

Piedmont Office Realty Trust Announces Second Quarter Leasing and Capital Markets Activities

July 14, 2014



ATLANTA - July 14, 2014 - Piedmont Office Realty Trust (NYSE: PDM) announced today that it executed just over 760,000 square feet of total leasing in the second quarter of 2014. Additionally, Piedmont completed five capital markets transactions during the quarter - including the purchase of one Class-A property in Boston, Massachusetts as well as the sale of four non-core assets nationally.

LEASING - Significant leasing highlights of transactions greater than 20,000 square feet for the quarter included:

Washington, D.C. - The National Park Service (NPS) completed a 219,750 square foot, 5-year lease renewal through 2017 at 1201 Eye Street in Washington, D.C.

Also in the Washington, D.C. metro, The Institute for Justice signed a 12+ year lease renewal and expansion totalling 28,907 square feet through 2027 at Piedmont's Arlington Gateway property, located at 901 N. Glebe Road in Arlington, VA.

Houston, TX - Schlumberger Technology signed a 162,274 square foot, new lease that extends the current term for 2 years through 2020 at 1430 Enclave Parkway in Houston, TX.

Phoenix, AZ - GM Financial completed a 7+ year lease renewal and expansion totalling 113,171 square feet through 2021 at Piedmont's Chandler Forum property, located at 1975 South Price Road in Chandler, AZ.

Chicago, IL - Durata Therapeutics, Inc. completed a 26,751 square foot, 12-year new lease through 2026 at 500 West Monroe Street in Chicago, IL.

Los Angeles, CA - Children's Hospital Los Angeles signed a 20,043 square foot, 6+ year lease expansion and extension through 2021 at 800 North Brand Boulevard in Glendale, CA. The expansion along with the existing leased space total 43,077 square feet.

"We are pleased with our leasing accomplishments in the second quarter," said C.A. "Bo" Reddic, IV, Executive Vice President of Real Estate Operations for Piedmont. "Looking at our current leasing pipeline and our limited expirations over the next few quarters, we continue to be optimistic about the potential for growth in overall occupancy levels from both new and existing tenants across our portfolio," added Reddic.

CAPITAL MARKETS - Piedmont completed five (5) capital markets transactions during the second quarter, including the purchase of the following property:

Boston, MA - 5 Wall Street, a Class-A property located in the Burlington submarket of Boston. The 6-story, 181,680 square-foot office building was constructed in 2008 and is 100% leased to three tenants. This transaction complements Piedmont's 2013 purchase of two (2) Class-A buildings located in Burlington - 5 & 15 Wayside Road.

Piedmont also completed the sale of the following four (4) non-core assets, totaling approximately \$34 million in combined gross proceeds:

- **Detroit, MI (2 Assets)** - 4685 Investment Drive and 1441 West Long Lake Road, both located in Troy, Michigan, were sold to the same buyer. The two buildings comprise a total of approximately 185,000 square feet and were 93% leased at the time of the sale.
- **Kansas City, KS** - 2020 W. 89th Street, located in Leawood, Kansas. The approximate 68,000 square foot office building built in 1992 was 90% leased to three (3) tenants. The sale of this property completes Piedmont's exit from the Kansas City market.

- **Chicago, IL** -Two Park Center, located at 5550 Prairie Stone Parkway in Hoffman Estates, Illinois. Piedmont sold its 72% joint venture interest in the recently-vacated 194,000 square foot office building. The Salvation Army purchased the property and intends to use the building as its central region headquarters.

"Our second quarter capital markets success furthers Piedmont's strategic objective of concentrating its asset ownership into fewer markets," stated Raymond L. Owens, Piedmont's Executive Vice President of Capital Markets. "The purchase of 5 Wall Street demonstrates our focus on expanding our presence in desirable sub-markets within specifically identified office markets. Similarly, the sale of the four non-core assets continues the refinement of our portfolio through the exiting of non-strategic assets and markets," added Owens.

Approximately 90% of the Company's revenues are now derived from its nine target markets with approximately two-thirds coming from central business district or urban infill properties.

About Piedmont: Piedmont Office Realty Trust, Inc. (NYSE: PDM) is a fully-integrated and self-managed real estate investment trust (REIT) specializing in the ownership and management of high-quality Class A office buildings located primarily in nine of the largest U.S. office markets, including Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, Minneapolis, New York and Washington, D.C. Approximately 60% of its tenants are investment grade-rated or governmental tenants, and many others are blue chip or nationally-recognized companies. The Company is headquartered in Atlanta, GA, with local management offices in each of its major markets. Investment grade-rated by Standard & Poor's (BBB) and Moody's (Baa2), Piedmont has maintained a relatively low leverage strategy throughout 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 the federal securities laws. This information is subject to risks and uncertainties, as well as known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Therefore, these 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 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 are detailed in the Company's most recent Annual Report on Form 10-K for the period ended December 31, 2013, and other documents the Company files with the SEC. You 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 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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