UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 31, 2019

Piedmont Office Realty Trust, Inc.

(Exact name of registrant as specified in its charter)

Commission File Number: 001-34626

Maryland	**58-2328421**
(State or other jurisdiction of incorporation)	**(IRS Employer Identification No.)**

5565 Glenridge Connector Ste. 450
Atlanta, Georgia 30342

(Address of principal executive offices, including zip code)

(770) 418-8800
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.o

Item 2.02 Results of Operations and Financial Condition

On July 31, 2019, Piedmont Office Realty Trust, Inc. (the “Registrant”) issued a press release announcing its financial results for the second quarter 2019, and published supplemental information for the second quarter 2019 to its website. The press release and the supplemental information are attached hereto as Exhibit 99.1 and 99.2, respectively, and are incorporated herein by reference. Pursuant to the rules and regulations of the Securities and Exchange Commission, such exhibits and the information set forth therein are deemed to have been furnished and shall not be deemed to be “filed” under the Securities Exchange Act of 1934.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits:

Exhibit No.	Description
99.1	Press release dated July 31, 2019.
99.2	Piedmont Office Realty Trust, Inc. Quarterly Supplemental Information for the Second Quarter 2019.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Piedmont Office Realty Trust, Inc.
(Registrant)

Dated: July 31, 2019

By: /s/ Robert E. Bowers

Robert E. Bowers
Chief Financial Officer and Executive Vice President

EXHIBIT 99.1

PIEDMONT®
OFFICE REALTY TRUST

Piedmont Office Realty Trust Reports Second Quarter 2019 Results

ATLANTA, July 31, 2019--Piedmont Office Realty Trust, Inc. ("Piedmont" or the "Company") (NYSE:PDM), an owner of Class A office properties located primarily in select sub-markets within eight major Eastern U.S. office markets, today announced its results for the quarter ended June 30, 2019.

Highlights for the Quarter Ended June 30, 2019:

- Reported net income applicable to common stockholders of $8.2 million, or $0.06 per diluted share, for the quarter ended June 30, 2019, as compared with $10.9 million, or $0.09 per diluted share, for the quarter ended June 30, 2018;
- Achieved Core Funds From Operations ("Core FFO") of $0.43 per diluted share for the quarter ended June 30, 2019, as compared with $0.41 per diluted share for the quarter ended June 30, 2018;
- Completed approximately 517,000 square feet of leasing during the quarter ended June 30, 2019, with approximately 45% related to new leasing and a 14.4% and 17.9% roll up in cash and accrual rents, respectively, on executed leases for space vacant one year or less;
- Reported a 5.8% increase in Same Store NOI-Cash Basis as compared to the quarter ended June 30, 2018;
- Acquired Galleria 100, an 18-story, approximately 414,000 square foot, Class A office building located in Atlanta's Cumberland/Galleria sub-market adjacent to two of Piedmont's existing assets;
- Completed the transition to a new Chief Executive Officer, C. Brent Smith, and the reorganization of the senior leadership team.

Commenting on the quarter's results, Brent Smith said, "We delivered solid financial results and experienced strong leasing momentum with growing rents during the second quarter, including approximately 234,000 sf of new tenant leasing. Our portfolio continues to perform extremely well and the synergies of our increased submarket concentrations in areas like Burlington in Boston, Ballston in Northern Virginia, Central Perimeter in Atlanta, and Downtown Orlando are continuing to positively impact Piedmont’s performance as evidenced by this quarter’s 5.8% Same Store NOI -Cash Basis growth. We continue to witness strong demand from tenants in our office buildings located within dense mixed-use nodes that have excellent transportation accessibility and unique amenity offerings.

"Several large leases executed during the quarter exemplify the demand for Piedmont’s well-located assets combined with distinctive placemaking environments. First, we are excited to announce an expanded relationship with VMware, an innovative technology firm headquartered in Palo Alto, with the execution of a 215,000 square foot lease in the Central Perimeter submarket of Atlanta. Furthermore, during the quarter, Piedmont executed its first lease with WeWork, the global shared workspace provider, executing a 71,000 square foot lease in Downtown Orlando and marking the WeCompany’s entrance into the Central Florida market. These buildings in Atlanta, Orlando and across our portfolio provide superior highway and commuter rail access, unique on-site amenities and the world-class work environments that leading businesses seek to attract and retain top workforce talent.

"This quarter we are also very pleased to announce the strategic acquisition of Galleria 100 at an attractive basis with the opportunity to generate further rental rate growth from synergies with our existing holdings within the Atlanta Galleria. In total, the three assets comprise almost 1.3 million square feet in walkable proximity to a vibrant, amenity-rich, high-growth district within the sub-market." Continuing, Mr. Smith added, "Looking forward, we are excited about Piedmont's position in the marketplace, the ability to capture meaningful earnings growth through a robust leasing pipeline and the opportunity to recycle mature, non-strategic assets accretively into our target markets. You should expect this management team to increase our focus on specific sub-markets which are dense, mixed-use nodes that are amenity rich, have a growing rental rate profile, and enable Piedmont to have the competitive advantage of being a dominant Class A office provider."

Results for the Quarter ended June 30, 2019

Piedmont recognized net income applicable to common stockholders for the three months ended June 30, 2019 of $8.2 million, or $0.06 per diluted share, as compared with $10.9 million, or $0.09 per diluted share, for the three months ended June 30, 2018. The current quarter's results include $3.2 million of retirement and separation expenses associated with the senior management transition that occurred during the three months ended June 30, 2019.

Funds From Operations ("FFO"), which removes the impact of gains on sales, depreciation, and amortization, was $0.41 per diluted share for both the three months ended June 30, 2019 and 2018. Core FFO, which further removes the $3.2 million of retirement and separation expenses mentioned above, was $0.43 per diluted share for the quarter ended June 30, 2019 as compared with $0.41 per diluted share for the quarter ended June 30, 2018, reflecting higher occupancy levels and increased rental rates during the current quarter.

Total revenues and property operating costs were $130.7 million and $52.4 million, respectively, for the three months ended June 30, 2019, comparable to $129.2 million and $52.6 million, respectively, for the second quarter of 2018.

General and administrative expense was $12.4 million for the second quarter of 2019 compared to $8.3 million for the same period in 2018, reflecting the $3.2 million of retirement and separation expenses mentioned above, as well as $1.2 million of expense related to increased accruals for potential performance-based equity compensation as a result of an increase in the Company's relative stock performance during the current period.

Leasing Update

During the three months ended June 30, 2019, Piedmont completed approximately 517,000 square feet of leasing throughout its markets, with approximately 45% of that activity related to new tenant leases. Highlights of the largest leases executed during the quarter include the following:

- **Atlanta:** VMware executed a renewal and expansion totaling 215,000 sf at 1155 Perimeter Center West. Also in Atlanta, Bio-Medical Applications of Georgia renewed their approximately 48,000 sf at Galleria 100.

- **Orlando:** WeWork executed an approximately 71,000 sf new lease at SunTrust Center and SAI Labs I, LLC executed an approximately 30,000 sf new lease at CNL Center I.

- **Washington, D.C.:** WeWork executed an approximately 29,000 sf new lease at Arlington Gateway.

As of June 30, 2019, the Company's reported leased percentage and weighted average remaining lease term were approximately 93% and 6.4 years, respectively, with approximately 1.2 million sf of executed leases for vacant space yet to commence or under rental abatement. Same Store NOI ("SSNOI") increased 5.8% and 1.9% on a cash and accrual basis, respectively, for the three months ended June 30, 2019 as compared to the three months ended June 30, 2018. The increase in cash basis SSNOI was attributable to increased overall occupancy and the expiration of lease abatements while the increase in accrual basis SSNOI was related to the commencement of leases throughout the portfolio. Details outlining Piedmont's largest upcoming lease expirations, the status of certain major leasing activity including the potential renewal of the State of New York at 60 Broad Street in New York, and a schedule of the largest lease abatement periods can be found in the Company's quarterly supplemental information package available at www.piedmontreit.com.

Transactional Update

During the three months ended June 30, 2019, Piedmont acquired Galleria 100, a 91% leased, 18-story, approximately 414,000 square foot, Class A office building located in Atlanta's Cumberland/Galleria sub-market adjacent to two of Piedmont's existing assets, Galleria 200 and 300. The $95.1 million purchase also included a 1.5 acre developable land parcel.

Third Quarter 2019 Dividend Declaration

On July 31, 2019, the board of directors of Piedmont declared dividends for the third quarter of 2019 in the amount of $0.21 per share on its common stock to stockholders of record as of the close of business on August 30, 2019, payable on September 20, 2019.

Guidance for 2019

Based on management's expectations, the Company has narrowed its previously provided guidance range for full-year 2019 as follows:

(in millions, except per share data)	Low		High
Net Income	$84	-	$85
Add:			
Depreciation	107	-	109
Amortization	66	-	68
Less: Gain on Sale of Real Estate Assets	(39)	-	(39)
NAREIT FFO applicable to common stock	$218	-	$223
NAREIT FFO per diluted share	$1.73	-	$1.77
Less: Retirement and Separation Expenses Associated with Senior Management Transition	3	-	3
Core FFO applicable to common stock	$221	-	$226
Core FFO per diluted share	$1.75	-	$1.79

These estimates reflect management's view of current market conditions and incorporate certain economic and operational assumptions and projections, including the impacts from the disposition of One Independence Square and acquisition of Galleria 100. The guidance ignores the effect of any speculative acquisition or disposition activity. Actual results could differ materially from these estimates based on a variety of factors, particularly the timing of any future acquisitions and dispositions, as well as those factors 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 expenses, capital expenditures, capital markets activities, seasonal general and administrative expenses, accrued potential performance-based compensation 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

To supplement the presentation of the Company’s financial results prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), this release and the accompanying quarterly supplemental information as of and for the period ended June 30, 2019 contain certain financial measures that are not prepared in accordance with GAAP, including FFO, Core FFO, AFFO, Same Store NOI (cash and accrual basis), Property NOI (cash and accrual basis), EBITDAre, and Core EBITDA. Definitions and reconciliations of each of these non-GAAP measures to their most comparable GAAP metrics are included below and in the accompanying quarterly supplemental information.

Each of the non-GAAP measures included in this release and the accompanying quarterly supplemental financial information has limitations as an analytical tool and should not be considered in isolation or as a substitute for an analysis of the Company’s results calculated in accordance with GAAP. In addition, because not all companies use identical calculations, the Company’s presentation of non-GAAP measures in this release and the accompanying quarterly supplemental information may not be comparable to similarly titled measures disclosed by other companies, including other REITs. The Company may also change the calculation of any of the non-GAAP measures included in this news release and the accompanying supplemental financial information from time to time in light of its then existing operations.

Conference Call Information

Piedmont has scheduled a conference call and an audio web cast for Thursday, August 1, 2019 at 11:00 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 11 A.M. Eastern daylight time on August 15, 2019, and may be accessed by dialing (877) 481-4010 for participants in the United States and Canada and (919) 882-2331 for international participants, followed by conference identification code 51305. 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 second quarter 2019 performance, discuss recent events, and conduct a question-and-answer period.

Supplemental Information

Quarterly supplemental information as of and for the period ended June 30, 2019 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, developer, redeveloper, and operator of high-quality, Class A office properties located primarily in select sub-markets within eight major Eastern U.S. office markets. Its geographically-diversified, almost $5 billion portfolio is currently comprised of approximately 17 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 robust leasing pipeline will translate into executed leases; whether the Company will be able to recycle mature, non-strategic assets accretively into its target markets; whether the management team will be able to increase its focus on specific sub-markets which are amenity rich, have a growing rental rate profile, and enable Piedmont to have the competitive advantage of being a dominant Class A office provider; and the Company's estimated range of Net Income, Depreciation, Amortization, Gain on Sale of Real Estate Assets, NAREIT FFO/Core FFO and NAREIT FFO/Core FFO per diluted share for the year ending December 31, 2019.

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: Economic, regulatory, socio-economic and/or technology changes (including accounting standards) that impact the real estate market generally, or that could affect patterns of use of commercial office space; the impact of competition on our 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 sector in general and the specific markets in which we operate; lease terminations or lease defaults, particularly by one of our large lead tenants; adverse market and economic conditions, including any resulting impairment charges on both our long-lived assets or goodwill resulting therefrom; the success of our real estate strategies and investment objectives, including our ability to identify and consummate suitable acquisitions and divestitures; the illiquidity of real estate investments, including regulatory restrictions to which REITs are subject and the resulting impediment on our ability to quickly respond to adverse changes in the performance of our properties; the risks and uncertainties associated with our acquisition and disposition of properties, many of which risks and uncertainties may not be known at the time of acquisition or disposition; development and construction delays and resultant increased costs and risks; our real estate development strategies may not be successful; future acts of terrorism in any of the major metropolitan areas in which we own properties, or future cybersecurity attacks against us or any of our tenants; costs of complying with governmental laws and regulations; additional risks and costs associated with directly managing properties occupied by government tenants; significant price and volume fluctuations in the public markets, including on the exchange which we listed our common stock; the effect of future offerings of debt or equity securities or changes in market interest rates on the value of our common stock; changes in the method pursuant to which the LIBOR rates are determined and the potential phasing out of LIBOR; uncertainties associated with environmental and other regulatory matters; potential changes in political environment and reduction in federal and/or state funding of our governmental tenants, including an increased risk of default by government tenants during periods in which state or federal governments are shut down or on furlough; any change in the financial condition of any of our large lead tenants; changes in the financial condition of our tenants directly or indirectly resulting from the United Kingdom's referendum to withdraw from the European Union; the effect of any litigation to which we are, or may become, subject; changes in tax laws impacting REITs and real estate in general, as well as our ability to continue to qualify as a REIT under the Internal Revenue Code of 1986 (the "Code"); the future effectiveness of our internal controls and procedures; and other factors, including the risk factors discussed under Item 1A. of Piedmont's Annual Report on Form 10-K for the year ended December 31, 2018.

