

WASHINGTON REAL ESTATE INVESTMENT TRUST
Form 8-K/A
November 23, 2011

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

FORM 8-K/A
Amendment No. 1

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) September 13, 2011

WASHINGTON REAL ESTATE
INVESTMENT TRUST

(Exact name of registrant as specified in its charter)

MARYLAND

53-0261100

(State of incorporation)

(IRS Employer Identification Number)

6110 EXECUTIVE BOULEVARD, SUITE 800, ROCKVILLE, MARYLAND 20852

(Address of principal executive office) (Zip code)

Registrant's telephone number, including area code: (301) 984-9400

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:

- 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 2.01 Completion of Acquisition or Disposition of Assets.

Washington Real Estate Investment Trust (“WRIT”), in order to provide the financial statements required to be included in the Current Report on Form 8-K, filed on September 15, 2011, hereby amends the following items, as set forth in the pages attached hereto.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired

1. 1140 Connecticut Avenue - Audited Statement of Revenues and Certain Operating Expenses for the year ended December 31, 2010.

2. Braddock Metro Center - Audited Statement of Revenues and Certain Operating Expenses for the year ended December 31, 2010 and unaudited Statement of Revenues and Certain Operating Expenses for the nine months ended September 30, 2011.

3. John Marshall II - Audited Statement of Revenues and Certain Operating Expenses for the year ended December 31, 2010 and unaudited Statement of Revenues and Certain Operating Expenses for the nine months ended September 30, 2011.

In acquiring the properties listed above, WRIT evaluated among other things, sources of revenue (including but not limited to, competition in the rental market, comparative rents and occupancy rates) and expenses (including but not limited to, utility rates, ad valorem tax rates, maintenance expenses and anticipated capital expenditures). The results of the interim period are not necessarily indicative of the results to be obtained for the full fiscal year. However, after reasonable inquiry, management is not aware of any material factors affecting these properties that would cause the reported financial information not to be indicative of their future operating results.

(b) Pro Forma Financial Information

The following pro forma financial statements reflecting the property acquisitions listed above (as defined in Regulation S-X) are filed as an exhibit hereto:

1. WRIT Unaudited Pro Forma Condensed Consolidated Statements of Operations for the year ended December 31, 2010 and the nine months ended September 30, 2011.

(c) Exhibits

23. Consent of Baker Tilly Virchow Krause LLC

SIGNATURES

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

WASHINGTON REAL ESTATE INVESTMENT TRUST

By: /s/ Laura M. Franklin

Laura M. Franklin

Executive Vice President Accounting,
Administration and Corporate Secretary

Date: November 23, 2011

Independent Auditors' Report

To the Board of Trustees
Washington Real Estate Investment Trust
Rockville, Maryland

We have audited the accompanying Statement of Revenues and Certain Operating Expenses of 1140 Connecticut Avenue (the "Property") for the year ended December 31, 2010. This financial statement is the responsibility of the Property's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission as described in Note 1, and is not intended to be a complete presentation of the Property's revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 1 of the Property for the year ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

/s/ Baker Tilly Virchow Krause, LLP

Tysons Corner, Virginia
November 21, 2011

1140 CONNECTICUT AVENUE

Statement of Revenues and Certain Operating Expenses

Year Ended December 31, 2010 (in thousands)

| | |
|--|---------|
| Revenues | |
| Base rents | \$6,637 |
| Parking revenue | 743 |
| Expense recoveries | 529 |
| Other revenue | 8 |
| Total revenues | 7,917 |
| Certain Operating Expenses | |
| Real estate taxes | 1,265 |
| Contract services | 786 |
| Repairs, maintenance and supplies | 615 |
| Utilities | 557 |
| Other expenses | 217 |
| Insurance | 77 |
| Total certain operating expenses | 3,517 |
| Revenues in Excess of Certain Operating Expenses | \$4,400 |

The accompanying notes are an integral part of these financial statements.

