space being fitted out for occupancy pursuant to existing leases and 2) space which is leased but not occupied or is being offered for sublease by tenants.

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Tenant Improvements

Tenant improvements are capital expenditures to improve tenant spaces.

Total Debt

Total debt is the aggregate balance of the following line items on our condensed consolidated balance sheets: revolving credit facility, senior unsecured debt, net, and mortgage notes payable, net.

Undepreciated Book Value

Undepreciated book value represents the carrying value of real estate properties after purchase price allocations, impairment write-downs, and currency adjustments, if any.