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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Piedmont Office Realty Trust, Inc.

Consolidated Balance Sheets

(in thousands)

	June 30, 2019	December 31, 2018
	(unaudited)	
Assets:		
Real estate assets, at cost:		
Land	$ 517,479	$ 507,422
Buildings and improvements	3,154,692	3,077,189
Buildings and improvements, accumulated depreciation	(812,664)	(772,093)
Intangible lease assets	172,212	165,067
Intangible lease assets, accumulated amortization	(92,881)	(87,391)
Construction in progress	13,252	15,848
Real estate assets held for sale, gross	—	159,005
Real estate assets held for sale, accumulated depreciation and amortization	—	(48,453)
Total real estate assets	**2,952,090**	**3,016,594**
Cash and cash equivalents	7,748	4,571
Tenant receivables	10,494	10,800
Straight line rent receivables	171,422	162,589
Restricted cash and escrows	1,480	1,463
Prepaid expenses and other assets	33,086	25,356
Goodwill	98,918	98,918
Interest rate swaps	10	1,199
Deferred lease costs, gross	446,458	433,759
Deferred lease costs, accumulated depreciation	(196,339)	(183,611)
Other assets held for sale, gross	—	23,237
Other assets held for sale, accumulated depreciation	—	(2,446)
Total assets	**$ 3,525,367**	**$ 3,592,429**
Liabilities:		
Unsecured debt, net of discount and unamortized debt issuance costs	$ 1,472,194	$ 1,495,121
Secured debt, net of premiums and unamortized debt issuance costs	189,782	190,351
Accounts payable, accrued expenses, and accrued capital expenditures	97,502	102,519
Dividends payable	—	26,972
Deferred income	24,641	28,779
Intangible lease liabilities, less accumulated amortization	32,724	35,708
Interest rate swaps	5,549	839
Total liabilities	**1,822,392**	**1,880,289**
Stockholders' equity :		
Common stock	1,258	1,262
Additional paid in capital	3,687,881	3,683,186
Cumulative distributions in excess of earnings	(1,989,446)	(1,982,542)
Other comprehensive income	1,530	8,462
Piedmont stockholders' equity	**1,701,223**	**1,710,368**
Non-controlling interest	1,752	1,772
Total stockholders' equity	**1,702,975**	**1,712,140**
Total liabilities and stockholders' equity	**$ 3,525,367**	**$ 3,592,429**
Number of shares of common stock outstanding as of end of period	*125,783*	*126,219*

Piedmont Office Realty Trust, Inc.

Consolidated Statements of Income

Unaudited (in thousands, except for per share data)

	Three Months Ended		Six Months Ended	
	6/30/19	**6/30/18**	**6/30/19**	**6/30/18**
Revenues:				
Rental and tenant reimbursement revenue	$ 125,468	$ 123,525	$ 251,634	$ 247,973
Property management fee revenue	422	382	2,414	691
Other property related income	4,778	5,267	9,556	10,410
Total revenues	130,668	129,174	263,604	259,074
Expenses:				
Property operating costs	52,380	52,637	104,185	104,496
Depreciation	26,348	27,115	52,873	54,260
Amortization	18,461	15,245	36,161	31,978
General and administrative	12,418	8,258	21,786	14,810
Total operating expenses	109,607	103,255	215,005	205,544
Other income (expense):				
Interest expense	(15,112)	(15,687)	(30,605)	(29,445)
Other income	752	731	1,029	1,177
Loss on extinguishment of debt	—	—	—	(1,680)
Gain on sale of real estate assets	1,451	(23)	39,338	45,186
Total other income/(expense)	(12,909)	(14,979)	9,762	15,238
Net income	**8,152**	**10,940**	**58,361**	**68,768**
Plus: Net income applicable to noncontrolling interest	1	2	—	4
Net income applicable to Piedmont	**$ 8,153**	**$ 10,942**	**$ 58,361**	**$ 68,772**
Weighted average common shares outstanding - diluted	126,491	128,701	126,404	132,432
Net income per share applicable to common stockholders - diluted	**$ 0.06**	**$ 0.09**	**$ 0.46**	**$ 0.52**

Piedmont Office Realty Trust, Inc.

Funds From Operations, Core Funds From Operations and Adjusted Funds From Operations

Unaudited (in thousands, except for per share data)

	Three Months Ended		Six Months Ended	
	6/30/2019	**6/30/2018**	**6/30/2019**	**6/30/2018**
GAAP net income applicable to common stock	**$ 8,153**	**$ 10,942**	**$ 58,361**	**$ 68,772**
Depreciation of real estate assets[(1)]	26,128	26,894	52,437	53,863
Amortization of lease-related costs	18,446	15,229	36,131	31,945
Gain on sale of real estate assets	(1,451)	23	(39,338)	(45,186)
NAREIT Funds From Operations applicable to common stock*	**51,276**	**53,088**	**107,591**	**109,394**
Retirement and separation expenses associated with senior management transition	3,175	—	3,175	—
Loss on extinguishment of debt	—	—	—	1,680
Core Funds From Operations applicable to common stock*	**54,451**	**53,088**	**110,766**	**111,074**
Amortization of debt issuance costs, fair market adjustments on notes payable, and discounts on debt	525	545	1,048	1,011
Depreciation of non real estate assets	212	213	420	382
Straight-line effects of lease revenue	(3,223)	(4,806)	(5,906)	(8,279)
Stock-based and other non-cash compensation	2,184	2,513	4,964	2,801
Net effect of amortization of above/below-market in-place lease intangibles	(2,088)	(1,987)	(4,086)	(3,630)
Non-incremental capital expenditures[(2)]	(9,691)	(10,178)	(13,058)	(18,131)
Adjusted funds from operations applicable to common stock	**$ 42,370**	**$ 39,388**	**$ 94,148**	**$ 85,228**
Weighted average common shares outstanding - diluted	126,491	128,701	126,404	132,432
Funds from operations per share (diluted)	**$ 0.41**	**$ 0.41**	**$ 0.85**	**$ 0.83**
Core funds from operations per share (diluted)	**$ 0.43**	**$ 0.41**	**$ 0.88**	**$ 0.84**

[(1)] *Excludes depreciation of non real estate assets.*

[(2)] *Capital expenditures of a recurring nature related to tenant improvements and leasing commissions that do not incrementally enhance the underlying assets' income generating capacity. Tenant improvements, leasing commissions, building capital and deferred lease incentives incurred to lease space that was vacant at acquisition, leasing costs for spaces vacant for greater than one year, leasing costs for spaces at newly acquired properties for which in-place leases expire shortly after acquisition, improvements associated with the expansion of a building and renovations that change the underlying classification of a building are excluded from this measure.*

***Definitions:**

Funds From Operations ("FFO"): The Company calculates FFO in accordance with the current National Association of Real Estate Investment Trusts (“NAREIT”) definition. NAREIT currently defines FFO as net income (computed in accordance with GAAP), excluding gains or losses from sales of property and impairment losses, adding back depreciation and amortization on real estate assets, and after the same adjustments for unconsolidated partnerships and joint ventures. These adjustments can vary among owners of identical assets in similar conditions based on historical cost accounting and useful-life estimates. FFO is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company’s operating performance. The Company believes that FFO is helpful to investors as a supplemental performance measure because it excludes the effects of depreciation, amortization and gains or losses from sales of real estate, all of which are based on historical costs, which implicitly assumes that the value of real estate diminishes predictably over time. The Company also believes that FFO can help facilitate comparisons of operating performance between periods and with other REITs. However, other REITs may not define FFO in accordance with the NAREIT definition, or may interpret the current NAREIT definition differently than the Company; therefore, the Company’s computation of FFO may not be comparable to that of such other REITs.

Core Funds From Operations ("Core FFO"): The Company calculates Core FFO by starting with FFO, as defined by NAREIT, and adjusting for gains or losses on the extinguishment of swaps and/or debt, acquisition-related expenses (that are not capitalized) and any significant non-recurring items. Core FFO is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company’s operating performance. The Company believes that Core FFO is helpful to investors as a supplemental performance measure because it excludes the effects of certain items which can create significant earnings volatility, but which do not directly relate to the Company’s core business operations. As a result, the Company believes that Core FFO can help facilitate comparisons of operating performance between periods and provides a more meaningful predictor of future earnings potential. Other REITs may not define Core FFO in the same manner as the Company; therefore, the Company’s computation of Core FFO may not be comparable to that of other REITs.

Adjusted Funds From Operations ("AFFO"): The Company calculates AFFO by starting with Core FFO and adjusting for non-incremental capital expenditures and acquisition-related costs (that are not capitalized) and then adding back non-cash items including: non-real estate depreciation, straight-lined rents and fair value lease adjustments, non-cash components of interest expense and compensation expense, and by making similar adjustments for unconsolidated partnerships and joint ventures. AFFO is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company’s operating performance. The Company believes that AFFO is helpful to investors as a meaningful supplemental comparative performance measure of our ability to make incremental capital investments. Other REITs may not define AFFO in the same manner as the Company; therefore, the Company’s computation of AFFO may not be comparable to that of other REITs.

Piedmont Office Realty Trust, Inc.

EBITDAre, Core EBITDA, Property Net Operating Income (Cash and Accrual), Same Store Net Operating Income (Cash and Accrual)

Unaudited (in thousands)

	Cash Basis		Accrual Basis	
	Three Months Ended		Three Months Ended	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
GAAP net income applicable to common stock	**$ 8,153**	**$ 10,942**	**$ 8,153**	**$ 10,942**
Net loss applicable to noncontrolling interest	(1)	(2)	(1)	(2)
Interest expense	15,112	15,687	15,112	15,687
Depreciation	26,340	27,107	26,340	27,107
Amortization	18,446	15,229	18,446	15,229
(Gain)/loss on sale of real estate assets	(1,451)	23	(1,451)	23
EBITDAre*	**66,599**	**68,986**	**66,599**	**68,986**
Retirement and separation expenses associated with senior management transition	3,175	—	3,175	
Core EBITDA*	**69,774**	**68,986**	**69,774**	**68,986**
General & administrative expenses	9,244	8,258	9,244	8,258
Management fee revenue	(201)	(200)	(201)	(200)
Other income	(56)	(157)	(56)	(157)
Straight line effects of lease revenue	(3,223)	(4,806)		
Amortization of lease-related intangibles	(2,088)	(1,987)		
Property NOI*	**73,450**	**70,094**	**78,761**	**76,887**
Net operating income from:				
Acquisitions	(3,964)	(432)	(4,621)	(696)
Dispositions	(895)	(4,746)	(895)	(4,240)
Other investments[1]	(246)	(333)	(219)	(298)
Same Store NOI *	**$ 68,345**	**$ 64,583**	**$ 73,026**	**$ 71,653**
Change period over period in Same Store NOI	*5.8 %*	*N/A*	*1.9 %*	*N/A*

Piedmont Office Realty Trust, Inc.