1140 CONNECTICUT AVENUE

Notes to the Financial Statement

December 31, 2010

NOTE 1 - BASIS OF PRESENTATION

1140 Connecticut Avenue (the "Property") is an office building consisting of approximately 165,000 square feet of rentable office space, approximately 10,000 square feet of rentable street level retail space, and a three-level parking garage, located at 1140 Connecticut Avenue in Northwest Washington, D.C. Washington Real Estate Investment Trust ("WRIT") purchased the Property on January 11, 2011.

The Statement of Revenues and Certain Operating Expenses (the "Financial Statement") has been prepared for the purpose of complying with Regulation S-X, Rule 3-14 of the Securities and Exchange Commission ("SEC"), which requires certain information with respect to real estate operations acquired to be included with certain filings made by WRIT with the SEC. This financial statement includes the revenue and certain operating expenses of the Property, exclusive of the following expenses which may not be comparable to the future operations:

- a) Interest expense on mortgages and borrowings, in existence prior to acquisition by WRIT
- b) Depreciation of property and equipment
- c) Management and leasing fees
- d) Certain corporate and administrative expenses
- e) Provision for income taxes

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition - The Property reports base rental revenue on a straight-line basis over the term of the respective leases. Base rent consists of minimum rental payments made by tenants, adjusted for minimum escalations in annual rent. The Property accounts for leases with its tenants as operating leases as substantially all of the benefits and risks of ownership of the property under lease have not been transferred to the respective tenants. Expense recoveries include real estate taxes and operating expenses and are recognized in the period in which they occur, and are computed based on final operating expenses for the year in accordance with the lease agreements. Parking revenue is recognized as services are rendered. As of December 31, 2010, the occupancy of the building was 97.7 percent.

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated amounts.

NOTE 3 - MINIMUM FUTURE LEASE RENTALS

Future minimum base rent due under noncancelable operating leases in effect as of December 31, 2010 and expiring at various dates through 2020, is as follows (in thousands):

| | |
|-------------------------------|-------|
| Year ending December 31, 2011 | 6,300 |
| 2012 | 6,292 |
| 2013 | 4,991 |
| 2014 | 4,210 |
| 2015 | 3,140 |

Thereafter

8,507

\$33,440

1140 CONNECTICUT AVENUE

Notes to the Financial Statement

December 31, 2010

NOTE 3 - TENANT CONCENTRATION

For the year ended December 31, 2010, four tenants accounted for 14 percent, 12 percent, 11 percent and 10 percent of the Property's base rental revenue, with the respective leases expiring on various dates ranging from 2011 through 2015.

NOTE 4 - SUBSEQUENT EVENTS

In preparing the financial statement, the management has evaluated subsequent events and updated the financial statement, if appropriate, through November 21, 2011, the date the accompanying financial statements were available to be issued.

Independent Auditors' Report

To the Board of Trustees
Washington Real Estate Investment Trust
Rockville, Maryland

We have audited the accompanying Statements of Revenues and Certain Operating Expenses of Braddock Metro Center (the "Property") for the year ended December 31, 2010. These financial statements are the responsibility of the Property's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statements were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission as described in Note 1, and is not intended to be a complete presentation of the Property's revenues and expenses.

In our opinion, the financial statements referred to above present fairly, in all material respects, the revenues and certain operating expenses described in Note 1 of the Property for the year ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

