

Piedmont Office Realty Trust Reports Third Quarter Results and Renewal of Stock Repurchase Plan

October 31, 2013

ATLANTA, October 31, 2013 --Piedmont Office Realty Trust, Inc. ("Piedmont" or the "Company") (NYSE:PDM), an owner of primarily Class A properties located predominantly in the ten largest U.S. office markets, today announced its results for the quarter ended September 30, 2013.

Highlights for the three months ended September 30, 2013:

- Completed 1.5 million square feet of leasing, which represents the largest single leasing quarter in Piedmont's fifteen-year operating history;
- Achieved Core Funds From Operations ("CFFO") of \$0.37 per diluted share;
- Purchased the remaining interest in three assets previously held through joint ventures and a strategic land parcel adjacent to our Connection Drive assets in the Las Colinas sub-market of Dallas, TX;
- Placed its last wholly-owned, Colorado asset under contract to sell;
- Repurchased approximately 5.4 million shares of its common stock during the quarter, bringing the total shares repurchased since inception of the program to 11.9 million shares at an average price of \$17.16.

Donald A. Miller, CFA, President and Chief Executive Officer said, "We delivered record leasing results this quarter, including a key renewal at our 1901 Market Street asset in Philadelphia. We are pleased with these results but remain focused on finding solutions for the larger leasing opportunities within our portfolio, principally in downtown Chicago and Washington, D.C."

Results for the three months ended September 30, 2013

Piedmont's net income available to common stockholders for the third quarter of 2013 was \$19.1 million, or \$0.12 per diluted share, as compared with \$10.8 million, or \$0.06 per diluted share, for the third quarter of 2012. The current quarter includes \$3.9 million, or approximately \$0.02 per diluted share, in net insurance recoveries related to casualty losses incurred in prior periods, whereas the third quarter of the prior year included \$7.5 million, or approximately \$0.04 per diluted share, of litigation settlement expense. In addition, the current quarter reflects increased interest expense primarily associated with higher outstanding debt balances during the current quarter as a result of property acquisitions made by the Company earlier this year.

Revenues for the quarter ended September 30, 2013 were \$145.1 million, as compared with \$132.6 million for the same period a year ago, primarily reflecting increased revenue associated with the acquisition of two additional properties during the first quarter of 2013 as well as the commencement of several significant leases over the previous twelve months, offset by the loss of revenue associated with the expiration of a 330,000 square foot lease in the Company's Washington, D.C. portfolio in March.

Property operating costs were \$58.8 million for the quarter ended September 30, 2013, as compared to the prior period of \$50.5 million, primarily as a result of additional expenses associated with properties acquired during the first quarter of 2013 and higher recoverable property tax expense recognized at certain properties during the current quarter. General and administrative expenses were \$5.8 million for the current quarter, comparable to \$5.5 million for the quarter ended September 30, 2012.

Funds From Operations ("FFO") for the current quarter totaled \$65.0 million, or \$0.39 per diluted share, as compared with \$55.2 million, or \$0.33 per diluted share, for the quarter ended September 30, 2012. The current quarter includes \$3.9 million, or approximately \$0.02 per diluted share, in net insurance recoveries related to casualty losses incurred in prior periods, whereas the third quarter of the prior year included \$7.5 million, or approximately \$0.04 per diluted share, of litigation settlement expense. In addition, the current quarter reflects increased interest expense primarily associated with higher outstanding debt balances during the current quarter as a result of property acquisitions made by the Company earlier this year.

Core FFO, which excludes the insurance recoveries and litigation settlement expense mentioned above, as well as acquisition costs, totaled \$61.1 million, or \$0.37 per diluted share, for the current quarter, as compared to \$62.7 million, or \$0.37 per diluted share, for the quarter ended September 30, 2012, with the per share results reflecting a 4.1 million reduction in weighted average shares outstanding as a result of shares repurchased over the previous twelve months pursuant to the Company's stock repurchase plan.

Adjusted FFO ("AFFO") for the third quarter of 2013 totaled \$34.0 million, or \$0.21 per diluted share, as compared to \$20.4

million, or \$0.12 per diluted share, in the third quarter of 2012, primarily reflecting lower capital expenditures in the current period than in the prior period.

Leasing Update

During the third quarter of 2013, the Company executed approximately 1.5 million square feet of leasing throughout its markets. Of the leases signed during the quarter, approximately 1.0 million square feet, or 68%, was renewal-related and 488,000 square feet, or 32%, was with new tenants.

Same store net operating income (on a cash basis) for the quarter was \$72.8 million, a 5.8% decrease from the third quarter of the prior year, primarily as a result of the loss of revenue associated with the expiration of a 330,000 square foot lease in the Company's Washington, D.C. portfolio during the first quarter of 2013 as well as \$2.7 million of one-time property tax recoveries recorded in third quarter of 2012. As of September 30, 2013, the Company had approximately 1.5 million square feet of commenced leases that were in some form of abatement, as well as approximately 0.5 million square feet of executed leases for currently vacant space yet to commence.

The Company's overall portfolio was 86.7% leased as of September 30, 2013, with a weighted average lease term remaining of approximately 7.3 years. The stabilized portfolio was 89.5% leased as of September 30, 2013 as compared to 90.1% leased as of September 30, 2012. 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 available at www.piedmontreit.com.