EBITDAre, Core EBITDA, Property Net Operating Income (Cash and Accrual), Same Store Net Operating Income (Cash and Accrual)

Unaudited (in thousands)

	Cash Basis		Accrual Basis	
	Six Months Ended		Six Months Ended	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
GAAP net income applicable to common stock	**$ 58,361**	**$ 68,772**	**$ 58,361**	**$ 68,772**
Net loss applicable to noncontrolling interest	—	(4)	—	(4)
Interest expense	30,605	29,445	30,605	29,445
Depreciation	52,858	54,246	52,858	54,246
Amortization	36,131	31,945	36,131	31,945
(Gain)/loss on sale of real estate assets	(39,338)	(45,186)	(39,338)	(45,186)
EBITDAre	**138,617**	**139,218**	**138,617**	**139,218**
Loss on extinguishment of debt	—	1,680	—	1,680
Retirement and separation expenses associated with senior management transition	3,175	—	3,175	—
Core EBITDA*	**141,792**	**140,898**	**141,792**	**140,898**
General & administrative expenses	18,611	14,810	18,611	14,810
Management fee revenue	(2,023)	(349)	(2,023)	(349)
Other income	(118)	(388)	(118)	(388)
Straight line effects of lease revenue	(5,906)	(8,279)		
Amortization of lease-related intangibles	(4,086)	(3,630)		
Property NOI*	**148,270**	**143,062**	**158,262**	**154,971**
Net operating income from:				
Acquisitions	(7,064)	(607)	(8,098)	(959)
Dispositions	(3,747)	(10,173)	(2,510)	(9,086)
Other investments[1]	(285)	(1,325)	(270)	(1,152)
Same Store NOI *	**$ 137,174**	**$ 130,957**	**$ 147,384**	**$ 143,774**
Change period over period in Same Store NOI	*4.7 %*	*N/A*	*2.5 %*	*N/A*

[1]*Other investments consist of our investments in active redevelopment and development projects, land, and recently completed redevelopment and development projects for which some portion of operating expenses were capitalized during the current or prior reporting periods. The operating results from Two Pierce Place in Itasca, IL are included in this line item.*

***Definitions:**

EBITDAre: The Company calculates EBITDAre in accordance with the current National Association of Real Estate Investment Trusts (“NAREIT”) definition. NAREIT currently defines EBITDAre as net income (computed in accordance with GAAP) adjusted for gains or losses from sales of property, impairment losses, depreciation on real estate assets, amortization on real estate assets, interest expense and taxes, along with the same adjustments for unconsolidated partnerships and joint ventures. Some of the adjustments mentioned can vary among owners of identical assets in similar conditions based on historical cost accounting and useful-life estimates. EBITDAre is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company’s operating performance. The Company believes that EBITDAre is helpful to investors as a supplemental performance measure because it provides a metric for understanding the Company’s results from ongoing operations without taking into account the effects of non-cash expenses (such as depreciation and amortization) and capitalization and capital structure expenses (such as interest expense and taxes). The Company also believes that EBITDAre can help facilitate comparisons of operating performance between periods and with other REITs. However, other REITs may not define EBITDAre in accordance with the NAREIT definition, or may interpret the current NAREIT definition differently than the Company; therefore, the Company’s computation of EBITDAre may not be comparable to that of such other REITs.

Core EBITDA: The Company calculates Core EBITDA as net income (computed in accordance with GAAP) before interest, taxes, depreciation and amortization and incrementally removing any impairment losses, gains or losses from sales of property and other significant infrequent items that create volatility within our earnings and make it difficult to determine the earnings generated by our core ongoing business. Core EBITDA is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company’s operating performance. The Company believes that Core EBITDA is helpful to investors as a supplemental performance measure because it provides a metric for understanding the performance of the Company’s results from ongoing operations without taking into account the effects of non-cash expenses (such as depreciation and amortization), as well as items that are not part of normal day-to-day operations of the Company’s business. Other REITs may not define Core EBITDA in the same manner as the Company; therefore, the Company’s computation of Core EBITDA may not be comparable to that of other REITs.

Property Net Operating Income ("Property NOI"): The Company calculates Property NOI by starting with Core EBITDA and adjusting for general and administrative expense, income associated with property management performed by Piedmont for other organizations and other income or expense items for the Company, such as interest income from loan investments or costs from the pursuit of non-consummated transactions. The Company may present this measure on an accrual basis or a cash basis. When presented on a cash basis, the effects of straight lined rents and fair value lease revenue are also eliminated. Property NOI is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company’s operating performance. The Company believes that Property NOI is helpful to investors as a supplemental comparative performance measure of income generated by its properties alone without the administrative overhead of the Company. Other REITs may not define Property NOI in the same manner as the Company; therefore, the Company’s computation of Property NOI may not be comparable to that of other REITs.

Same Store Net Operating Income ("Same Store NOI"): The Company calculates Same Store NOI as Property NOI attributable to the properties for which the following criteria were met during the entire span of the current and prior year reporting periods: (i) they were owned, (ii) they were not under development / redevelopment, and (iii) none of the operating expenses for which were capitalized. Same Store NOI also excludes amounts attributable to unconsolidated joint venture and land assets. The Company may present this measure on an accrual basis or a cash basis. When presented on a cash basis, the effects of straight lined rents and fair value lease revenue are also eliminated. Same Store NOI is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company’s operating performance. The Company believes that Same Store NOI is helpful to investors as a supplemental comparative performance measure of the income generated from the same group of properties from one period to the next. Other REITs may not define Same Store NOI in the same manner as the Company; therefore, the Company’s computation of Same Store NOI may not be comparable to that of other REITs.

Quarterly Supplemental Information
June 30, 2019

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Piedmont Office Realty Trust, Inc.
Quarterly Supplemental Information
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Notice to Readers:

Please refer to page 44 for a discussion of important risks related to the business of Piedmont Office Realty Trust, Inc., as well as an investment in its securities, including risks that could cause actual results and events to differ materially from results and events referred to in the forward-looking information. Considering these risks, uncertainties, assumptions, and limitations, the forward-looking statements about leasing, financial operations, leasing prospects, etc. contained in this quarterly supplemental information report may differ from actual results.

Certain prior period amounts have been reclassified to conform to the current period financial statement presentation. In addition, many of the schedules herein contain rounding to the nearest thousands or millions and, therefore, the schedules may not total due to this rounding convention.

To supplement the presentation of the Company's financial results prepared in accordance with U.S. generally accepted accounting principles (GAAP), this report contains certain financial measures that are not prepared in accordance with GAAP, including FFO, Core FFO, AFFO, Same Store NOI, Property NOI, EBITDAre and Core EBITDA. Definitions and reconciliations of these non-GAAP measures to their most comparable GAAP metrics are included beginning on page 38. Each of the non-GAAP measures included in this report has limitations as an analytical tool and should not be considered in isolation or as a substitute for an analysis of the Company's results calculated in accordance with GAAP. In addition, because not all companies use identical calculations, the Company's presentation of non-GAAP measures in this report may not be comparable to similarly titled measures disclosed by other companies, including other REITs. The Company may also change the calculation of any of the non-GAAP measures included in this report from time to time in light of its then existing operations.

In certain presentations herein, the Company has provided disaggregated financial and operational data (for example, some pieces of information are displayed by geography, industry, or lease expiration year) for informational purposes for readers; however, regardless of the various presentation approaches taken herein, we continue to evaluate and utilize our consolidated financial results in making operating decisions, allocating resources, and assessing our performance.

Piedmont Office Realty Trust, Inc.
Corporate Data

Piedmont Office Realty Trust, Inc. (also referred to herein as "Piedmont" or the "Company") (NYSE: PDM) is an owner, manager, developer, redeveloper and operator of high-quality, Class A office properties in select sub-markets located primarily within eight major Eastern U.S. office markets. Its geographically-diversified, almost $5 billion portfolio is comprised of nearly 17 million square feet (as of the date of release of this report). 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 and Moody's. Piedmont is headquartered in Atlanta, GA.

This data supplements the information provided in our reports filed with the Securities and Exchange Commission and should be reviewed in conjunction with such filings.

	As of June 30, 2019	As of December 31, 2018
Number of consolidated office properties (1)	54	54
Rentable square footage (in thousands) (1)	16,288	16,208
Percent leased (2)	92.6 %	93.3 %
Capitalization (in thousands):		
Total debt - principal amount outstanding (excludes premiums, discounts, and deferred financing costs)	$1,670,288	$1,694,706
Equity market capitalization (3)	$2,506,863	$2,150,764
Total market capitalization (3)	$4,177,151	$3,845,470
Total debt / Total market capitalization (3)	40.0 %	44.1 %
Average net debt to Core EBITDA	5.8 x	5.8 x
Total debt / Total gross assets	36.1 %	36.2 %
Common stock data:		
High closing price during quarter	$21.26	$18.90
Low closing price during quarter	$19.47	$16.49
Closing price of common stock at period end	$19.93	$17.04
Weighted average fully diluted shares outstanding during quarter (in thousands)	126,491	128,811
Shares of common stock issued and outstanding at period end (in thousands)	125,783	126,219
Annual regular dividend per share (4)	$0.84	$0.84
Rating / Outlook:		
Standard & Poor's	BBB / Stable	BBB / Stable
Moody's	Baa2 / Stable	Baa2 / Stable
Employees	134	134

(1) As of June 30, 2019, our consolidated office portfolio consisted of 54 properties (exclusive of one 487,000 square foot property that was taken out of service for redevelopment on January 1, 2018, Two Pierce Place in Itasca, IL), compared to 54 properties at December 31, 2018. During the first quarter of 2019, the Company sold One Independence Square, a 334,000 square foot office building located in Washington, DC. During the second quarter of 2019, the Company acquired Galleria 100, a 414,000 square foot office building, along with a 1.5 acre developable land parcel, located in Atlanta, GA.

(2) Calculated as square footage associated with commenced leases plus square footage associated with executed but uncommenced leases for vacant spaces, divided by total rentable square footage, all as of the relevant date, expressed as a percentage. This measure is presented for our consolidated office properties and, since January 1, 2018, it has excluded one out of service property. Please refer to page 26 for additional analyses regarding Piedmont's leased percentage.

(3) Reflects common stock closing price, shares outstanding and outstanding debt as of the end of the reporting period, as appropriate.

(4) Total of the regular dividends per share declared over the prior four quarters.

Corporate

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Chief Financial and Administrative Officer and Executive Vice President

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Executive Vice President, Finance, Assistant Secretary and Treasurer
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Executive Vice President, Southeast Region

George Wells
Executive Vice President, Real Estate Operations

Robert K. Wiberg
Executive Vice President, Northeast Region and Head of Development

Board of Directors

Frank C. McDowell
Director, Chairman of the Board of Directors, Chair of the Compensation Committee, and Member of the Audit Committee

Dale H. Taysom
Director, Vice Chairman of the Board of Directors, and Member of the Audit and Capital Committees

Kelly H. Barrett
Director, Chair of the Audit Committee, and Member of the Governance Committee

Wesley E. Cantrell
Director, Chair of the Governance Committee, and Member of the Compensation Committee

Barbara B. Lang
Director and Member of the Compensation and Governance Committees

Donald A. Miller, CFA
Director

C. Brent Smith
Chief Executive Officer, President and Director

Jeffery L. Swope
Director, Chair of the Capital Committee, and Member of the Compensation Committee

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Financial Results [(1)]

Net income attributable to Piedmont for the quarter ended June 30, 2019 was $8.2 million, or $0.06 per share (diluted), compared to $10.9 million, or $0.09 per share (diluted), for the same quarter in 2018. Net income attributable to Piedmont for the six months ended June 30, 2019 was $58.4 million, or $0.46 per share (diluted), compared to $68.8 million, or $0.52 per share (diluted), for the same period in 2018. The decrease in net income attributable to Piedmont for the three months ended June 30, 2019 when compared to the same period in 2018 was principally due to retirement and separation expenses incurred during the second quarter of 2019 resulting from the retirement of our former Chief Executive Officer and related changes to the senior management team. The decrease in net income attributable to Piedmont for the six months ended June 30, 2019 when compared to the same period in 2018 was principally due to the senior management transition costs as well as $4.2 million less in net effect of gains and losses related to disposition and debt transactions closed in 2019 than in 2018.

Funds from operations (FFO) for the quarter ended June 30, 2019 was $51.3 million, or $0.41 per share (diluted), compared to $53.1 million, or $0.41 per share (diluted), for the same quarter in 2018. FFO for the six months ended June 30, 2019 was $107.6 million, or $0.85 per share (diluted), compared to $109.4 million, or $0.83 per share (diluted), for the same period in 2018. The decrease in dollar amount of FFO for the three months and the six months ended June 30, 2019 when compared to the same periods in 2018 was largely due to higher general and administrative expenses in 2019 attributable to the changes to the senior management team described above along with higher long-term performance incentive compensation expense accruals due to the Company's total shareholder return outperformance relative to peers during the periods, partially offset by growth in rental income attributable to increased occupancy in 2019 when compared to 2018.

Core funds from operations (Core FFO) for the quarter ended June 30, 2019 was $54.5 million, or $0.43 per share (diluted), compared to $53.1 million, or $0.41 per share (diluted), for the same quarter in 2018. Core FFO for the six months ended June 30, 2019 was $110.8 million, or $0.88 per share (diluted), compared to $111.1 million, or $0.84 per share (diluted), for the same period in 2018. The Core FFO results for the three months and the six months ended June 30, 2019 when compared to the same periods in 2018 were largely a result of growth in rental income attributable to increased average occupancy in the portfolio in 2019, partially offset by higher general and administrative expenses due to higher long-term performance incentive compensation expense accruals as a result of the Company's total shareholder return outperformance relative to peers during the periods. The per share results for the three months and the six months ended June 30, 2019 were positively influenced by the Company's repurchases of common stock since the beginning of 2018, amounting to approximately 17.2 million shares, or about $314 million, funded through asset dispositions.