/s/ Baker Tilly Virchow Krause, LLP

Tysons Corner, Virginia
November 21, 2011

BRADDOCK METRO CENTER

Statements of Revenues and Certain Operating Expenses

Year Ended December 31, 2010 and the nine months ended September 30, 2011

| | Year Ended December 31, 2010 (in thousands) | Nine Months Ended September 30, 2011 (unaudited) (in thousands) |
|--|---|--|
| Revenues | | |
| Base rents | \$9,506 | \$8,128 |
| Parking revenue | 605 | 462 |
| Expense recoveries | 197 | 88 |
| Other revenue | 17 | 23 |
| Total revenues | 10,325 | 8,701 |
| Certain Operating Expenses | | |
| Real estate taxes | 889 | 685 |
| Utilities | 866 | 640 |
| Contract services | 637 | 425 |
| Salaries and wages | 535 | 387 |
| Other expenses | 343 | 207 |
| Repairs, maintenance and supplies | 301 | 187 |
| Insurance | 66 | 105 |
| Total certain operating expenses | 3,637 | 2,636 |
| Revenues in Excess of Certain Operating Expenses | \$6,688 | \$6,065 |

The accompanying notes are an integral part of these financial statements.

BRADDOCK METRO CENTER

Notes to the Financial Statements

December 31, 2010

NOTE 1 - BASIS OF PRESENTATION

Braddock Metro Center (the "Property") consists of four office buildings consisting of approximately 345,000 square feet of rentable office space with a two-level parking garage located at 1310, 1320, 1330, and 1340 Braddock Place in Alexandria, Virginia. The operations of the Property primarily consist of leasing office space to fourteen tenants. Washington Real Estate Investment Trust ("WRIT") purchased the Property on September 13, 2011.

The Statements of Revenues and Certain Operating Expenses (the "Financial Statements") have been prepared for the purpose of complying with Regulation S-X, Rule 3-14 of the Securities and Exchange Commission ("SEC"), which requires certain information with respect to real estate operations acquired to be included with certain filings made by WRIT with the SEC. These Financial Statements include the revenues and certain operating expenses of the Property, exclusive of the following expenses which may not be comparable to the future operations:

- a) Interest expense on mortgages and borrowings, in existence prior to acquisition by WRIT
- b) Depreciation of property and equipment
- c) Management and leasing fees
- d) Certain corporate and administrative expenses
- e) Provision for income taxes

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition - The Property reports base rental revenue on a straight-line basis over the term of the respective leases. Base rent consists of minimum rental payments made by tenants, adjusted for minimum escalations in annual rent. The Property accounts for leases with its tenants as operating leases as substantially all of the benefits and risks of ownership of the property under lease have not been transferred to the respective tenants. Expense recoveries include real estate taxes and operating expenses and are recognized in the period in which they occur, and are computed based on final operating expenses for the year in accordance with the lease agreements. Parking revenue is recognized as services are rendered. As of December 31, 2010 and September 30, 2011, the occupancy of the building was 92.0 percent and 93.1 percent, respectively.

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated amounts.

NOTE 3 - MINIMUM FUTURE LEASE RENTALS

Future minimum base rents due under noncancelable operating leases in effect as of December 31, 2010, and expiring at various dates through 2021, is as follows (in thousands):

| | |
|-------------------------------|-----------|
| Year ending December 31, 2011 | \$ 10,126 |
| 2012 | 10,793 |
| 2013 | 9,226 |

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| | |
|------------|----------|
| 2014 | 9,164 |
| 2015 | 8,342 |
| Thereafter | 19,043 |
| | \$66,694 |

BRADDOCK METRO CENTER

Notes to the Financial Statements

December 31, 2010

NOTE 4 - TENANT CONCENTRATION

For the year ended December 31, 2010, three tenants account for 43 percent, 18 percent and 11 percent of the Property's base rental revenue, with the respective leases expiring on various dates ranging from 2012 to 2017.

NOTE 5 - SUBSEQUENT EVENTS

In preparing the financial statements, management has evaluated subsequent events and updated the financial statements, if appropriate, through November 21, 2011, the date the accompanying financial statements were available to be issued.

Independent Auditors' Report

To the Board of Trustees
Washington Real Estate Investment Trust
Rockville, Maryland

We have audited the accompanying Statements of Revenues and Certain Operating Expenses of John Marshall II (the "Property") for the year ended December 31, 2010. These financial statements are the responsibility of the Property's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statements were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission as described in Note 1, and is not intended to be a complete presentation of the Property's revenues and expenses.