Capital Markets, Financing and Other Activities

During the three months ended September 30, 2013, the Company purchased the remaining interest in three assets that it had previously held through two joint venture arrangements. As a result of now owning 100% of these assets, Piedmont converted from accounting for the three assets as equity method investments to accounting for them as consolidated assets and recognized a loss on consolidation of \$0.9 million, which is included in the accompanying consolidated statement of operations. Piedmont anticipates that obtaining sole control of these assets will facilitate its leasing and subsequent disposition strategies for the assets.

Also during the quarter, Piedmont purchased a 10.6 acre land parcel strategically located adjacent to its Connection Drive properties in the Las Colinas sub-market of Dallas, TX. The land, which is zoned for future office development, could also be utilized for additional parking requirements at the Company's Connection Drive assets.

Additionally, during the quarter ended September 30, 2013, Piedmont entered into a binding agreement to sell the 350 Spectrum Loop Building located in Colorado Springs, CO for approximately \$30.1 million, or \$193 per square foot. The 156,000 square foot building is currently 100% leased to a single corporate tenant. The sale is expected to close in November 2013 and is Piedmont's last wholly-owned asset in the Colorado market.

Finally, during the quarter, the Company purchased 5.4 million shares of its common stock, bringing the total stock repurchased through September 30, 2013 under the Company's \$300 million stock repurchase plan to 11.9 million shares at an average purchase price of \$17.16 per share.

Piedmont's gross assets amounted to \$5.6 billion as of September 30, 2013. Total debt was approximately \$1.8 billion as of September 30, 2013 as compared to \$1.4 billion as of December 31, 2012 primarily as a result of two property acquisitions totaling \$248.0 million which were completed during the first quarter of 2013. The Company's total debt-to-gross assets ratio was 32.5% as of September 30, 2013 as compared with 27.2% as of December 31, 2012. Net debt to annualized core EBITDA ratio was 5.6 x and the Company's fixed charge coverage ratio was 4.2 x. As of September 30, 2013, Piedmont had cash and capacity on its unsecured line of credit of approximately \$311.9 million.

Subsequent to Quarter End

Dividend

On October 30, 2013, the Board of Directors of Piedmont declared a dividend for the fourth quarter of 2013 in the amount of \$0.20 per common share outstanding to stockholders of record as of the close of business on November 29, 2013. Such dividends are to be paid on December 20, 2013.

Amendment and Restatement of Stock Repurchase Program

Our current stock repurchase plan expires in November of 2013. On October 30, 2013, the Board of Directors of Piedmont amended and restated the plan to authorize the purchase of up to \$150 million of the Company's Common Stock over the next two years. The Company may repurchase the shares from time to time, in accordance with applicable securities laws, in the open market or in privately negotiated transactions. Repurchases will depend upon market conditions and other factors, and repurchases may be commenced or suspended from time to time in the Company's discretion, without prior notice.

Guidance for 2013

Based on management's expectations, the Company is increasing and narrowing its guidance for full-year 2013 to the following range:

	Low	High
Net Income	\$98	-104 Million
Add: Depreciation and Amortization	\$168	-172 Million
Add: Impairment Loss and Loss on Consolidation	\$7	-7 Million
Deduct: Net Gain on Property Dispositions	\$24	-29 Million
Deduct: Estimated Net Insurance Recoveries	\$9	-11 Million
Core FFO	\$240	-243 Million
Core FFO per diluted share	\$1.45	\$1.47

These estimates reflect 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 lease commencements and expirations, 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 web cast for Friday, November 1, 2013 at 10:00 A.M. Eastern daylight time ("EDT"). 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 (888) 287-5563 for participants in the United States and Canada and (719)325-2452 for international participants. The pass code is 5728721. A replay of the conference call will be available from 1:00 pm EDT on November 1, 2013 until 1:00 pm EDT on November 15, 2013, and can be accessed by dialing (888)203-1112 for participants in the United States and Canada and (719)457-0820 for international participants, followed by pass code 5728721. 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 2013 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, 2013 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, Los Angeles, Boston, and Dallas. As of September 30, 2013, Piedmont's 77 wholly-owned office buildings were comprised of over 21 million rentable square feet. The Company is headquartered in Atlanta, GA, with local management offices in each of its major markets. Piedmont is investment-grade rated by Standard & Poor's and Moody's and has maintained a low-leverage strategy while acquiring and disposing of properties during its fifteen 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 our 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 Net Income, Depreciation and Amortization, Insurance Recoveries, Core FFO and Core FFO per diluted share for the year ending December 31, 2013.

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: market and economic conditions remain challenging and the demand for office space, rental rates and property values may continue to lag the general economic recovery causing the Company's business, results of operations, cash flows, financial condition and access to capital to be adversely affected or otherwise impact performance, including the potential recognition of impairment charges; the success of the Company's real estate strategies and investment objectives, including the Company's ability to identify and consummate suitable acquisitions; 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 on terms similar to existing leases; changes in the economies and other conditions of the office market in general and of the specific markets in which the Company operates, particularly in Chicago, Washington, D.C., and the New York metropolitan area; economic and regulatory changes, including accounting standards, that impact the real estate market generally; additional risks and costs associated with directly managing properties occupied by government tenants; adverse market and economic conditions may continue to adversely affect the Company and could cause the Company to recognize impairment charges or otherwise impact the Company's performance; availability of financing and the Company's lending banks' ability to honor existing line of credit commitments; costs of complying with governmental laws and regulations; uncertainties associated with environmental and other regulatory matters; potential changes in political environment and reduction in federal and/or state funding of the Company's governmental tenants; the Company may be subject to litigation, which could have a material adverse effect on the Company's financial condition; the Company's ability to continue to qualify as a real estate investment trust 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, 2012, 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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