Adjusted funds from operations (AFFO) for the quarter ended June 30, 2019 was $42.4 million, compared to $39.4 million for the same quarter in 2018. AFFO for the six months ended June 30, 2019 was $94.1 million, compared to $85.2 million for the same period in 2018. The increase in AFFO for the three months and the six months ended June 30, 2019 when compared to the same periods in 2018 was primarily due to the lower amount of non-incremental capital expenditures incurred and straight line rent adjustments recognized in 2019 when compared to 2018. The decrease in the amount of straight line rent adjustments recognized is primarily the result of the burn off of large rental abatement concessions throughout the portfolio.

Operations and Leasing

Within its portfolio, Piedmont has 54 office properties located primarily in eight major office markets in the eastern portion of the United States and one redevelopment property. The Company's redevelopment property is Two Pierce Place, an approximately 487,000 square foot office property located in the Chicago market. Due to its redevelopment status, this property is excluded from Piedmont's in-service operating portfolio for the purposes of statistical reporting throughout this supplemental report. For additional information regarding this redevelopment project, please refer to page 37 of this report.

On a square footage leased basis, our total in-service office portfolio was 92.6% leased as of June 30, 2019, as compared to 90.6% at June 30, 2018 and 93.3% at December 31, 2018. Please refer to page 26 for additional leased percentage information.

(1) FFO, Core FFO and AFFO are supplemental non-GAAP financial measures. See page 38 for definitions of these non-GAAP financial measures, and pages 14 and 40 for reconciliations of FFO, Core FFO and AFFO to Net Income.

The weighted average remaining lease term of our in-service portfolio was 6.4 years[(1)] as of June 30, 2019 as compared to 6.6 years at December 31, 2018. Our weighted average adjusted Annualized Lease Revenue[(2)] per square foot for our in service portfolio was $36.24 as of June 30, 2019.

During the three months ended June 30, 2019, the company completed approximately 517,000 square feet of leasing activity. Of the total leasing activity completed during the quarter, we signed new tenant leases for approximately 234,000 square feet. During the six months ended June 30, 2019, the Company completed approximately 838,000 square feet of leasing activity, including approximately 372,000 square feet of new tenant leases. Excluded from the year-to-date leasing activity was an approximate 480,000 square foot, four-month lease extension with the Company's largest tenant from an Annualized Lease Revenue perspective, New York State, at 60 Broad Street in downtown Manhattan. Since the lease renewal negotiations with New York State were not anticipated to conclude prior to the original lease expiration date of March 31, 2019, the lease was extended on a short-term basis to allow for an orderly resolution to the final outstanding items under negotiation. The Company continues to partner with New York State on an approximate 18-year lease renewal for a significant majority of the tenant's current space of nearly 480,000 square feet in the building. The average committed capital for tenant improvements and leasing commissions per square foot per year of lease term for all leasing activity completed during the six months ended June 30, 2019 (net of commitment expirations during the period) was $5.12 (see page 32).

Of the 517,000 square feet of leases executed during the three months ended June 30, 2019, five leases were greater than 10,000 square feet at our consolidated office properties. Information on those leases is set forth below.

Tenant	Property	Market	Square Feet Leased	Expiration Year	Lease Type
VMware, Inc.	1155 Perimeter Center West	Atlanta	215,303	2027	Renewal / Expansion
WeWork Companies Inc.	SunTrust Center	Orlando	71,344	2035	New
Bio-Medical Applications of Georgia, Inc.	Galleria 100	Atlanta	47,841	2029	Renewal
SAI Labs I, LLC	CNL Center I	Orlando	29,965	2030	New
WeWork Companies Inc.	Arlington Gateway	Washington, DC	29,379	2036	New

At the end of the second quarter of 2019, there were two tenants whose leases individually contributed greater than 1% in Annualized Lease Revenue expiring during the eighteen month period following June 30, 2019. Information regarding the leasing status of the spaces associated with these tenants' leases is presented below.

Tenant	Property	Property Location	Net Square Footage Expiring	Net Percentage of Current Quarter Annualized Lease Revenue Expiring (%)	Expiration	Current Leasing Status
State of New York	60 Broad Street	New York, NY	476,996	5.1%	Q3 2019	Late in the second quarter of 2019, New York State approached the Company with additional space requirements; we continued to make progress on lease renewal documentation and space utilization plans for substantially all of the tenant's current space.
City of New York	60 Broad Street	New York, NY	313,022	2.1%	Q2 2020	The Company is in advanced discussions with the tenant regarding a long-term lease renewal.

Future Lease Commencements and Abatements

As of June 30, 2019, our overall leased percentage was 92.6% and our economic leased percentage was 85.9%. The difference between overall leased percentage and economic leased percentage is attributable to two factors:

1) leases which have been contractually entered into for currently vacant spaces but have not yet commenced (amounting to 488,630 square feet of leases as of June 30, 2019, or 3.0% of the portfolio); and
2) leases which have commenced but are within rental abatement periods (amounting to 710,834 square feet of leases as of June 30, 2019, or a 3.7% impact to leased percentage on an economic basis).

(1) Remaining lease term (after taking into account leases for vacant spaces which had been executed but not commenced as of June 30, 2019) is weighted based on Annualized Lease Revenue, as defined on page 38.

(2) Annualized Lease Revenue is adjusted for buildings at which tenants pay operating expenses directly to include such operating expenses as if they were paid by the Company and reimbursed by the tenants as under a typical net lease structure, thereby incorporating the effective gross rental rate for those buildings.

The gap between reported leased percentage and economic leased percentage will fluctuate over time as (1) new leases are signed for vacant spaces (with the gap this quarter being heavily influenced by the Transocean lease for 301,000 square feet of vacant space at Enclave Place in Houston, TX, attributable for 1.8% of the 6.7% gap), (2) abatements associated with existing or newly executed leases commence and expire (see below for more detail on existing large leases with abatements), and/or (3) properties are bought and sold. Consequently, the absolute level of economic leased percentage and its growth over time are the primary management metrics and not the spread between reported and economic leased percentages at any one point in time. As additional leasing is completed for vacant space and the overall portfolio leased percentage increases, the economic leased percentage will naturally follow as new leases commence and any related abatement periods expire. Since the beginning of 2014, the reported leased percentage has increased approximately 6% and the economic leased percentage has increased almost 12%.

Piedmont has leases with many large corporate office space users. The average size of lease in the Company's portfolio is near 20,000 square feet. Due to the large size and length of term of new leases, Piedmont typically signs leases several months in advance of their anticipated lease commencement dates. Presented below is a schedule of uncommenced leases greater than 50,000 square feet and their anticipated commencement dates. Lease renewals are excluded from this schedule.

Tenant	Property	Property Location	Square Feet Leased	Space Status	Estimated Commencement Date	New / Expansion
Transocean Offshore Deepwater Drilling, Inc.	Enclave Place	Houston, TX	300,906	Vacant	Q3 2019 (1)	New
salesforce.com (formerly Demandware, Inc.)	5 Wall Street	Burlington, MA	127,408	Not Vacant	Q4 2019 (75,495 SF) Q3 2021 (51,913 SF)	New
WeWork Companies Inc.	SunTrust Center	Orlando, FL	71,344	Not Vacant	Q2 2020	New
VMware, Inc. (2)	1155 Perimeter Center West	Atlanta, GA	50,442	Not Vacant	Q3 2019	New

New leases frequently provide rental abatement concessions to tenants and these abatements typically occur at the beginning of the leases. The currently reported cash net operating income and AFFO understate the Company's long-term cash generation ability from existing signed leases due to several leases being in abatement periods. Presented below are two schedules related to abatements. The first is a schedule of leases with abatements of 50,000 square feet or greater that expired during the second quarter of 2019, and the second is a schedule of leases with abatements of 50,000 square feet or greater that are either currently under abatement or will be so within the next twelve months.

Abatements Expired During the Quarter

Tenant	Property	Property Location	Abated Square Feet	Lease Commencement Date	Remaining Abatement Schedule	Lease Expiration
International Food Policy Research Institute	1201 Eye Street	Washington, DC	101,937	Q2 2017	May 2018 through April 2019	Q2 2029
Gartner, Inc.	6011 Connection Drive	Irving, TX	125,332 (3)	Q3 2018	September 2018 through April 2019 (98,134 square feet); May and June 2019 (125,332 square feet)	Q2 2034
Schlumberger Technology Corporation	1430 Enclave Parkway	Houston, TX	254,276 (3)	Q1 2019 (4)	January through May 2019 (225,726 square feet); June 2019 (254,276 square feet)	Q4 2028

(1) The nearly 17-year lease commenced in July 2019. GAAP revenue recognition is anticipated to commence in Q4 2019, conditional upon the substantial completion of the tenant's improvements to the space. The rental abatement period began July 2019 and will not vary based upon the timing of the commencement of GAAP revenue recognition.

(2) During the second quarter of 2019, VMware, Inc. signed a 215,303 square foot lease renewal and expansion. The expansion component is comprised of 50,442 square feet; information related only to that part of the lease is presented on this line. VMware currently subleases the 50,442 square feet from The Wendy's Company. VMware's direct lease for the space will commence on August 1, 2019, immediately following the expiration of the Wendy's lease.

(3) The amount of square feet under abatement has varied over time; see additional detail under the column entitled Remaining Abatement Schedule.

(4) Represents the commencement date of the renewal term and a 63,145 square foot expansion. An additional expansion of 28,550 square feet commenced in Q2 2019.

Current / Future Abatements

Tenant	Property	Property Location	Abated Square Feet	Lease Commencement Date	Remaining Abatement Schedule	Lease Expiration
Transocean Offshore Deepwater Drilling, Inc.	Enclave Place	Houston, TX	300,906	Q3 2019 (1)	July 2019 through April 2021 (2)	Q2 2036
VMware, Inc.	1155 Perimeter Center West	Atlanta, GA	50,442 (3)	Q3 2019 (3)	August, October and November 2019; January and February 2020	Q3 2027
Norris McLaughlin, P.A.	400 Bridgewater Crossing	Bridgewater, NJ	61,642	Q4 2016	November and December 2019	Q4 2029
WeWork Companies Inc.	SunTrust Center	Orlando, FL	71,344	Q2 2020	April through June 2020	Q4 2035

Financing and Capital Activity

Among Piedmont's stated strategic objectives is to harvest capital through the disposition of non-core assets and assets in which the Company believes full value has been reached and to use the sale proceeds to:

- invest in real estate assets with higher overall return prospects and/or strategic merits in one of our identified operating markets where we have a significant operating presence with a competitive advantage and that otherwise meet our strategic criteria;
- reduce leverage levels by repaying outstanding debt; and/or
- repurchase Company stock when it is believed to be trading at a significant discount to NAV.

Information on the Company's recent accomplishments in furtherance of its strategic objectives is presented below.

Dispositions

There were no dispositions completed during the quarter ended June 30, 2019.

Acquisitions

On May 6, 2019, the Company completed the purchase of Galleria 100, a 414,000 square foot, 18-story, 89% occupied, Class A office building and adjacent developable land parcel, in Atlanta, GA. The office building was purchased for $91.6 million, or $221 per square foot, a nearly 50% discount to replacement cost, and the land was purchased for $3.5 million. The property is located within the urban, master-planned Galleria development, an amenity-rich project in Atlanta's Northwest submarket with walkable access to hotels, dining, retail, residences and SunTrust Park (home to the Atlanta Braves). Additionally, the project offers excellent visibility and accessibility to two of Atlanta's major thoroughfares, Interstates 75 and 285. The acquisition of Galleria 100 increased Piedmont's ownership to 1.3 million square feet in the Galleria development as well as its market share in the submarket's Class A product, and will allow it to realize additional marketing, operating and tenancy synergies.

For additional information on acquisitions and dispositions completed over the previous eighteen months, please refer to page 36.

Development / Redevelopment

Although it was in discussions with a few prospective tenants regarding build-to-suit opportunities, the Company had no ground-up developments underway as of June 30, 2019.

During the fourth quarter of 2018, the Company substantially completed the construction phase of a $14 million redevelopment at Two Pierce Place in Itasca, IL. The project included a renovation of the property's lobby and exterior plaza, an elevator modernization, the enhancement and addition of building amenities, and the acquisition and improvement of additional land to increase the building's parking ratio. The building is currently in the lease-up phase of the redevelopment project; due to its redevelopment status, this property is excluded from Piedmont's in-service operating portfolio for the purposes of statistical reporting throughout this supplemental report.

During the fourth quarter of 2018, Piedmont commenced an approximately $8.5 million project to add a tenant-only amenity center at US Bancorp Center in Minneapolis, MN. The amenity center, with approximately 24-foot ceilings and large-windowed views of the downtown skyline, is being constructed on the thirty-first floor of the building in former storage space and will provide tenants a full fitness center, a tenant lounge and conference rooms. As of June 30, 2019, the project remains on schedule and within budget.

(1) The nearly 17-year lease commenced in July 2019. GAAP revenue recognition is anticipated to commence in Q4 2019, conditional upon the substantial completion of the tenant's improvements to the space. The rental abatement period began July 2019 and will not vary based upon the timing of the commencement of GAAP revenue recognition.