In our opinion, the financial statements referred to above present fairly, in all material respects, the revenues and certain operating expenses described in Note 1 of the Property for the year ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

/s/ Baker Tilly Virchow Krause, LLP

Tysons Corner, Virginia
November 21, 2011

JOHN MARSHALL II

Statements of Revenues and Certain Operating Expenses

Year Ended December 31, 2010 and the Nine Months Ended September 30, 2011

| | Year Ended December 31, 2010 (in thousands) | Nine Months Ended September 30, 2011 (unaudited) (in thousands) |
|--|---|--|
| Revenues | | |
| Base rents | \$4,721 | \$3,637 |
| Expense recoveries | 2,639 | 1,952 |
| Other revenue | 24 | 19 |
| Total revenues | 7,384 | 5,608 |
| Certain Operating Expenses | | |
| Real estate taxes | 837 | 602 |
| Utilities | 459 | 358 |
| Contract services | 359 | 259 |
| Repairs, maintenance and supplies | 272 | 122 |
| Salaries and wages | 270 | 199 |
| Other expenses | 187 | 159 |
| Insurance | 38 | 29 |
| Total certain operating expenses | 2,422 | 1,728 |
| Revenues in Excess of Certain Operating Expenses | \$4,962 | \$3,880 |

The accompanying notes are an integral part of these financial statements.

JOHN MARSHALL II

Notes to the Financial Statements

December 31, 2010

NOTE 1 - BASIS OF PRESENTATION

John Marshall II (the "Property") is a Class "A" office building consisting of approximately 223,000 square feet of rentable office space with a detached shared seven-level parking garage located at 8283 Greensboro Drive in Tysons Corner, Virginia. The operations of the Property primarily consist of leasing office space to a single tenant. Washington Real Estate Investment Trust ("WRIT") purchased the Property on September 15, 2011.

The Statements of Revenues and Certain Operating Expenses (the "Financial Statements") have been prepared for the purpose of complying with Regulation S-X, Rule 3-14 of the Securities and Exchange Commission ("SEC"), which requires certain information with respect to real estate operations acquired to be included with certain filings made by WRIT with the SEC. These Financial Statements include the revenues and certain operating expenses of the Property, exclusive of the following expenses which may not be comparable to the future operations:

- a) Interest expense on mortgages and borrowings, in existence prior to acquisition by WRIT
- b) Depreciation of property and equipment
- c) Management and leasing fees
- d) Certain corporate and administrative expenses
- e) Provision for income taxes

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition - The Property reports base rental revenue on a straight-line basis over the term of the respective leases. Base rent consists of minimum rental payments made by tenants, adjusted for minimum escalations in annual rent. The Property accounts for leases with its tenants as operating leases as substantially all of the benefits and risks of ownership of the property under lease have not been transferred to the respective tenants. Expense recoveries include real estate taxes and operating expenses and are recognized in the period in which they occur, and are computed based on final operating expenses for the year in accordance with the lease agreements. As of December 31, 2010 and September 30, 2011, the occupancy of the building was 100 percent.

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated amounts.

NOTE 3 - MINIMUM FUTURE LEASE RENTALS

Future minimum base rents due under noncancelable operating leases (Note 5) in effect as of December 31, 2010, is as follows (in thousands):

| | |
|--------------------------|---------|
| Year ending December 31, | |
| 2011 | \$4,882 |
| 2012 | 4,889 |

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| | |
|------------|----------|
| 2013 | 4,890 |
| 2014 | 4,892 |
| 2015 | 4,893 |
| Thereafter | 430 |
| | \$24,876 |

JOHN MARSHALL II

Notes to the Financial Statements

December 31, 2010

NOTE 4 - TENANT CONCENTRATION

For the year ended December 31, 2010, one tenant accounted for 99.7 percent of the Property's rental income under one lease agreement expiring in 2016.

