



## DROPPING COVERAGE

### Key Metrics

FPO - NYSE (as of 9/29/2017)	\$11.14
Price Target	NA
52-Week Range	\$8.01 - \$11.46
Shares & Units Outstanding (mm)	NA
Market Cap. (\$mm)	NA
3-Mo. Average Daily Volume (000)	NA
Institutional Ownership	NA
Debt/Total Market Capital (6/17)	NA
Dividend	NA
Dividend Yield	NA
Interest Coverage Ratio	NA

### Core FFO Per Share FY 12/31

	2016	Prior 2017E	Curr. 2017E	Prior 2018E	Curr. 2018E
1Q	\$0.24		\$0.23	A	
2Q	\$0.27		\$0.23	A	
3Q	\$0.28				
4Q	\$0.27				
Year	\$1.06				
P/Core FFO	10.5x				

Core FFO excludes gains from the early retirement of debt and sale of real estate, acquisition costs, and other one-time charges.

### Revenue (\$mm)

	2016	Prior 2017E	Curr. 2017E	Prior 2018E	Curr. 2018E
1Q	\$43		\$38	A	
2Q	\$38		\$35	A	
3Q	\$40				
4Q	\$39				
Year	\$160				

Quarterly amounts may not add up to full year amounts due to rounding. Previous numbers have not been restated.

**Company Description:** First Potomac was purchased by Government Properties Income Trust.

## First Potomac Realty Trust

### Company Acquired. Dropping Coverage.

- **On June 27, First Potomac Realty Trust entered into a definitive agreement to be acquired.** FPO's shareholders approved this merger on September 26. Government Properties Income Trust (GOV - \$18.77) paid \$11.15 per FPO share. The merger was completed this morning before the market opened.
- **Prior to this acquisition FPO was rated Neutral.** Our prior estimates and rating should no longer be relied upon going forward.
- **We are dropping coverage of FPO as it is no longer a publicly traded company.**

**Note Important Disclosures on Pages 2 and 3.**

**Note Analyst Certification on Page 2.**

**Considerations**

Annual yield is calculated by dividing the distribution amount by the current market price of the security. For US income tax purposes, the Company may classify all or a portion of its distributions as dividends or other non-dividend distributions. Note that for some investors, for US income tax purposes all or a portion of the Company's 2016 dividend or distribution was treated as return of capital and not as "dividend income" as reflected on the IRS Form 1099-Div for the 2016 tax year. The Company generally makes a final determination regarding the proper tax treatment of distributions after calendar year end. We urge each shareholder to consult with his or her own tax advisor to determine the tax consequences of the distributions received, including any state, local or foreign tax considerations.

*Additional information is available upon request.*

**Analyst Certification**

I, Carol L. Kemple, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

**Important Disclosures**

Hilliard Lyons' analysts receive bonus compensation based on Hilliard Lyons' profitability. They do not receive direct payments from investment banking activity.

**Investment Ratings**

**Buy** - We believe the stock has significant total return potential in the coming 12 months.

**Long-term Buy** - We believe the stock is an above average holding in its sector, and expect solid total returns to be realized over a longer time frame than our Buy rated issues, typically 2-3 years.

**Neutral** - We believe the stock is an average holding in its sector, is currently fully valued, and may be used as a source of funds if better opportunities arise.

**Underperform** - We believe the stock is vulnerable to a price set back in the next 12 months.

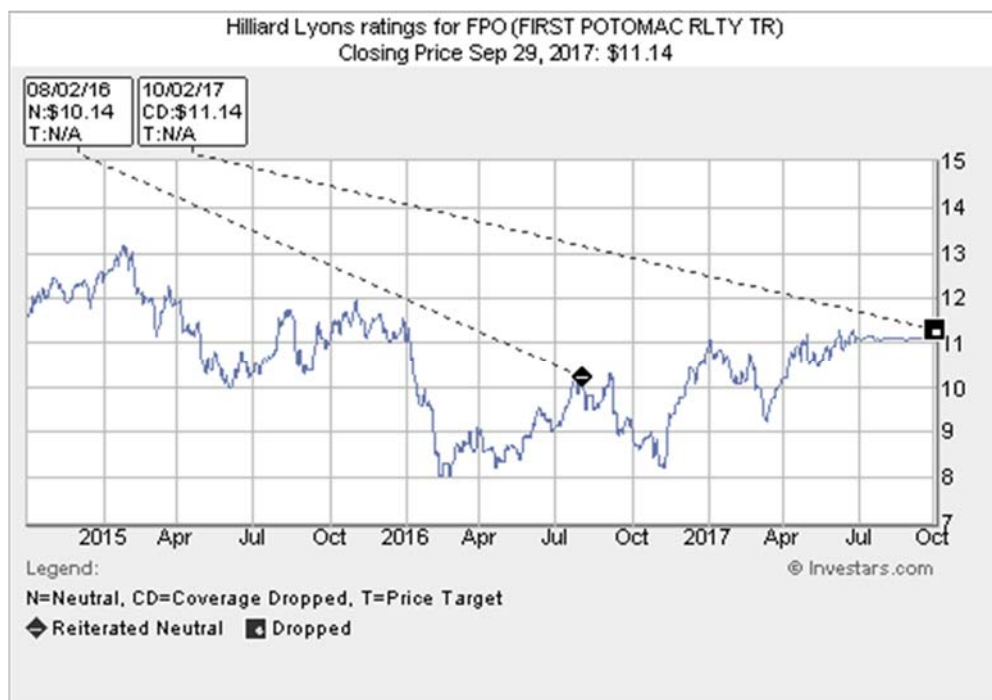
**Suitability Ratings**

**1** - A large cap, core holding with a solid history

**2** - A historically secure company which could be cyclical, has a shorter history than a "1" or is subject to event driven setbacks

**3** - An above average risk/reward ratio could be due to small size, lack of product diversity, sporadic earnings or high leverage

**4** - Speculative, due to small size, inconsistent profitability, erratic revenue, volatility, low trading volume or a narrow customer or product base.



Hilliard Lyons Recommended Issues		Investment Banking Provided in Past 12 Mo.		
Rating	# of Stocks Covered	% of Stocks Covered	Banking	No Banking
Buy	40	32%	10%	90%
Hold/Neutral	77	62%	8%	92%
Sell	8	6%	0%	100%

As of 6 September 2017

**Other Disclosures**

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