(2) The tenant's existing lease at another building in Houston terminates in 2021. The tenant desired to have access to its new space at Enclave Place on an accelerated basis without duplicative rental charges. Piedmont was able to negotiate into the lease other economic and credit-supporting terms as a result of this longer potential free rent period.

(3) During the second quarter of 2019, VMware, Inc. signed a 215,303 square foot lease renewal and expansion. The expansion component is comprised of 50,442 square feet; information related only to that part of the lease is presented on this line. VMware currently subleases the 50,442 square feet from The Wendy's Company. VMware's direct lease for the space will commence on August 1, 2019, immediately following the expiration of the Wendy's lease.

Additional detail on the Company's developable land parcels, all of which are located adjacent to existing Piedmont properties, as well as information on its redevelopment project, can be found on page 37.

Finance
As of June 30, 2019, our ratio of total debt to total gross assets was 36.1%. This debt ratio is based on total principal amount outstanding for our various loans at June 30, 2019.

As of June 30, 2019, our average net debt to Core EBITDA ratio was 5.8 x, unchanged from the same measure at December 31, 2018.

Stock Repurchase Program
No repurchases of the Company's common stock were completed during the second quarter of 2019. Since the stock repurchase program began in December 2011, the Company has repurchased approximately 48.7 million shares at an average price of $17.70 per share, or approximately $862.0 million in aggregate (before the consideration of transaction costs). As of quarter end, Board-approved capacity remaining for additional repurchases totaled approximately $74.1 million under the stock repurchase plan. Repurchases of stock under the program are made at the Company's discretion and are dependent on market conditions, the discount to estimated net asset value, other investment opportunities and other factors that the Company deems relevant.

Dividend
On May 1, 2019, the Board of Directors of Piedmont declared a dividend for the second quarter of 2019 in the amount of $0.21 per common share outstanding to stockholders of record as of the close of business on May 31, 2019. The dividend was paid on June 21, 2019. The Company's dividend payout percentage (for dividends declared) for the six months ended June 30, 2019 was 48% of Core FFO and 56% of AFFO.

Subsequent Events

On July 31, 2019, the Board of Directors of Piedmont declared a dividend for the third quarter of 2019 in the amount of $0.21 per common share outstanding to stockholders of record as of the close of business on August 30, 2019. The dividend is expected to be paid on September 20, 2019.

Guidance for 2019

The following financial guidance for calendar year 2019 has been narrowed relative to that previously provided and is based upon year-to-date results and management's expectations at this time. This financial guidance includes the effects of the disposition of One Independence Square and the acquisition of Galleria 100, however, it does not include the potential effects of any additional acquisition or disposition activity that may be completed during the year.

	Low		High
Net Income	**$84 million**	**to**	**$85 million**
Add:			
Depreciation	107 million	to	109 million
Amortization	66 million	to	68 million
Less:			
Gain on Sale of Real Estate Assets	(39) million	to	(39) million
NAREIT Funds from Operations applicable to Common Stock	**$218 million**		**$223 million**
NAREIT Funds from Operations per diluted share	**$1.73**	**to**	**$1.77**
Less:			
Retirement and Separation Expenses associated with Senior Management Transition	$3 million	to	$3 million
Core Funds From Operations	**$221 million**	**to**	**$226 million**
Core Funds from Operations per diluted share	**$1.75**	**to**	**$1.79**

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 the timing of lease commencements and expirations, abatement periods, repairs and maintenance expenses, capital expenditures, capital markets activities, seasonal general and administrative expenses, accrued potential performance-based compensation 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 supplemental report.

Piedmont Office Realty Trust, Inc.
Consolidated Balance Sheets
Unaudited (in thousands)

	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Assets:					
Real estate, at cost:					
Land assets	$ 517,479	$ 507,369	$ 507,422	$ 493,433	$ 493,432
Buildings and improvements	3,154,692	3,090,741	3,077,189	2,980,752	2,964,453
Buildings and improvements, accumulated depreciation	(812,664)	(797,112)	(772,093)	(749,699)	(725,635)
Intangible lease asset	172,212	162,509	165,067	149,795	150,205
Intangible lease asset, accumulated amortization	(92,881)	(91,235)	(87,391)	(84,268)	(79,934)
Construction in progress	13,252	13,225	15,848	22,561	17,753
Real estate assets held for sale, gross	—	—	159,005	331,378	331,236
Real estate assets held for sale, accumulated depreciation & amortization	—	—	(48,453)	(107,957)	(106,057)
Total real estate assets	2,952,090	2,885,497	3,016,594	3,035,995	3,045,453
Cash and cash equivalents	7,748	4,625	4,571	6,807	8,944
Tenant receivables	10,494	11,693	10,800	10,522	9,323
Straight line rent receivable	171,422	167,346	162,589	158,380	154,297
Notes receivable	—	—	—	3,200	3,200
Escrow deposits and restricted cash	1,480	1,433	1,463	1,374	1,415
Prepaid expenses and other assets	33,086	23,529	25,356	31,012	27,565
Goodwill	98,918	98,918	98,918	98,918	98,918
Interest rate swap	10	554	1,199	4,069	2,679
Deferred lease costs, gross	446,458	432,796	433,759	413,593	401,833
Deferred lease costs, accumulated amortization	(196,339)	(192,949)	(183,611)	(175,194)	(165,115)
Other assets held for sale, gross	—	—	23,237	39,797	39,619
Other assets held for sale, accumulated amortization	—	—	(2,446)	(4,583)	(4,141)
Total assets	**$ 3,525,367**	**$ 3,433,442**	**$ 3,592,429**	**$ 3,623,890**	**$ 3,623,990**
Liabilities:					
Unsecured debt, net of discount	$ 1,472,194	$ 1,375,646	$ 1,495,121	$ 1,524,618	$ 1,529,856
Secured debt	189,782	190,109	190,351	190,753	190,990
Accounts payable, accrued expenses, and accrued capital expenditures	97,502	81,309	129,491	109,087	94,215
Deferred income	24,641	27,053	28,779	27,450	25,532
Intangible lease liabilities, less accumulated amortization	32,724	33,360	35,708	37,986	40,341
Interest rate swaps	5,549	2,443	839	—	—
Total liabilities	**$ 1,822,392**	**$ 1,709,920**	**$ 1,880,289**	**$ 1,889,894**	**$ 1,880,934**
Stockholders' equity:					
Common stock	1,258	1,256	1,262	1,284	1,284
Additional paid in capital	3,687,881	3,686,017	3,683,186	3,682,209	3,681,127
Cumulative distributions in excess of earnings	(1,989,446)	(1,971,184)	(1,982,542)	(1,964,135)	(1,953,291)
Other comprehensive loss	1,530	5,667	8,462	12,851	12,141
Piedmont stockholders' equity	**1,701,223**	**1,721,756**	**1,710,368**	**1,732,209**	**1,741,261**
Non-controlling interest	1,752	1,766	1,772	1,787	1,795
Total stockholders' equity	**1,702,975**	**1,723,522**	**1,712,140**	**1,733,996**	**1,743,056**
Total liabilities, redeemable common stock and stockholders' equity	**$ 3,525,367**	**$ 3,433,442**	**$ 3,592,429**	**$ 3,623,890**	**$ 3,623,990**
Common stock outstanding at end of period	*125,783*	*125,597*	*126,219*	*128,371*	*128,371*

Piedmont Office Realty Trust, Inc.
Consolidated Statements of Income
Unaudited (in thousands except for per share data)

	Three Months Ended				
	6/30/2019	**3/31/2019**	**12/31/2018**	**9/30/2018**	**6/30/2018**
Revenues:					
Rental income [(1)]	$ 102,637	$ 103,659	$ 107,387	$ 101,348	$ 101,478
Tenant reimbursements [(1)]	22,831	22,507	24,532	23,170	22,047
Property management fee revenue	422	1,992	391	368	382
Other property related income	4,778	4,778	4,875	4,822	5,267
	130,668	**132,936**	**137,185**	**129,708**	**129,174**
Expenses:					
Property operating costs	52,380	51,805	55,163	49,679	52,637
Depreciation	26,348	26,525	26,844	26,852	27,115
Amortization	18,461	17,700	16,477	14,840	15,245
General and administrative	12,418	9,368	8,226	6,677	8,258
	109,607	**105,398**	**106,710**	**98,048**	**103,255**
Other income / (expense):					
Interest expense	(15,112)	(15,493)	(15,729)	(15,849)	(15,687)
Other income / (expense)	752	277	158	303	731
Gain / (loss) on sale of real estate [(2)]	1,451	37,887	30,505	—	(23)
Net income	**8,152**	**50,209**	**45,409**	**16,114**	**10,940**
Less: Net (income) / loss attributable to noncontrolling interest	1	(1)	1	—	2
Net income attributable to Piedmont	**$ 8,153**	**$ 50,208**	**$ 45,410**	**$ 16,114**	**$ 10,942**
Weighted average common shares outstanding - diluted	*126,491*	*126,181*	*128,811*	*128,819*	*128,701*
Net income per share available to common stockholders - diluted	**$ 0.06**	**$ 0.40**	**$ 0.35**	**$ 0.13**	**$ 0.09**
Common stock outstanding at end of period	*125,783*	*125,597*	*126,219*	*128,371*	*128,371*

(1) The presentation method used for this line is not in conformance with GAAP. To be in conformance with the current GAAP standard, the Company would need to combine amounts presented on the rental income line with amounts presented on the tenant reimbursements line and present that aggregated figure on one line entitled "rental and tenant reimbursement income." The amounts presented on this line were determined based upon the Company's interpretation of the rental charges and billing method provisions in each of the Company's lease documents.

(2) The gain on sale of real estate reflected in the first quarter of 2019 was primarily related to the sale of One Independence Square in Washington, DC, on which the Company recorded a total gain of $33.1 million. The gain on sale of real estate reflected in the fourth quarter of 2018 was primarily related to the sale of 800 North Brand Boulevard in Glendale, CA, on which the Company recorded a $30.4 million gain.

Piedmont Office Realty Trust, Inc.
Consolidated Statements of Income
Unaudited (in thousands except for per share data)

	Three Months Ended				Six Months Ended			
	6/30/2019	**6/30/2018**	**Change ($)**	**Change (%)**	**6/30/2019**	**6/30/2018**	**Change ($)**	**Change (%)**
Revenues:								
Rental income [1]	$ 102,637	$ 101,478	$ 1,159	1.1 %	$ 206,296	$ 202,932	$ 3,364	1.7 %
Tenant reimbursements [1]	22,831	22,047	784	3.6 %	45,338	45,041	297	0.7 %
Property management fee revenue	422	382	40	10.5 %	2,414	691	1,723	249.3 %
Other property related income	4,778	5,267	(489)	(9.3)%	9,556	10,410	(854)	(8.2)%
	130,668	129,174	1,494	1.2 %	263,604	259,074	4,530	1.7 %
Expenses:								
Property operating costs	52,380	52,637	257	0.5 %	104,185	104,496	311	0.3 %
Depreciation	26,348	27,115	767	2.8 %	52,873	54,260	1,387	2.6 %
Amortization	18,461	15,245	(3,216)	(21.1)%	36,161	31,978	(4,183)	(13.1)%
General and administrative	12,418	8,258	(4,160)	(50.4)%	21,786	14,810	(6,976)	(47.1)%
	109,607	103,255	(6,352)	(6.2)%	215,005	205,544	(9,461)	(4.6)%
Other income / (expense):								
Interest expense	(15,112)	(15,687)	575	3.7 %	(30,605)	(29,445)	(1,160)	(3.9)%
Other income / (expense)	752	731	21	2.9 %	1,029	1,177	(148)	(12.6)%
Gain / (loss) on extinguishment of debt	—	—	—		—	(1,680)	1,680	100.0 %
Gain / (loss) on sale of real estate [2]	1,451	(23)	1,474	6,408.7 %	39,338	45,186	(5,848)	(12.9)%
Net income	**8,152**	**10,940**	**(2,788)**	**(25.5)%**	**58,361**	**68,768**	**(10,407)**	**(15.1)%**
Less: Net (income) / loss attributable to noncontrolling interest	1	2	(1)	(50.0)%	—	4	(4)	(100.0)%
Net income attributable to Piedmont	**$ 8,153**	**$ 10,942**	**$ (2,789)**	**(25.5)%**	**$ 58,361**	**$ 68,772**	**$ (10,411)**	**(15.1)%**
Weighted average common shares outstanding - diluted	*126,491*	*128,701*			*126,404*	*132,432*		
Net income per share available to common stockholders - diluted	$ 0.06	$ 0.09			$ 0.46	$ 0.52		
Common stock outstanding at end of period	*125,783*	*128,371*			*125,783*	*128,371*		

(1) The presentation method used for this line is not in conformance with GAAP. To be in conformance with the current GAAP standard, the Company would need to combine amounts presented on the rental income line with amounts presented on the tenant reimbursements line and present that aggregated figure on one line entitled "rental and tenant reimbursement income." The amounts presented on this line were determined based upon the Company's interpretation of the rental charges and billing method provisions in each of the Company's lease documents.