NOTE 5 - SUBSEQUENT EVENTS

In preparing the financial statements, management has evaluated subsequent events and updated the financial statements, if appropriate, through November 21, 2011, the date the accompanying financial statements were available to be issued.

WASHINGTON REAL ESTATE INVESTMENT TRUST
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

The pro forma statements of operations for the year ended December 31, 2010, and the nine months ended September 30, 2011, present the pro forma results of operations as if the acquisitions had taken place as of the beginning of the year ended December 31, 2010. The pro forma statements of operations illustrate the operating results of 1140 Connecticut Avenue, Braddock Metro Center and John Marshall II, which represent the substantial majority of the properties previously acquired during 2011 necessary to develop the pro forma results for WRIT. Explanations or details of the pro forma adjustments are in the notes to the financial statements.

WRIT purchased 1140 Connecticut Avenue, Braddock Metro Center and John Marshall II on the following dates:

| Acquisition Date | Property Name |
|--------------------|-------------------------|
| January 11, 2011 | 1140 Connecticut Avenue |
| September 13, 2011 | Braddock Metro Center |
| September 15, 2011 | John Marshall II |

The unaudited consolidated pro forma financial information is not necessarily indicative of what WRIT's actual results of operations would have been had these transactions been consummated on the dates indicated, nor does it purport to represent WRIT's results of operations or financial position for any future period. The pro forma results of operations for the periods ended December 31, 2010 and September 30, 2011 are not necessarily indicative of the operating results for these periods.

The unaudited consolidated pro forma financial information should be read in conjunction with WRIT's Form 8-K filed with the Securities and Exchange Commission ("SEC") on September 15, 2011, announcing the acquisitions; the consolidated financial statements and notes thereto included in WRIT's Annual Report on Form 10-K for the year ended December 31, 2010 and WRIT's Quarterly Report on Form 10-Q for the period ended September 30, 2011; and the Statement of Revenues and Certain Operating Expenses included elsewhere in this Form 8-K/A. In management's opinion, all adjustments necessary to reflect these acquisitions and related transactions have been made.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

| | WRIT | 1140 Connecticut Avenue ⁽⁷⁾ | Braddock Metro Center ⁽⁷⁾ | John Marshall II ⁽⁷⁾ | Total All Properties | Pro Forma |
|--|-----------|--|--|---------------------------------------|-------------------------|------------------|
| Revenue | | | | | | |
| Real estate rental revenue | \$212,819 | \$200 | \$8,125 | \$5,310 | \$13,635 | \$226,454 |
| | | — | (366) | 204 | (162) | (1),(6)(162) |
| | | — | (856) | — | (856) | (2),(6)(856) |
| | 212,819 | 200 | 6,903 | 5,514 | 12,617 | 225,436 |
| Expenses | | | | | | |
| Real estate expenses | 71,124 | 81 | 2,547 | 1,698 | 4,326 | 75,450 |
| | | — | 194 | 109 | 303 | (3),(6)303 |
| Depreciation and amortization | 67,899 | 112 | 3,938 | 3,034 | 7,084 | (4),(6)74,983 |
| General and administrative | 11,588 | | | | — | 11,588 |
| | 150,611 | 193 | 6,679 | 4,841 | 11,713 | 162,324 |
| Other income (expense) | | | | | | |
| Interest expense | (50,266) | (87) | — | (2,388) | (2,475) | (5),(6)(52,741) |
| Acquisition costs | (3,571) | | | | — | (3,571) |
| Other income | 886 | | | | — | 886 |
| | (52,951) | (87) | — | (2,388) | (2,475) | (55,426) |
| Income from continuing operations | 9,257 | (80) | 224 | (1,715) | (1,571) | 7,686 |
| Discontinued operations: | | | | | | |
| Gain on sale of real estate | 56,639 | | | | | 56,639 |
| Income from operations of properties held for sale | 9,522 | | | | | 9,522 |
| Income tax benefit (expense) | (1,138) | | | | | (1,138) |
| Net income | 74,280 | (80) | 224 | (1,715) | (1,571) | 72,709 |
| Less: Net income attributable to noncontrolling interests in subsidiaries | (85) | | | | | (85) |
| Net income attributable to the controlling interests | \$74,195 | \$(80) | \$224 | \$(1,715) | \$(1,571) | \$72,624 |
| Basic net income attributable to the controlling interests per share: | | | | | | |
| Continuing operations | \$0.14 | | | | | \$0.12 |
| Discontinued operations | 0.98 | | | | | 0.98 |
| Net income attributable to the controlling interests per share | \$1.12 | | | | | \$1.10 |
| Diluted net income attributable to the controlling interests per share: | | | | | | |
| Continuing operations | \$0.14 | | | | | \$0.12 |
| Discontinued operations | 0.98 | | | | | 0.98 |
| Net income attributable to the controlling interests per share | \$1.12 | | | | | \$1.10 |
| Weighted average shares outstanding - basic | 65,953 | | | | | 65,953 |

