



Piedmont Office Realty Trust Reports First Quarter Results

May 3, 2012

ATLANTA, May 3, 2012 --Piedmont Office Realty Trust, Inc. ("Piedmont" or the "Company") (NYSE:PDM), an owner of primarily Class A commercial office properties located predominantly in the ten largest U.S. office markets, today announced its results for the quarter ended March 31, 2012.

Highlights for the Three Months Ended March 31, 2012:

- Achieved Funds From Operations ("FFO") of \$0.35 for the quarter;
- Continued to advance its portfolio refinement strategy by selling four Portland assets at a gain of \$17.8 million, or \$0.10 per diluted share, marking its exit from the Portland market;
- Completed over 800,000 square feet in leasing during the quarter, including approximately 500,000 square feet of office leasing;
- Paid off the \$140.0 million mortgage on 500 W. Monroe, which was the last remaining debt on the property.

Donald A. Miller, CFA, President and Chief Executive Officer stated, "We are pleased to continue to execute on our long-term strategy of narrowing the number of markets in which we operate and maintaining strong financial metrics in order to be able to take advantage of future opportunities. Although our office leasing volume was lighter this quarter compared to the record leasing year we experienced in 2011, we continue to be optimistic that our leasing activity will reflect strong volumes during 2012."

Results for the Quarter ended March 31, 2012

Piedmont's net income available to common stockholders for the first quarter of 2012, which includes the gain mentioned above, was \$37.2 million, or \$0.22 per diluted share, as compared with \$34.0 million, or \$0.20 per diluted share, for the first quarter 2011. Both FFO and Core FFO were \$60.0 million, or \$0.35 per diluted share, for the quarter ended March 31, 2012 as compared to \$71.3 million, or \$0.41 per diluted share, for the quarter ended March 31, 2011, reflecting an anticipated decrease as a result of the sale of 35 W. Wacker during the fourth quarter of 2011, as well as downtime before certain major leases commence later in 2012.

Adjusted FFO ("AFFO") for the first quarter of 2012 totaled \$50.1 million, or \$0.29 per diluted share, as compared to \$56.3 million, or \$0.33 per diluted share, in the first quarter of 2011, reflecting the anticipated decrease noted above, offset by lower capital expenditures during the current quarter as compared to the previous period.

Revenues for the quarter ended March 31, 2012 were \$133.2 million, as compared with \$131.5 million for the same period a year ago, primarily reflecting additional rental revenues and reimbursements from properties acquired during the last twelve months offset by a \$3.3 million reduction in lease termination revenue.

Property operating costs were \$52.8 million in the first quarter of 2012 compared to \$48.8 million in the first quarter of 2011, reflecting added operating costs from the acquisition of seven properties over the last twelve months.

Other income and expense on a quarter over quarter basis decreased approximately \$6.2 million, reflecting the acquisition through foreclosure of the 500 W. Monroe Building during the first quarter of 2011 and the resulting conversion of the mezzanine loan receivables related to the property into an equity ownership. Recognition of interest income on the receivables and gain on consolidation of a variable interest entity were recorded during the prior period.

Leasing Update

During the first quarter of 2012, the Company executed approximately 810,000 total square feet of leasing, throughout its markets, including joint venture and industrial assets. Of the leases signed during the quarter, approximately 437,000 square feet related to its consolidated portfolio of office properties, 74,000 square feet related to a renewal at a joint venture property, and 300,000 square feet related to a seven-year new lease at one of its two industrial properties. Of the approximately 437,000 square feet of consolidated office leasing, 275,000 square feet, or 63%, was renewal-related and 162,000 square feet, or 37%, was with new tenants.

The stabilized portfolio was 87.5% leased as of March 31, 2012 as compared to 89.1% leased as of December 31, 2011, primarily reflecting the expiration of several large leases during the period. The Company's overall office portfolio was 84.4% leased as of March 31, 2012, with a weighted average lease term remaining of 6.6 years. Details outlining Piedmont's significant upcoming lease expirations and the status of current leasing activity can be found in the Company's quarterly supplemental information package.

Capital Markets, Financing and Other Activities

As previously announced, during the first quarter Piedmont completed the disposition of four office buildings (the Deschutes, Rhein, Rogue, and Willamette buildings) and 18.19 acres of adjoining vacant land located in Beaverton, Oregon for approximately \$43.9 million, exclusive of closing

costs. The disposition marks Piedmont's exit from the Portland market, furthering the Company's portfolio refinement strategy, and resulted in a gain of \$17.8 million, or \$0.10 per diluted share, which is included in Piedmont's statement of operations for the quarter.

During the first quarter of 2012, Piedmont also paid off the \$140.0 million mortgage loan secured by the 500 W Monroe Building in downtown Chicago, IL. The mortgage loan represented the last remaining debt secured by the 500 W. Monroe Building.

Piedmont's gross assets amounted to \$5.3 billion as of March 31, 2012. Total debt was approximately \$1.4 billion as of March 31, 2012 as compared to \$1.5 billion as of December 31, 2011. The Company's total debt-to-gross assets ratio was 25.7% as of March 31, 2012 as compared with 27.5% as of December 31, 2011. Net debt to annualized core EBITDA ratio was 4.2 times and the Company's fixed charge coverage ratio was 4.6 times. As of March 31, 2012, Piedmont had cash and capacity on its unsecured line of credit of approximately \$484.5 million.