(2) The gain on sale of real estate for the six months ended June 30, 2019 was primarily related to the sale of One Independence Square in Washington, DC, on which the Company recorded a total gain of $33.1 million. The gain on sale of real estate for the six months ended June 30, 2018 was primarily related to certain assets within the 14-property portfolio sale on which the Company recorded a total of $45.2 million in gains.

Unaudited (in thousands except for per share data)

This section of our supplemental report includes non-GAAP financial measures, including, but not limited to, Earnings Before Interest, Taxes, Depreciation, and Amortization for real estate (EBITDAre), Core Earnings Before Interest, Taxes, Depreciation, and Amortization (Core EBITDA), Funds from Operations (FFO), Core Funds from Operations (Core FFO), and Adjusted Funds from Operations (AFFO). Definitions of these non-GAAP measures are provided on page 38 and reconciliations are provided beginning on page 40.

	Three Months Ended				
Selected Operating Data	**6/30/2019**	**3/31/2019**	**12/31/2018**	**9/30/2018**	**6/30/2018**
Percent leased [1]	92.6 %	93.3 %	93.3 %	93.2 %	90.6 %
Percent leased - economic [1] [2]	85.9 %	85.9 %	86.8 %	86.6 %	85.7 %
Total revenues	$130,668	$132,936	$137,185	$129,708	$129,174
Net income attributable to Piedmont	$8,153	$50,208	$45,410	$16,114	$10,942
Core EBITDA	$69,774	$72,018	$73,932	$73,635	$68,986
Core FFO applicable to common stock	$54,451	$56,315	$57,949	$57,610	$53,088
Core FFO per share - diluted	$0.43	$0.45	$0.45	$0.45	$0.41
AFFO applicable to common stock	$42,370	$51,778	$40,725	$45,505	$39,388
Gross regular dividends [3]	$26,415	$26,375	$26,946	$26,958	$26,950
Regular dividends per share [3]	$0.21	$0.21	$0.21	$0.21	$0.21
Selected Balance Sheet Data					
Total real estate assets, net	$2,952,090	$2,885,497	$3,016,594	$3,035,995	$3,045,453
Total assets	$3,525,367	$3,433,442	$3,592,429	$3,623,890	$3,623,990
Total liabilities	$1,822,392	$1,709,920	$1,880,289	$1,889,894	$1,880,934
Ratios & Information for Debt Holders					
Core EBITDA margin [4]	53.4 %	54.2 %	53.9 %	56.8 %	53.4 %
Fixed charge coverage ratio [5]	4.4 x	4.4 x	4.5 x	4.5 x	4.2 x
Average net debt to Core EBITDA [6]	5.8 x	5.8 x	5.8 x	5.8 x	6.2 x
Total gross real estate assets	$3,857,635	$3,773,844	$3,924,531	$3,977,919	$3,957,079
Net debt [7]	$1,661,060	$1,568,482	$1,688,672	$1,716,852	$1,717,836

(1) Please refer to page 26 for additional leased percentage information.

(2) Economic leased percentage excludes the square footage associated with executed but not commenced leases for currently vacant spaces and the square footage associated with tenants receiving rental abatements (after proportional adjustments for tenants receiving only partial rental abatements). Due to variations in rental abatement structures whereby some abatements are provided for the first few months of each lease year as opposed to being provided entirely at the beginning of the lease, there will be variability to the economic leased percentage over time as abatements commence and expire. Please see the Future Lease Commencements and Abatements section of Financial Highlights for details on near-term abatements for large leases.

(3) Dividends are reflected in the quarter in which they were declared.

(4) Core EBITDA margin is calculated as Core EBITDA divided by total revenues (including revenues associated with discontinued operations).

(5) The fixed charge coverage ratio is calculated as Core EBITDA divided by the sum of interest expense, principal amortization, capitalized interest and preferred dividends. The Company had no preferred dividends during any of the periods presented; the Company had capitalized interest of $562,449 for the quarter ended June 30, 2019, $527,551 for the quarter ended March 31, 2019, $526,032 for the quarter ended December 31, 2018, $374,868 for the quarter ended September 30, 2018, and $346,488 for the quarter ended June 30, 2018; the Company had principal amortization of $251,793 for the quarter ended June 30, 2019, $165,936 for the quarter ended March 31, 2019, $327,313 for the quarter ended December 31, 2018, $161,405 for the quarter ended September 30, 2018, and $239,331 for the quarter ended June 30, 2018.

(6) For the purposes of this calculation, we annualize the period's Core EBITDA and use the average daily balance of debt outstanding during the period, less cash and cash equivalents and escrow deposits and restricted cash as of the end of the period.

(7) Net debt is calculated as the total principal amount of debt outstanding minus cash and cash equivalents and escrow deposits and restricted cash as of the end of the period.

Piedmont Office Realty Trust, Inc.
Funds From Operations, Core Funds From Operations and Adjusted Funds From Operations
Unaudited (in thousands except for per share data)

	Three Months Ended		Six Months Ended	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
GAAP net income applicable to common stock	**$ 8,153**	**$ 10,942**	**$ 58,361**	**$ 68,772**
Depreciation [(1)] [(2)]	26,128	26,894	52,437	53,863
Amortization [(1)]	18,446	15,229	36,131	31,945
Loss / (gain) on sale of properties [(1)]	(1,451)	23	(39,338)	(45,186)
NAREIT funds from operations applicable to common stock	**51,276**	**53,088**	**107,591**	**109,394**
Adjustments:				
Retirement and separation expenses associated with senior management transition	3,175	—	3,175	—
Loss / (gain) on extinguishment of debt	—	—	—	1,680
Core funds from operations applicable to common stock	**54,451**	**53,088**	**110,766**	**111,074**
Adjustments:				
Amortization of debt issuance costs, fair market adjustments on notes payable, and discount on senior notes	525	545	1,048	1,011
Depreciation of non real estate assets	212	213	420	382
Straight-line effects of lease revenue [(1)]	(3,223)	(4,806)	(5,906)	(8,279)
Stock-based and other non-cash compensation expense	2,184	2,513	4,964	2,801
Amortization of lease-related intangibles [(1)]	(2,088)	(1,987)	(4,086)	(3,630)
Non-incremental capital expenditures [(3)]	(9,691)	(10,178)	(13,058)	(18,131)
Adjusted funds from operations applicable to common stock	**$ 42,370**	**$ 39,388**	**$ 94,148**	**$ 85,228**
Weighted average common shares outstanding - diluted	126,491	128,701	126,404	132,432
Funds from operations per share (diluted)	$ 0.41	$ 0.41	$ 0.85	$ 0.83
Core funds from operations per share (diluted)	$ 0.43	$ 0.41	$ 0.88	$ 0.84
Common stock outstanding at end of period	*125,783*	*128,371*	*125,783*	*128,371*

(1) Includes our proportionate share of amounts attributable to consolidated properties and unconsolidated joint ventures.
(2) Excludes depreciation of non real estate assets.
(3) Non-incremental capital expenditures are defined on page 38.

Piedmont Office Realty Trust, Inc.
Same Store Net Operating Income (Cash Basis)
Unaudited (in thousands)

	Three Months Ended		Six Months Ended	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Net income attributable to Piedmont	**$ 8,153**	**$ 10,942**	**$ 58,361**	**$ 68,772**
Net income / (loss) attributable to noncontrolling interest	(1)	(2)	—	(4)
Interest expense (1)	15,112	15,687	30,605	29,445
Depreciation (1)	26,340	27,107	52,858	54,246
Amortization (1)	18,446	15,229	36,131	31,945
Loss / (gain) on sale of properties (1)	(1,451)	23	(39,338)	(45,186)
EBITDAre	**66,599**	**68,986**	**138,617**	**139,218**
Retirement and separation expenses associated with senior management transition	3,175	—	3,175	—
(Gain) / loss on extinguishment of debt	—	—	—	1,680
Core EBITDA (2)	**69,774**	**68,986**	**141,792**	**140,898**
General & administrative expenses (1)	9,244	8,258	18,611	14,810
Management fee revenue (3)	(201)	(200)	(2,023)	(349)
Other (income) / expense (1) (4)	(56)	(157)	(118)	(388)
Straight-line effects of lease revenue (1)	(3,223)	(4,806)	(5,906)	(8,279)
Amortization of lease-related intangibles (1)	(2,088)	(1,987)	(4,086)	(3,630)
Property net operating income (cash basis)	**73,450**	**70,094**	**148,270**	**143,062**
Deduct net operating (income) / loss from:				
Acquisitions (5)	(3,964)	(432)	(7,064)	$ (607)
Dispositions (6)	(895)	(4,746)	(3,747)	$ (10,173)
Other investments (7)	(246)	(333)	(285)	(1,325)
Same store net operating income (cash basis)	**$ 68,345**	**$ 64,583**	**$ 137,174**	**$ 130,957**
Change period over period	*5.8 %*	*N/A*	*4.7 %*	*N/A*

(1) Includes our proportionate share of amounts attributable to consolidated properties and unconsolidated joint ventures.

(2) The Company has historically recognized approximately $2 to $3 million of termination income on an annual basis (over the last 5 years). Given the size of its asset base and the number of tenants with which it conducts business, Piedmont considers termination income of that magnitude to be a normal part of its operations and a recurring part of its revenue stream; however, the recognition of termination income is typically variable between quarters and throughout any given year and is dependent upon when during the year the Company receives termination notices from tenants. During the six months ended June 30, 2019, Piedmont recognized $1.8 million in termination income as compared with $0.6 million during the same period in 2018 and $3.0 million during calendar year 2018.

(3) Presented net of related operating expenses incurred to earn the revenue; therefore, the information presented on this line will not tie to the data presented on the income statements.

(4) Figures presented on this line may not tie back to the relevant sources as some activity is attributable to property operations and is, therefore, presented in property net operating income.

(5) Acquisitions consist of 501 West Church Street in Orlando, FL, purchased on February 23, 2018; 9320 Excelsior Boulevard in Hopkins, MN, purchased on October 25, 2018; 25 Burlington Mall Road in Burlington, MA, purchased on December 12, 2018; and Galleria 100 and land in Atlanta, GA, purchased on May 6, 2019.

(6) Dispositions consist of a 14-property portfolio sold on January 4, 2018 (comprised of 2300 Cabot Drive in Lisle, IL; Windy Point I and II in Schaumburg, IL; Suwanee Gateway One and land in Suwanee, GA; 1200 Crown Colony Drive in Quincy, MA; Piedmont Pointe I and II in Bethesda, MD; 1075 West Entrance Drive and Auburn Hills Corporate Center in Auburn Hills, MI; 5601 Hiatus Road in Tamarac, FL; 2001 NW 64th Street in Ft. Lauderdale, FL; Desert Canyon 300 in Phoenix, AZ; 5301 Maryland Way in Brentwood, TN; and 2120 West End Avenue in Nashville, TN); 800 North Brand Boulevard in Glendale, CA, sold on November 29, 2018; and One Independence Square in Washington, D.C., sold on February 28, 2019.

(7) Other investments consist of active redevelopment and development projects, land, and recently completed redevelopment and development projects for which some portion of operating expenses were capitalized during the current and/or prior year reporting periods. Additional information on our land holdings can be found on page 37. The operating results from Two Pierce Place in Itasca, IL, are included in this line item.

Piedmont Office Realty Trust, Inc.
Same Store Net Operating Income (Cash Basis)
Unaudited (in thousands)

Same Store Net Operating Income (Cash Basis) **Contributions from Strategic Operating Markets**	**Three Months Ended**				**Six Months Ended**			
	6/30/2019		**6/30/2018**		**6/30/2019**		**6/30/2018**	
	$	***%***	***$***	***%***	***$***	***%***	***$***	***%***
New York	$ 11,514	16.8	$ 11,480	17.8	$ 22,574	16.5	$ 22,869	17.5
Atlanta (1)	8,957	13.1	8,252	12.8	18,520	13.5	16,534	12.6
Boston (2)	8,852	13.0	7,982	12.3	17,154	12.5	16,359	12.5
Washington, D.C. (3)	8,217	12.0	4,756	7.4	16,647	12.1	9,148	7.0
Minneapolis (4)	8,113	11.9	7,532	11.6	16,204	11.8	14,932	11.4
Orlando (5)	7,825	11.5	7,368	11.4	15,805	11.5	14,596	11.1
Chicago (6)	6,433	9.4	5,985	9.3	13,004	9.5	12,201	9.3
Dallas (7)	6,320	9.2	5,931	9.2	12,662	9.2	13,628	10.4
Other (8)	2,114	3.1	5,297	8.2	4,604	3.4	10,690	8.2
Total	**$ 68,345**	**100.0**	**$ 64,583**	**100.0**	**$ 137,174**	**100.0**	**$ 130,957**	**100.0**

NOTE: The Company has provided disaggregated financial data for informational purposes for readers; however, regardless of the presentation approach used, we continue to evaluate and utilize our consolidated financial results in making operating decisions, allocating resources, and assessing our performance.

