



## Piedmont Office Realty Trust Announces Closing of Senior Notes Offering

March 6, 2014



**ATLANTA -March 6, 2014** - Piedmont Office Realty Trust, Inc. (the "Company" or "Piedmont") (NYSE: PDM) announced today the completion of the previously-announced offering by its operating partnership, Piedmont Operating Partnership, LP (the "Operating Partnership"), of \$400 million of 4.450% senior notes due 2024 (the "Notes"). The Notes are fully and unconditionally guaranteed on a senior unsecured basis by the Company.

Piedmont intends to use the proceeds to repay a maturing \$350 million secured loan that opens for prepayment without penalty on March 7, 2014 and for general corporate purposes. The debt to be repaid has an interest rate of 4.84%; the newly issued unsecured notes provide an approximate 30 bp decrease in the stated interest rate. In addition, over the last year and a half, Piedmont entered into several forward-starting interest rate swaps totaling \$350 million, which will result in an effective interest rate of approximately 4.1%, representing approximately \$2.6 million in annual interest expense savings for the equivalent amount of debt.

"We are very pleased with the favorable outcome of this ten-year notes offering. Not only will this newly issued debt be at a lower cost to the maturing \$350 million mortgage, but, when combined with the replacement of the Aon Center mortgage with unsecured debt in January of this year, it also represents a significant shift in our debt capital structure - to approximately 80% unsecured debt and 85% unencumbered NOI," stated Robert E. Bowers, Chief Financial Officer for Piedmont.

J.P. Morgan, BofA Merrill Lynch, Morgan Stanley, RBC Capital Markets, SunTrust Robinson Humphrey, and US Bancorp acted as joint book-running managers. Mitsubishi UFJ Securities and PNC Capital Markets LLC acted as co-managers.

Copies of the final prospectus supplement and accompanying base prospectus relating to these securities may be obtained by contacting BofA Merrill Lynch, 222 Broadway, New York, NY 10038, Attn: Prospectus Department, email [dg.prospectus\\_requests@baml.com](mailto:dg.prospectus_requests@baml.com); J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179, Attention: Investment Grade Syndicate Desk - 3<sup>rd</sup> Floor, collect: (212) 834-4533; or Morgan Stanley, 180 Varick Street, New York, New York 10014, Attention: Prospectus Department, (866) 718-1649. Electronic copies of these documents are also available from the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

This press release is neither an offer to purchase nor a solicitation of an offer to sell the Notes, nor shall it constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful. The offering of these securities has been made only by means of a prospectus supplement and accompanying prospectus filed with Securities and Exchange Commission.

### 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, Boston, Los Angeles and Dallas. As of December 31, 2013, Piedmont's 78 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 has maintained a relatively low leverage strategy while acquiring and disposing of properties throughout its fifteen year operating history.

### Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements include statements preceded by, followed by, or that include the words "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue," or other similar words. These forward-looking statements are based on beliefs and assumptions of the Company's management, which in turn are based on information available at the time the statements are made. Important assumptions relating to the forward-looking statements include, among others, assumptions regarding the completion of the proposed offering of Notes and the use of proceeds therefrom. The forward-looking statements also involve risks and uncertainties, which could cause actual results to differ materially from those contained in any forward-looking statement. Many of these factors are beyond the Company's ability to control or predict. Such factors include, but are not limited to, the following: market and economic conditions remain challenging in some markets the Company operates in 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; acquisitions of properties may have unknown risks and other liabilities at the time of acquisition; 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; 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 its financial condition; the Company's ability to continue to qualify as a real estate investment trust under the Internal Revenue Code of 1986, as amended; and other factors, including the risk factors discussed under Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

Management believes these forward-looking statements are reasonable; however, undue reliance should not be placed on any forward-looking statements, which are based on current expectations. Further, forward-looking statements speak only as of the date they are made, and management undertakes no obligation to update publicly any of them in light of new information or future events.

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