Subsequent to Quarter End

Dividend

On May 2, 2012, the Board of Directors of Piedmont declared a dividend for the second quarter of 2012 in the amount of \$0.20 per common share outstanding to stockholders of record as of the close of business on June 1, 2012. Such dividends are to be paid on June 22, 2012.

Repayment of Debt

On May 1, 2012, Piedmont repaid in full the balance outstanding on the \$45.0 Million Fixed-Rate Loan secured by the 4250 N. Fairfax building in advance of its scheduled maturity.

Guidance for 2012

Based on management's expectations, the Company affirmed its financial guidance for full-year 2012 as follows:

	Low	High
Core FFO	\$234	\$250 Million
Core FFO per diluted share	\$1.35	\$1.45

These estimates reflect the effect of the disposition in December of the 100% leased 35 W. Wacker building in Chicago and management's view of current market conditions and incorporate certain economic and operational assumptions and projections. Actual results could differ from these estimates. Note that individual quarters may fluctuate on both a cash basis and an accrual basis due to the timing of repairs and maintenance, capital expenditures, capital markets activities and one-time revenue or expense events. In addition, the Company's guidance is based on information available to management as of the date of this release.

Non-GAAP Financial Measures

This release contains certain supplemental non-GAAP financial measures such as FFO, AFFO, Core FFO, Same store net operating income, and Core EBITDA. See below for definitions and reconciliations of these metrics to their most comparable GAAP metric.

Conference Call Information

Piedmont has scheduled a conference call and an audio webcast for Friday, May 4, 2012 at 10:00 A.M. Eastern Daylight Time. The live audio webcast of the call may be accessed on the Company's website at www.piedmontreit.com in the Investor Relations section. Dial-in numbers are 1-877-407-3982 for participants in the United States and 1-201-493-6780 for international participants. The conference identification number is 392077. A replay of the conference call will be available until May 18, 2012, and can be accessed by dialing 1-877-870-5176 or 1-858-384-5517 for international participants, followed by pass code 392077. A webcast replay will also be available after the conference call in the Investor Relations section of the Company's website. During the audio webcast and conference call, the Company's management team will review first quarter 2012 performance, discuss recent events, and conduct a question-and-answer period.

Supplemental Information

Quarterly Supplemental Information as of and for the period ended March 31, 2012 can be accessed on the Company's website under the Investor Relations section at www.piedmontreit.com.

About Piedmont Office Realty Trust

Piedmont Office Realty Trust, Inc. (NYSE:PDM) is a fully-integrated and self-managed real estate investment trust (REIT) specializing in high-quality, Class A office properties located primarily in the ten largest U.S. office markets, including Chicago, Washington, D.C., New York, Dallas, Los Angeles and Boston. As of March 31, 2012, Piedmont's 75 wholly-owned office buildings were comprised of approximately 21 million rentable square feet. The Company is headquartered in Atlanta, GA with local management offices in each of its major markets. Investment-grade rated by Standard & Poor's and Moody's, Piedmont has maintained a low-leverage strategy while transacting \$5.9 billion and \$1.7 billion in property acquisitions and dispositions, respectively, during its fourteen year operating history. For more information, see www.piedmontreit.com.

Forward Looking Statements

Certain statements contained in this press release constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company intends for all such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act, as applicable. Such information is subject to certain risks and uncertainties, as well as known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of the Company's performance in future periods. Such forward-looking statements can generally be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "believe," "continue" or similar words or phrases that are predictions

of future events or trends and which do not relate solely to historical matters. Examples of such statements in this press release include the Company's estimated range of Core FFO and Core FFO per diluted share for the year ending December 31, 2012 and anticipated leasing volumes for 2012.

The following are some of the factors that could cause the Company's actual results and its expectations to differ materially from those described in the Company's forward-looking statements: the Company's ability to successfully identify and consummate suitable acquisitions; the demand for office space, rental rates and property values may continue to lag the general economic recovery; our \$500 million Unsecured Facility matures in August 2012 and a failure to renew this facility would cause our business, results of operation, cash flows, financial condition and access to capital to be adversely affected; lease terminations or lease defaults, particularly by one of the Company's large lead tenants; the impact of competition on the Company's efforts to renew existing leases or re-let space; changes in the economies and other conditions of the office market in general and of the specific markets in which the Company operates; economic and regulatory changes; additional risks and costs associated with directly managing properties occupied by government tenants; adverse market and economic conditions and related impairments to the Company's assets, including, but not limited to, receivables, real estate assets and other intangible assets; availability of financing including the Company's ability to renew its \$500 Million Unsecured Facility; costs of complying with governmental laws and regulations; uncertainties associated with environmental and other regulatory matters; potential changes in the political environment and reduction in federal and/or state funding of our government tenants; we are and may continue to be subject to litigation; the Company's ability to continue to qualify as a REIT under the Internal Revenue Code; and other factors detailed in the Company's most recent Annual Report on Form 10-K for the period ended December 31, 2011, and other documents the Company files with the Securities and Exchange Commission.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company cannot guarantee the accuracy of any such forward-looking statements contained in this press release, and the Company does not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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