| | | |
|-------------------------------------|--------|--------|
| Weighted average shares outstanding | 65,987 | 65,987 |
| - diluted | | |

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME

- (1) Represents amortization of the net intangible lease asset or liability based on the remaining life of the acquired leases.
- (2) Represents straight-line rent adjustment.
- (3) Represents property management costs incurred by the properties.
- (4) Represents depreciation over 30 years, based on the fair value of building and improvements, plus amortization of tenant origination costs, FAS 141 leasing commissions and FAS 141 absorption over the remaining life of the acquired leases.
- (5) Represents interest expense on the mortgage assumed with the John Marshall II acquisition and the borrowing on unsecured lines of credit to partially fund the acquisitions of John Marshall II and 1140 Connecticut Avenue.

(6) The table below illustrates the pro forma adjustments for each property (in thousands):

| | 1140 Connecticut Avenue | Braddock Metro Center | John Marshall II | Total All Properties | |
|--|-------------------------|-----------------------|------------------|----------------------|---|
| (1) Amortization of lease intangibles, net | \$— | \$(366) |) \$204 | \$(162) |) |
| (2) Straight line rent adjustment | \$— | \$(856) |) \$— | \$(856) |) |
| (3) Property management costs | \$— | \$194 | \$109 | \$303 | |
| (4) Depreciation and amortization | \$112 | \$3,938 | \$3,034 | \$7,084 | |
| (5) Interest expense | \$(87) |) \$— | \$(2,388) |) \$(2,475) |) |

(7) Represents adjustments for 1/1/2011 through the dates of acquisition. WRIT's consolidated statements of income for the period ended September 30, 2011 already include the operating results of Braddock Metro Center and John Marshall II subsequent to their acquisition dates of September 13, 2011 and September 15, 2011, respectively. Accordingly, the gross income and direct operating expenses from the historical summaries for the period ended September 30, 2011 for these two properties have been adjusted to remove the operating results for portions of September 2011 subsequent to their respective acquisition dates, which are already included in WRIT's consolidated statements of income for the period ended September 30, 2011.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 FOR THE YEAR ENDED DECEMBER 31, 2010
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