(1) The increase in Atlanta Same Store Net Operating Income for the three months and the six months ended June 30, 2019 as compared to the same periods in 2018 was primarily related to increased economic occupancy at Galleria 200 in Atlanta, GA.

(2) The increase in Boston Same Store Net Operating Income for the three months and the six months ended June 30, 2019 as compared to the same periods in 2018 was primarily due to increased economic occupancy at 5 & 15 Wayside Road in Burlington, MA.

(3) The increase in Washington, D.C. Same Store Net Operating Income for the three months and the six months ended June 30, 2019 as compared to the same periods in 2018 was primarily due to increased economic occupancy at 1201 Eye Street in Washington, D.C., and 4250 North Fairfax Drive, Arlington Gateway, and 3100 Clarendon Boulevard, all located in Arlington, VA. Contributing to the increase in Same Store Net Operating Income for the six months ended June 30, 2019 was the recognition of $1.4 million of lease termination income during the first quarter of 2019 at 400 Virginia Avenue in Washington, D.C.

(4) The increase in Minneapolis Same Store Net Operating Income for the three months and the six months ended June 30, 2019 as compared to the same periods in 2018 was primarily attributable to increased economic occupancy at US Bancorp Center in Minneapolis, MN.

(5) The increase in Orlando Same Store Net Operating Income for the three months and the six months ended June 30, 2019 as compared to the same periods in 2018 was primarily attributable to increased economic occupancy at 400 TownPark in Lake Mary, FL and CNL Center II in Orlando, FL.

(6) The increase in Chicago Same Store Net Operating Income for the three months and the six months ended June 30, 2019 as compared to the same periods in 2018 was primarily attributable to increased economic occupancy at 500 West Monroe Street in Chicago, IL.

(7) The decrease in Dallas Same Store Net Operating Income for the six months ended June 30, 2019 as compared to the same period in 2018 was primarily due to the downtime between the expiration of a whole-building lease and the cash rent commencement of the replacement whole-building lease at 6011 Connection Drive in Irving, TX.

(8) The decrease in Other Same Store Net Operating Income for the three months and the six months ended June 30, 2019 as compared to the same periods in 2018 was primarily due to base rent and operating expense recovery abatements at 1430 Enclave Parkway in Houston, TX, related to the commencement of the primary tenant's lease renewal and expansion in January 2019.

Piedmont Office Realty Trust, Inc.
Same Store Net Operating Income (Accrual Basis)
Unaudited (in thousands)

	Three Months Ended		Six Months Ended	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Net income attributable to Piedmont	**$ 8,153**	**$ 10,942**	**$ 58,361**	**$ 68,772**
Net income / (loss) attributable to noncontrolling interest	(1)	(2)	—	(4)
Interest expense (1)	15,112	15,687	30,605	29,445
Depreciation (1)	26,340	27,107	52,858	54,246
Amortization (1)	18,446	15,229	36,131	31,945
Loss / (gain) on sale of properties (1)	(1,451)	23	(39,338)	(45,186)
EBITDAre	**66,599**	**68,986**	**138,617**	**139,218**
Retirement and separation expenses associated with senior management transition	3,175	—	3,175	—
(Gain) / loss on extinguishment of debt	—	—	—	1,680
Core EBITDA (2)	**69,774**	**68,986**	**141,792**	**140,898**
General & administrative expenses (1)	9,244	8,258	18,611	14,810
Management fee revenue (3)	(201)	(200)	(2,023)	(349)
Other (income) / expense (1) (4)	(56)	(157)	(118)	(388)
Property net operating income (accrual basis)	**78,761**	**76,887**	**158,262**	**154,971**
Deduct net operating (income) / loss from:				
Acquisitions (5)	(4,621)	(696)	(8,098)	(959)
Dispositions (6)	(895)	(4,240)	(2,510)	(9,086)
Other investments (7)	(219)	(298)	(270)	(1,152)
Same store net operating income (accrual basis)	**$ 73,026**	**$ 71,653**	**$ 147,384**	**$ 143,774**
Change period over period	*1.9 %*	*N/A*	*2.5 %*	*N/A*

(1) Includes our proportionate share of amounts attributable to consolidated properties and unconsolidated joint ventures.

(2) The Company has historically recognized approximately $2 to $3 million of termination income on an annual basis (over the last 5 years). Given the size of its asset base and the number of tenants with which it conducts business, Piedmont considers termination income of that magnitude to be a normal part of its operations and a recurring part of its revenue stream; however, the recognition of termination income is typically variable between quarters and throughout any given year and is dependent upon when during the year the Company receives termination notices from tenants. During the six months ended June 30, 2019, Piedmont recognized $1.8 million in termination income as compared with $0.6 million during the same period in 2018 and $3.0 million during calendar year 2018.

(3) Presented net of related operating expenses incurred to earn the revenue; therefore, the information presented on this line will not tie to the data presented on the income statements.

(4) Figures presented on this line may not tie back to the relevant sources as some activity is attributable to property operations and is, therefore, presented in property net operating income.

(5) Acquisitions consist of 501 West Church Street in Orlando, FL, purchased on February 23, 2018; 9320 Excelsior Boulevard in Hopkins, MN, purchased on October 25, 2018; 25 Burlington Mall Road in Burlington, MA, purchased on December 12, 2018; and Galleria 100 and land in Atlanta, GA, purchased on May 6, 2019.

(6) Dispositions consist of a 14-property portfolio sold on January 4, 2018 (comprised of 2300 Cabot Drive in Lisle, IL; Windy Point I and II in Schaumburg, IL; Suwanee Gateway One and land in Suwanee, GA; 1200 Crown Colony Drive in Quincy, MA; Piedmont Pointe I and II in Bethesda, MD; 1075 West Entrance Drive and Auburn Hills Corporate Center in Auburn Hills, MI; 5601 Hiatus Road in Tamarac, FL; 2001 NW 64th Street in Ft. Lauderdale, FL; Desert Canyon 300 in Phoenix, AZ; 5301 Maryland Way in Brentwood, TN; and 2120 West End Avenue in Nashville, TN); 800 North Brand Boulevard in Glendale, CA, sold on November 29, 2018; and One Independence Square in Washington, D.C., sold on February 28, 2019.

(7) Other investments consist of active redevelopment and development projects, land, and recently completed redevelopment and development projects for which some portion of operating expenses were capitalized during the current and/or prior year reporting periods. Additional information on our land holdings can be found on page 37. The operating results from Two Pierce Place in Itasca, IL, are included in this line item.

Unaudited (in thousands)

Same Store Net Operating Income (Accrual Basis) Contributions from Strategic Operating Markets	**Three Months Ended**				**Six Months Ended**			
	6/30/2019		**6/30/2018**		**6/30/2019**		**6/30/2018**	
	$	***%***	***$***	***%***	***$***	***%***	***$***	***%***
New York	$ 11,210	15.4	$ 10,507	14.7	$ 21,237	14.4	$ 20,972	14.6
Washington, D.C. (1)	9,208	12.6	7,406	10.3	19,847	13.5	13,984	9.7
Boston (2)	10,085	13.8	9,189	12.8	19,788	13.4	18,590	12.9
Atlanta	9,218	12.6	9,496	13.3	19,102	13.0	19,129	13.3
Orlando	7,959	10.9	7,886	11.0	16,438	11.2	15,882	11.0
Minneapolis (3)	7,513	10.3	7,311	10.2	15,081	10.2	14,340	10.0
Dallas (4)	7,106	9.7	7,350	10.3	14,210	9.6	15,493	10.8
Chicago (5)	6,640	9.1	6,121	8.5	13,171	8.9	12,512	8.7
Other (6)	4,087	5.6	6,387	8.9	8,510	5.8	12,872	9.0
Total	**$ 73,026**	**100.0**	**$ 71,653**	**100.0**	**$ 147,384**	**100.0**	**$ 143,774**	**100.0**

NOTE: The Company has provided disaggregated financial data for informational purposes for readers; however, regardless of the presentation approach used, we continue to evaluate and utilize our consolidated financial results in making operating decisions, allocating resources, and assessing our performance.

(1) The increase in Washington, D.C. Same Store Net Operating Income for the three months and the six months ended June 30, 2019 as compared to the same periods in 2018 was primarily due to increased rental income resulting from the commencement of new and expansion leases at Arlington Gateway, 4250 North Fairfax Drive and 3100 Clarendon Boulevard, all located in Arlington, VA, as well as 1201 Eye Street in Washington, D.C. Contributing to the increase in Washington, D.C. Same Store Net Operating Income for the six months ended June 30, 2019 was the recognition of $1.4 million of lease termination income during the first quarter of 2019 at 400 Virginia Avenue in Washington, D.C.

(2) The increase in Boston Same Store Net Operating Income for the three months and the six months ended June 30, 2019 as compared to the same periods in 2018 was primarily due to increased rental income resulting from the commencement of new leases at 5 & 15 Wayside Road in Burlington, MA.

(3) The increase in Minneapolis Same Store Net Operating Income for the six months ended June 30, 2019 as compared to the same period in 2018 was primarily due to increased rental income resulting from the commencement of new and expansion leases at US Bancorp Center in Minneapolis, MN.

(4) The decrease in Dallas Same Store Net Operating Income for the six months ended June 30, 2019 as compared to the same period in 2018 was primarily due to decreased rental income associated with a lease expiration at 6031 Connection Drive in Irving, TX.

(5) The increase in Chicago Same Store Net Operating Income for the three months and the six months ended June 30, 2019 as compared to the same periods in 2018 was primarily attributable to increased rental income resulting from the commencement of new leases, along with the expirations of operating expense recovery abatement periods, at 500 West Monroe Street in Chicago, IL.

(6) The decrease in Other Same Store Net Operating Income for the three months and the six months ended June 30, 2019 as compared to the same periods in 2018 was primarily due to an operating expense recovery abatement at 1430 Enclave Parkway in Houston, TX, related to the commencement of the primary tenant's lease renewal and expansion in January 2019.

Piedmont Office Realty Trust, Inc.
Capitalization Analysis
Unaudited (in thousands except for per share data)

	As of June 30, 2019	As of December 31, 2018
Market Capitalization		
Common stock price	$19.93	$17.04
Total shares outstanding	125,783	126,219
Equity market capitalization (1)	$2,506,863	$2,150,764
Total debt - principal amount outstanding (excludes premiums, discounts, and deferred financing costs)	$1,670,288	$1,694,706
Total market capitalization (1)	$4,177,151	$3,845,470
Total debt / Total market capitalization (1)	40.0 %	44.1 %
Ratios & Information for Debt Holders		
Total gross assets (2)	$4,627,251	$4,686,423
Total debt / Total gross assets (2)	36.1 %	36.2 %
Average net debt to Core EBITDA (3)	5.8 x	5.8 x

(1) Reflects common stock closing price, shares outstanding, and outstanding debt as of the end of the reporting period, as appropriate.

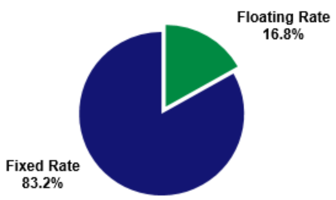
(2) Total gross assets is defined as total assets with the add-back of accumulated depreciation and accumulated amortization related to real estate assets and accumulated amortization related to deferred lease costs.

(3) For the purposes of this calculation, we annualize the Core EBITDA for the quarter and use the average daily balance of debt outstanding during the quarter, less cash and cash equivalents and escrow deposits and restricted cash as of the end of the quarter.

Piedmont Office Realty Trust, Inc.
Debt Summary
As of June 30, 2019
Unaudited ($ in thousands)

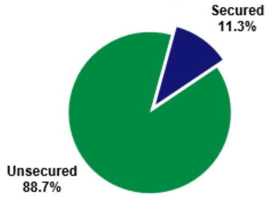
Floating Rate & Fixed Rate Debt

Debt (1)	Principal Amount Outstanding	Weighted Average Stated Interest Rate (2)	Weighted Average Maturity
Floating Rate	$281,000 (3)	3.56%	49.7 months
Fixed Rate	1,389,288	3.79%	46.6 months
Total	**$1,670,288**	**3.75%**	**47.1 months**



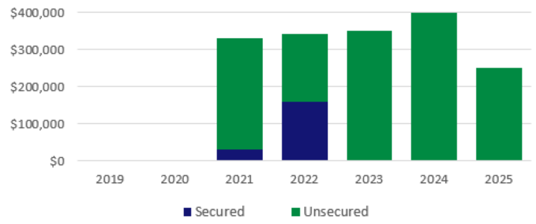
Unsecured & Secured Debt

Debt (1)	Principal Amount Outstanding	Weighted Average Stated Interest Rate (2)	Weighted Average Maturity
Unsecured	$1,481,000	3.75%	48.7 months
Secured	189,288	3.80%	34.6 months
Total	**$1,670,288**	**3.75%**	**47.1 months**



Debt Maturities

Maturity Year	Secured Debt - Principal Amount Outstanding (1)	Unsecured Debt - Principal Amount Outstanding (1)	Weighted Average Stated Interest Rate (2)	Percentage of Total
2019	$—	$—	N/A	—%
2020	—	—	N/A	—%
2021	29,288	300,000	3.41%	19.7%
2022	160,000	181,000 (4)	3.39%	20.4%
2023	—	350,000	3.40%	21.0%
2024	—	400,000	4.45%	23.9%
2025 +	—	250,000	4.07%	15.0%
Total	**$189,288**	**$1,481,000**	**3.75%**	**100.0%**



(1) All of Piedmont's outstanding debt as of June 30, 2019 was interest-only debt with the exception of the $29.3 million of outstanding debt associated with 5 Wall Street located in Burlington, MA.

