Piedmont Office Realty Trust Reports First Quarter 2015 Results

April 29, 2015

ATLANTA, April 29, 2015 --Piedmont Office Realty Trust, Inc. ("Piedmont" or the "Company") (NYSE:PDM), an owner of primarily Class A office properties located in select sub-markets of major U.S. cities, today announced its results for the quarter ended March 31, 2015.

Highlights for the Three Months Ended March 31, 2015:

- Achieved Core Funds From Operations ("Core FFO") of $0.39 per diluted share and Adjusted Funds from Operations ("AFFO") of $0.30 per diluted share;
- Achieved 18% growth in cash-basis Property Net Operating Income ("NOI") over first quarter of the prior year;
- Achieved over 15% growth in Same Store NOI over first quarter of the prior year;
- Completed approximately 817,000 square feet of leasing, including approximately 375,000 square feet of new leasing;
- Acquired Park Place on Turtle Creek, an approximately 178,000 square foot, 14-story Class A office building located in Dallas, TX;
- Sold 3900 Dallas Parkway, an approximately 120,000 square foot, 5-story property located in Plano, TX to an owner/user.

Donald A. Miller, CFA, President and Chief Executive Officer said, "I am very pleased with our results this quarter. They are very much in line with the improved metrics that we have been anticipating for some time and are a testament to the hard work of many individuals over the last three to four years in re-leasing the portfolio. Our leased percentage is now almost 89%, an improvement of over 200 basis points from first quarter of last year, both GAAP and cash earnings have improved, and capital expenditures are down. Perhaps most importantly, we have no significant expirations for the remainder of 2015, which should allow us to focus on leasing of currently vacant space and capturing value for our stockholders as we recycle out of non-strategic assets."

Results for the Quarter ended March 31, 2015

Piedmont's net income available to common stockholders for the first quarter of 2015 was $19.2 million, or $0.12 per diluted share, as compared with $9.4 million, or $0.06 per diluted share, for the first quarter of 2014. The current quarter's results reflect approximately $0.06 per diluted share in gain related to the sale of 3900 Dallas Parkway during the quarter, as well as increased revenue due to the commencement of several significant leases, expiration of operating expense abatement periods, and properties acquired since the first quarter of the prior year. Also, net income for the first quarter of 2014 included approximately $0.02 per diluted share in insurance recoveries related to casualty losses incurred in prior periods.

Revenues for the quarter ended March 31, 2015 were $149.8 million, as compared with $136.3 million for the same period a year ago, primarily attributable to the commencement of several significant leases, the expiration of various operating expense abatement periods, and properties acquired since the first quarter of the prior year.

Property operating costs increased to $64.2 million for the quarter ended March 31, 2015, as compared to the prior period of $58.3 million, primarily as a result of increased occupancy at certain assets, increases in recoverable property tax expense at certain properties, and properties acquired since the first quarter of 2014. General and administrative expenses were $6.4 million for the quarter ended March 31, 2015 as compared to $4.6 million for the quarter ended March 31, 2014 primarily due to increased incentive compensation costs driven by improved operating results and stock performance.

Funds From Operations ("FFO") for the current quarter totaled $60.0 million, or $0.39 per diluted share, compared to $58.0 million, or $0.37 per diluted share, for the quarter ended March 31, 2014, reflecting increased contributions from properties acquired over the last twelve months, the commencement of several significant leases, and the expiration of various operating expense abatement periods since the first quarter of the prior year. In addition, the first quarter of 2014 included approximately $0.02 per diluted share in insurance recoveries related to casualty losses incurred in prior periods.

Core FFO, which excludes acquisition costs and the above-mentioned insurance recoveries, totaled $60.1 million, or $0.39 per diluted share, compared to $55.1 million, or $0.36 per diluted share, for the quarter ended March 31, 2014 with the increase being

primarily attributable to increased contributions from properties acquired over the last twelve months, the commencement of several significant leases, and the expiration of various operating expense abatement periods since the first quarter of the prior year.

AFFO for the first quarter of 2015 totaled $45.6 million, or $0.30 per diluted share, compared to $32.0 million, or $0.21 per diluted share, in the first quarter of 2014 primarily due to the same factors mentioned above, as well as decreased non-incremental capital expenditures and effect of straight-line rent adjustments as a result of the completion of certain large tenant build outs and the expiration of rental abatement periods, respectively, during 2014.

Leasing Update

The Company's total leasing volume for the three months ended March 31, 2015 was approximately 817,000 square feet, including approximately 375,000 square feet, or 46%, related to new leasing, the majority of which related to vacant space. Highlights for the quarter included significant renewals at Aon Center and Windy Point I in Chicago, IL, an approximately 85,000 square foot new lease at the Company's One Independence Square asset in Washington, D.C., and an approximately 60,000 square foot new lease at Suwanee Gateway in Atlanta, GA.