| | WRIT | 1140 Connecticut Avenue | Braddock Metro Center | John Marshall II | Total All Properties | Pro Forma |
|---|----------|-------------------------------|-----------------------------|---------------------|-------------------------|--------------------|
| Revenue | | | | | | |
| Real estate rental revenue | 258,490 | 7,917 | 10,325 | 7,384 | 25,626 | 284,116 |
| | | 186 | (488) |) 271 | (31) | (1),(6) (31) |
| | | 286 | 672 | — | 958 | (2),(6) 958 |
| | 258,490 | 8,389 | 10,509 | 7,655 | 26,553 | 285,043 |
| Expenses | | | | | | |
| Real estate expenses | 86,660 | 3,517 | 3,637 | 2,422 | 9,576 | 96,236 |
| | | 192 | 273 | 142 | 607 | (3),(6) 607 |
| Depreciation and amortization | 80,066 | 4,168 | 5,251 | 4,045 | 13,464 | (4),(6) 93,530 |
| General and administrative | 14,406 | | | | — | 14,406 |
| | 181,132 | 7,877 | 9,161 | 6,609 | 23,647 | 204,779 |
| Other income (expense) | | | | | | |
| Interest expense | (67,229) |) (126) |) — | (3,239) |) (3,365) |) (5),(6) (70,594) |
| Acquisition costs | (1,161) |) | | | — | (1,161) |
| Other income | 1,193 | | | | — | 1,193 |
| Loss on extinguishment of debt | (9,176) |) | | | — | (9,176) |
| Gain from non-disposal activities | 7 | | | | — | 7 |
| | (76,366) |) (126) |) — | (3,239) |) (3,365) |) (79,731) |
| Income from continuing operations | 992 | 386 | 1,348 | (2,193) |) (459) | 533 |
| Discontinued operations: | | | | | | |
| Gain on sale of real estate | 21,599 | | | | | 21,599 |
| Income from operations of properties held for sale | 14,968 | | | | | 14,968 |
| Net income | 37,559 | 386 | 1,348 | (2,193) |) (459) | 37,100 |
| Less: Net income attributable to noncontrolling interests in subsidiaries | (133) |) | | | | (133) |
| Net income attributable to the controlling interests | \$37,426 | \$386 | \$1,348 | \$(2,193) | \$(459) | \$36,967 |
| Basic net income attributable to the controlling interests per share: | | | | | | |
| Continuing operations | \$0.01 | | | | | \$0.01 |
| Discontinued operations | 0.59 | | | | | 0.59 |
| Net income attributable to the controlling interests per share | \$0.60 | | | | | \$0.60 |
| Diluted net income attributable to the controlling interests per share: | | | | | | |
| Continuing operations | \$0.01 | | | | | \$0.01 |
| Discontinued operations | 0.59 | | | | | 0.59 |
| Net income attributable to the controlling interests per share | \$0.60 | | | | | \$0.60 |
| | 62,140 | | | | | 62,140 |

Weighted average shares outstanding

- basic

Weighted average shares outstanding 62,264

- diluted

62,264

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME

- (1) Represents amortization of the net intangible lease asset or liability based on the remaining life of the acquired leases.
- (2) Represents straight-line rent adjustment.
- (3) Represents property management costs incurred by the properties.
- (4) Represents depreciation over 30 years, based on the fair value of building and improvements, plus amortization of tenant origination costs, FAS 141 leasing commissions and FAS 141 absorption over the remaining life of the acquired leases.
- (5) Represents interest expense on the mortgage assumed with the John Marshall II acquisition and the borrowing on unsecured lines of credit to partially fund the acquisitions of John Marshall II and 1140 Connecticut Avenue.

(6) The table below illustrates the pro forma adjustments for each property (in thousands):

| | 1140 Connecticut Avenue | Braddock Metro Center | John Marshall II | Total All Properties | |
|--|-------------------------|-----------------------|------------------|----------------------|---|
| (1) Amortization of lease intangibles, net | \$186 | \$(488) |) \$271 | \$(31 |) |
| (2) Straight line rent adjustment | \$286 | \$672 | \$— | \$958 | |
| (3) Property management costs | \$192 | \$273 | \$142 | \$607 | |
| (4) Depreciation and amortization | \$4,168 | \$5,251 | \$4,045 | \$13,464 | |
| (5) Interest expense | \$(126 |) \$— | \$(3,239 |) \$(3,365 |) |