



Piedmont Office Realty Trust Reports Third Quarter Results

October 31, 2012

ATLANTA, October 31, 2012-Piedmont Office Realty Trust, Inc. ("Piedmont" or the "Company") (NYSE:PDM), an owner of Class A commercial office properties located predominantly in the ten largest U.S. office markets, today announced its results for the quarter ended September 30, 2012.

Highlights for the Three Months Ended September 30, 2012:

- Achieved Core Funds From Operations ("CFFO") of \$0.37 for the quarter;
- Current quarter's \$0.33 Funds From Operations ("FFO") includes \$7.5 million, or \$0.04 per diluted share, impact of accrued potential litigation settlement;
- Completed over 1 million square feet of total leasing during the quarter including two significant leases in the Chicago market;
- Continued to advance its portfolio refinement strategy by selling its last two industrial properties;
- Replaced an expiring \$500 million line of credit with a new, comparable facility that matures in 2016;
- Repurchased approximately 2.2 million shares of its common stock at an average price of \$16.95 per share pursuant to the Company's previously announced stock repurchase program.

Donald A. Miller, CFA, President and Chief Executive Officer stated, "This quarter was significant in that it marked the beginning of the upturn in our occupancy metrics that we indicated would happen in the second half of 2012. We delivered solid financial results and achieved significant leasing activity during the third quarter, including the execution of major leases that we have been working on for the past several quarters. This activity translates into positive momentum for Piedmont and is evidence that we have worked through the majority of the leasing exposure related to the large multi-year lease expiration period that we have been experiencing the last few years."

Results for the Quarter ended September 30, 2012

Piedmont's net income available to common stockholders for the third quarter of 2012 was \$10.8 million or \$0.06 per diluted share, as compared with \$51.0 million, or \$0.29 per diluted share, for the third quarter of 2011. The current quarter's results reflect \$7.5 million, or approximately \$0.04 per diluted share, of litigation settlement expense to record the recent proposed settlement of our two class action lawsuits. The prior year's results also included \$30.5 million, or \$0.17 per diluted share, related to the operations and gains on sale of three assets sold during the quarter ended September 30, 2011. FFO was \$55.2 million, or \$0.33 per diluted share, for the quarter ended September 30, 2012 as compared to \$68.9 million, or \$0.40 per diluted share, for the quarter ended September 30, 2011, reflecting the \$0.04 per diluted share charge related to the potential litigation settlement and the \$0.03 per diluted share per quarter decrease in FFO contribution as a result of the sale of 35 W. Wacker during the fourth quarter of 2011. Core FFO (after adding back the charge related to the potential litigation settlement mentioned above) was \$62.7 million, or \$0.37 per diluted share.

Adjusted FFO ("AFFO") for the third quarter of 2012 totaled \$20.4 million, or \$0.12 per diluted share, as compared to \$51.0 million, or \$0.29 per diluted share, in the third quarter of 2011, reflecting the decreases noted above and an approximately \$24.1 million increase in non-incremental capital expenditures associated with tenant build outs for new leases, particularly at Aon Center in Chicago.

Total revenues for the quarter ended September 30, 2012 were \$134.9 million, as compared with \$132.5 million for the same period a year ago, reflecting additional rental revenues from properties acquired during the last twelve months as well as an increase in occupancy as certain large leases commenced during the second and third quarters of 2012.

Property operating costs were \$51.7 million in the third quarter of 2012 compared to \$50.7 million in the third quarter of 2011, reflecting added operating costs from the acquisition of three properties over the last twelve months, as well as an increase in occupancy as certain large leases commenced during the second and third quarters of 2012. General and administrative expense was \$5.5 million for the quarter ended September 30, 2012 as compared to \$4.7 million for the same quarter a year ago. The current quarter's other expense was largely consistent with the quarter ended September 30, 2011 except for the expense related to the potential litigation settlement noted above.