The Company's overall portfolio was approximately 89% leased as of March 31, 2015, up over 200 basis points from 87% a year ago, and the weighted average lease term remaining was approximately 7.0 years as of March 31, 2015. Cash basis Property NOI for the quarter was $79.8 million, up from $67.7 million in the first quarter of 2014, primarily reflecting continued improvement in the Company's economic occupancy as certain significant leases commenced and abatement periods continued to expire, as well as the contribution from acquisitions over the last twelve months. As of March 31, 2015, the Company had approximately 1.7 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. Details outlining Piedmont's significant upcoming lease expirations, the status of current leasing activity, and a schedule of significant near-term abatement periods can be found in the Company's quarterly supplemental information package available at www.piedmontreit.com.

Acquisition and Disposition Activity

During the three months ended March 31, 2015, Piedmont recognized a $10.1 million gain from the disposition of 3900 Dallas Parkway in Plano, TX, a 120,000 square foot, 5-story building for a sales price of $26.2 million. The proceeds from the sale were utilized to acquire Park Place on Turtle Creek, an approximately 178,000 square foot, 14-story Class A office building located in Dallas, TX for $46.6 million. The building, which was 88% leased at acquisition, is situated on 1.24 acres of land in the prestigious sub-market of Uptown/Turtle Creek. Further, it is in close proximity to upscale shops and restaurants and the Katy Trail. Also during the quarter, Piedmont entered into a contract to sell Copper Ridge, an approximately 268,000 square foot, multi-tenant office building in Lyndhurst, NJ, constructed in 1989 and approximately 87% leased to various tenants, including anchor tenant, Ralph Lauren. Subsequent to quarter end, the contract became binding, and the sale is anticipated to close during the second quarter of 2015.

Also subsequent to quarter end, the Company disposed of the following properties:

- On April 29, 2015, River Corporate Center in Tempe, AZ , an approximately 133,000 square foot office building constructed in 1998 and 100% leased to US Foods, Inc. for $24.6 million ($185 per square foot); and
- On April 28, 2015, 5601 Headquarters Drive in Plano, TX, an approximately 166,000 square foot office building constructed in 2001 and 100% leased to Intuit, Inc.

Other Events

Second Quarter Dividend Declaration

On April 28, 2015, the board of directors of Piedmont declared dividends for the second quarter 2015 in the amount of $0.21 per share on its common stock to stockholders of record as of the close of business on May 29, 2015, payable on June 19, 2015.

Guidance for 2015

Based on management's expectations, the Company affirms its previous guidance for full-year 2015 as follows:

(in millions, except per share data)	Low	High
Net Income	$110	-$126
Add: Depreciation, Amortization, and Other	198	-208
Less: Gain on Sale of Real Estate Assets	(70)	-(80)
Core FFO	$238	-$254
Core FFO per diluted share	$1.54	-$1.64

These estimates reflect management's view of current market conditions and incorporate certain economic and operational assumptions and projections. Actual results could differ materially from these estimates based on a variety of factors, including those discussed under "Forward Looking Statements" below. Note that individual quarters may fluctuate on both a cash basis and

an accrual basis due to lease commencements and expirations, abatement periods, the timing of repairs and maintenance, capital expenditures, capital markets activities, seasonal general and administrative expenses, 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 NOI, cash basis NOI, Property NOI, 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, April 30, 2015 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 (877) 407-0778 for participants in the United States and Canada and (201)689-8565 for international participants. A replay of the conference call will be available through May 14, 2015, and may be accessed by dialing (877)660-6853 for participants in the United States and Canada and (201)612-7415 for international participants, followed by conference identification code 13605549. 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 first quarter 2015 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, 2015 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 an owner, manager and operator of high-quality, Class A office properties located in select sub-markets of major U.S. cities. Its geographically-diversified, over $5 billion portfolio is comprised of more than 21 million square feet. The Company is a fully-integrated, self-managed real estate investment trust (REIT) with local management offices in each of its major markets and is investment-grade rated by Standard & Poor's (BBB) and Moody's (Baa2). 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 whether the Company's low expiration schedule for the remainder of 2015 will result in leasing of vacant space and capturing value for stockholders as non-strategic assets are sold; and the Company's estimated range of Net Income, Depreciation, Amortization and Other, Gain on Sale of Real Estate Assets, Core FFO and Core FFO per diluted share for the year ending December 31, 2015.

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 affecting the office market in general and 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, 2014, 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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PDM Q1 2015 Financials

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