Leasing Update

During the third quarter of 2012, the Company executed over 1 million total square feet of leasing throughout its portfolio. Of the leases signed during the quarter, substantially all were new leases, including two new leases in the Chicago market which were each greater than 300,000 square feet. The same store stabilized portfolio was 90.0% leased as of September 30, 2012 as compared to 87.9% leased a year earlier, primarily reflecting positive net absorption associated with several recent large lease transactions for previously vacant space. The Company's overall office portfolio, including value add properties, was 87.0% leased as of September 30, 2012, with a weighted average lease term remaining of 7.0 years. Details outlining Piedmont's 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 third quarter Piedmont completed the dispositions of 110 and 112 Hidden Lake Circle, in Duncan, SC for \$25.6 million, exclusive of closing costs. The dispositions further the Company's portfolio refinement strategy in that 110 and 112 Hidden Lake were the Company's last two industrial assets, as well as its last two properties in the South Carolina market.

Additionally, Piedmont completed the replacement of its \$500 million unsecured line of credit which would have matured in August 2012. The new facility matures in 2016; however, under the terms of the agreement, Piedmont may avail itself of two six-month extension options. Piedmont may select from multiple interest rate options with each draw, including the prime rate and various-length LIBOR locks. All LIBOR selections are subject to a spread (currently 117.5 bps) over the selected rate based on Piedmont's current (BBB) credit rating.

Believing that its common stock is trading at a discount to current net asset value, the Company also repurchased approximately 2.2 million shares of its common stock during the quarter at an average price of \$16.95 per share pursuant to its stock repurchase plan announced during the fourth quarter of 2011. Under the \$300 million, Board-approved share repurchase program, the Company has purchased approximately 5 million shares since December 2011.

Piedmont's gross assets amounted to \$5.2 billion as of September 30, 2012. Total debt was approximately \$1.4 billion as of September 30, 2012 as compared to \$1.5 billion as of December 31, 2011, reflecting the payoff of two secured notes during the year. The Company's total debt-to-gross assets ratio as of September 30, 2012 remained consistent with year end 2011 at 27.5%.

As of September 30, 2012, Piedmont had cash and capacity on its unsecured line of credit of approximately \$352.8 million.

Dividend

On October 30, 2012, the Board of Directors of Piedmont declared a dividend for the fourth quarter of 2012 in the amount of \$0.20 per common share outstanding to stockholders of record as of the close of business on November 30, 2012. Such dividends are to be paid on December 21, 2012.

Guidance for 2012

Based on management's expectations, the Company revised its financial guidance for full-year 2012 to the upper end of the previously announced range. The revised guidance is as follows:

	Low	High
Core FFO	\$240 - \$250 Million	
Core FFO per diluted share	\$1.40 - \$1.45	

These estimates reflect the \$0.13 FFO reduction related to the disposition in December 2011 of the 100% leased 35 W. Wacker building in Chicago and management's view of current market conditions and 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 lease commencements and expirations, 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 web cast for Thursday, November 1, 2012 at 10:00 A.M. Eastern Daylight Time. The live audio web cast of the call may be accessed on the Company's website at www.piedmontreit.com in the Investor Relations section. Dial-in numbers are 1-877-941-8418 for participants in the United States and 1-480-629-9809 for international participants. The conference identification number is 4573746. A replay of the conference call will be available until November 15, 2012, and can be accessed by dialing 1-877-870-5176 or 1-858-384-5517 for international participants, followed by pass code

4573746. A web cast replay will also be available after the conference call in the Investor Relations section of the Company's website. During the audio web cast and conference call, the Company's management team will review third 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 September 30, 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 September 30, 2012, Piedmont's 74 wholly-owned office buildings were comprised of over 20 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 whether the Company's occupancy metrics will continue to improve in future quarters; those related to the consummation of a litigation settlement; whether the Company's stock is trading at a discount to NAV; and the Company's estimated range of Core FFO and Core FFO per diluted share for the year ending December 31, 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; 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; 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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