(2) Weighted average stated interest rate is calculated based upon the principal amounts outstanding.

(3) The amount of floating rate debt represents the $181 million outstanding balance as of June 30, 2019 on the $500 million unsecured revolving credit facility and the $100 million in principal amount of the $250 million unsecured term loan that remained unhedged as of June 30, 2019. The $250 million unsecured term loan that closed in 2018 has a stated variable rate. However, Piedmont entered into interest rate swap agreements to effectively fix the interest rate for a portion of the principal balance of the loan. The Company entered into $100 million in notional amount of seven-year interest rate swap agreements and $50 million in notional amount of two-year interest rate swap agreements, resulting in an effectively fixed interest rate a) on $150 million of the term loan at 4.11% through March 29, 2020 and b) on $100 million of the term loan at 4.21% from March 30, 2020 through the loan's maturity date of March 31, 2025, assuming no credit rating change for the Company. Piedmont's $300 million unsecured term loan has a stated variable interest rate; however, the interest rate has been effectively fixed through interest rate swap agreements. The $300 million unsecured term loan, therefore, is presented herein as a fixed rate loan. Additional details can be found on the following page.

(4) The initial maturity date of the $500 million unsecured revolving credit facility is September 30, 2022; however, there are two, six-month extension options available under the facility providing for a final extended maturity date of September 29, 2023. For the purposes of this schedule, we reflect the maturity date of the facility as the initial maturity date of September 2022.

Piedmont Office Realty Trust, Inc.
Debt Detail
Unaudited ($ in thousands)

Facility (1)	Property	Stated Rate		Maturity	Principal Amount Outstanding as of June 30, 2019
Secured					
$35.0 Million Fixed-Rate Loan (2)	5 Wall Street	5.55 %	(3)	9/1/2021	$ 29,288
$160.0 Million Fixed-Rate Loan	1901 Market Street	3.48 %	(4)	7/5/2022	160,000
Subtotal / Weighted Average (5)		**3.80 %**			**$ 189,288**
Unsecured					
$300.0 Million Unsecured 2011 Term Loan	N/A	3.20 %	(6)	11/30/2021	$ 300,000
$500.0 Million Unsecured Line of Credit (7)	N/A	3.31 %	(8)	9/30/2022	181,000
$350.0 Million Unsecured Senior Notes	N/A	3.40 %	(9)	6/1/2023	350,000
$400.0 Million Unsecured Senior Notes	N/A	4.45 %	(10)	3/15/2024	400,000
$250.0 Million Unsecured Term Loan	N/A	4.07 %	(11)	3/31/2025	250,000
Subtotal / Weighted Average (5)		**3.75 %**			**$ 1,481,000**
Total Debt - Principal Amount Outstanding / Weighted Average Stated Rate (5)		**3.75 %**			**$ 1,670,288**
GAAP Accounting Adjustments (12)					(8,312)
Total Debt - GAAP Amount Outstanding					**$ 1,661,976**

(1) All of Piedmont's outstanding debt as of June 30, 2019, was interest-only debt with the exception of the $29.3 million of outstanding debt associated with 5 Wall Street located in Burlington, MA.

(2) The loan is amortizing based on a 25-year amortization schedule.

(3) The loan has a stated interest rate of 5.55%; however, upon acquiring 5 Wall Street and assuming the loan, the Company marked the debt to its estimated fair value as of that time, resulting in an effective interest rate of 3.75%.

(4) The stated interest rate on the $160 million fixed-rate loan is 3.48%. After the application of interest rate hedges, the effective cost of the financing is approximately 3.58%.

(5) Weighted average is based on the principal amounts outstanding and interest rates at June 30, 2019.

(6) The $300 million unsecured term loan that closed in 2011 has a stated variable rate; however, Piedmont entered into interest rate swap agreements which effectively fix the interest rate on this loan at 3.20% through January 15, 2020, assuming no credit rating change for the Company.

(7) All of Piedmont's outstanding debt as of June 30, 2019, was term debt with the exception of $181 million outstanding on our unsecured revolving credit facility. The $500 million unsecured revolving credit facility has an initial maturity date of September 30, 2022; however, there are two, six-month extension options available under the facility providing for a total extension of up to one year to September 29, 2023. The initial maturity date is presented on this schedule.

(8) The 3.31% interest rate presented for the $500 million unsecured revolving credit facility is the weighted average interest rate for all outstanding draws as of June 30, 2019. Piedmont may select from multiple interest rate options with each draw under the facility, including the prime rate and various length LIBOR locks. The base interest rate associated with each LIBOR interest period selection is subject to an additional spread (0.90% as of June 30, 2019) based on Piedmont's then current credit rating.

(9) The $350 million unsecured senior notes were offered for sale at 99.601% of the principal amount. The resulting effective cost of the financing is approximately 3.45% before the consideration of transaction costs and proceeds from interest rate hedges. After the application of proceeds from interest rate hedges, the effective cost of the financing is approximately 3.43%.

(10) The $400 million unsecured senior notes were offered for sale at 99.791% of the principal amount. The resulting effective cost of the financing is approximately 4.48% before the consideration of transaction costs and proceeds from interest rate hedges. After the application of proceeds from interest rate hedges, the effective cost of the financing is approximately 4.10%.

(11) The $250 million unsecured term loan that closed in 2018 has a stated variable rate; however, Piedmont entered into $100 million in notional amount of seven-year interest rate swap agreements and $50 million in notional amount of two-year interest rate swap agreements, resulting in an effectively fixed interest rate a) on $150 million of the term loan at 4.11% through March 29, 2020 and b) on $100 million of the term loan at 4.21% from March 30, 2020 through the loan's maturity date of March 31, 2025, assuming no credit rating change for the Company. For the portion of the loan that continues to have a variable interest rate, Piedmont may select from multiple interest rate options, including the prime rate and various length LIBOR locks. The base interest rate associated with each LIBOR interest period selection is subject to an additional spread (1.60% as of June 30, 2019) based on Piedmont's then current credit rating.

(12) The GAAP accounting adjustments relate to original issue discounts, third-party fees, and lender fees resulting from the procurement processes for our various debt facilities, along with debt fair value adjustments associated with the assumed 5 Wall Street debt. The original issue discounts and fees, along with the debt fair value adjustments, are amortized to interest expense over the contractual term of the related debt.

Piedmont Office Realty Trust, Inc.
Debt Covenant & Ratio Analysis (for Debt Holders)
As of June 30, 2019
Unaudited

		Three Months Ended				
Bank Debt Covenant Compliance [1]	**Required**	**6/30/2019**	**3/31/2019**	**12/31/2018**	**9/30/2018**	**6/30/2018**
Maximum leverage ratio	0.60	0.34	0.32	0.34	0.34	0.37
Minimum fixed charge coverage ratio [2]	1.50	4.07	4.05	4.15	4.22	4.29
Maximum secured indebtedness ratio	0.40	0.04	0.04	0.04	0.04	0.04
Minimum unencumbered leverage ratio	1.60	3.02	3.28	3.06	3.03	2.79
Minimum unencumbered interest coverage ratio [3]	1.75	4.60	4.50	4.60	4.67	4.82

		Three Months Ended				
Bond Covenant Compliance [4]	**Required**	**6/30/2019**	**3/31/2019**	**12/31/2018**	**9/30/2018**	**6/30/2018**
Total debt to total assets	60% or less	43.1%	41.6%	43.1%	43.2%	43.5%
Secured debt to total assets	40% or less	4.9%	5.0%	4.8%	4.8%	4.8%
Ratio of consolidated EBITDA to interest expense	1.50 or greater	4.77	4.76	4.90	4.98	5.02
Unencumbered assets to unsecured debt	150% or greater	242%	252%	242%	241%	240%

Other Debt Coverage Ratios for Debt Holders	**Three Months Ended June 30, 2019**	**Six Months Ended June 30, 2019**	**Twelve Months Ended December 31, 2018**
Average net debt to core EBITDA [5]	5.8 x	5.8 x	5.8 x
Fixed charge coverage ratio [6]	4.4 x	4.4 x	4.6 x
Interest coverage ratio [7]	4.5 x	4.5 x	4.6 x

(1) Bank debt covenant compliance calculations relate to specific calculations detailed in the relevant credit agreements.

(2) Defined as EBITDA for the trailing four quarters (including the Company's share of EBITDA from unconsolidated interests), excluding one-time or non-recurring gains or losses, less a $0.15 per square foot capital reserve, and excluding the impact of straight line rent leveling adjustments and amortization of intangibles divided by the Company's share of fixed charges, as more particularly described in the credit agreements. This definition of fixed charge coverage ratio as prescribed by our credit agreements is different from the fixed charge coverage ratio definition employed elsewhere within this report.

(3) Defined as net operating income for the trailing four quarters for unencumbered assets (including the Company's share of net operating income from partially-owned entities and subsidiaries that are deemed to be unencumbered) less a $0.15 per square foot capital reserve divided by the Company's share of interest expense associated with unsecured financings only, as more particularly described in the credit agreements.

(4) Bond covenant compliance calculations relate to specific calculations prescribed in the relevant debt agreements. Please refer to the Indenture dated May 9, 2013, and the Indenture and the Supplemental Indenture dated March 6, 2014, for detailed information about the calculations.

(5) For the purposes of this calculation, we use the average daily balance of debt outstanding during the period, less cash and cash equivalents and escrow deposits and restricted cash as of the end of the period.

(6) Fixed charge coverage ratio is calculated as Core EBITDA divided by the sum of interest expense, principal amortization, capitalized interest and preferred dividends. The Company had no preferred dividends during the periods ended June 30, 2019 and December 31, 2018. The Company had capitalized interest of $562,449 for the three months ended June 30, 2019, $1,090,000 for the six months ended June 30, 2019 and $1,354,260 for the twelve months ended December 31, 2018. The Company had principal amortization of $251,793 for the three months ended June 30, 2019, $417,729 for the six months ended June 30, 2019 and $964,090 for the twelve months ended December 31, 2018.

(7) Interest coverage ratio is calculated as Core EBITDA divided by the sum of interest expense and capitalized interest. The Company had capitalized interest of $562,449 for the three months ended June 30, 2019, $1,090,000 for the six months ended June 30, 2019 and $1,354,260 for the twelve months ended December 31, 2018.

Piedmont Office Realty Trust, Inc.
Tenant Diversification (1)
As of June 30, 2019
(in thousands except for number of properties)

Tenant	Credit Rating (2)	Number of Properties	Lease Expiration (3)	Annualized Lease Revenue	Percentage of Annualized Lease Revenue (%)	Leased Square Footage	Percentage of Leased Square Footage (%)
State of New York	AA+ / Aa1	1	2019	$26,613	5.1	477	3.2
US Bancorp	A+ / A1	3	2023 / 2024	26,096	5.0	787	5.2
Independence Blue Cross	No Rating Available	1	2033	19,101	3.6	801	5.3
GE	BBB+ / Baa1	1	2027	16,142	3.1	398	2.6
City of New York	AA / Aa1	1	2020	11,205	2.1	313	2.1
Transocean	B- / B3	1	2036	10,712	2.0	301	2.0
Motorola	BBB- / Baa3	1	2028	9,188	1.7	206	1.4
Harvard University	AAA / Aaa	2	2032 / 2033	8,282	1.6	129	0.8
Schlumberger Technology	A+ / A1	1	2028	7,748	1.5	254	1.7
Nuance Communications	BB- / Ba3	1	2030	6,650	1.3	201	1.3
Raytheon	A+ / A3	2	2024	6,497	1.2	440	2.9
First Data Corporation	BB- / Ba3	1	2027	6,259	1.2	195	1.3
Epsilon Data Management	BBB+ / Baa2	1	2026	6,231	1.2	222	1.5
CVS Caremark	BBB / Baa2	1	2022	5,888	1.1	208	1.4
SunTrust Bank	BBB+ / Baa1	3	2019 - 2025 (4)	5,836	1.1	145	1.0
International Food Policy Research Institute	No Rating Available	1	2029	5,741	1.1	102	0.7
Applied Predictive Technologies	A+ / A1	1	2028	5,615	1.1	125	0.8
Gartner	BB / Ba2	2	2034	5,539	1.1	180	1.2
Cargill	A / A2	1	2023	5,114	1.0	268	1.8
Other			Various	329,745	62.9	9,329	61.8
Total				**$524,202**	**100.0**	**15,081**	**100.0**

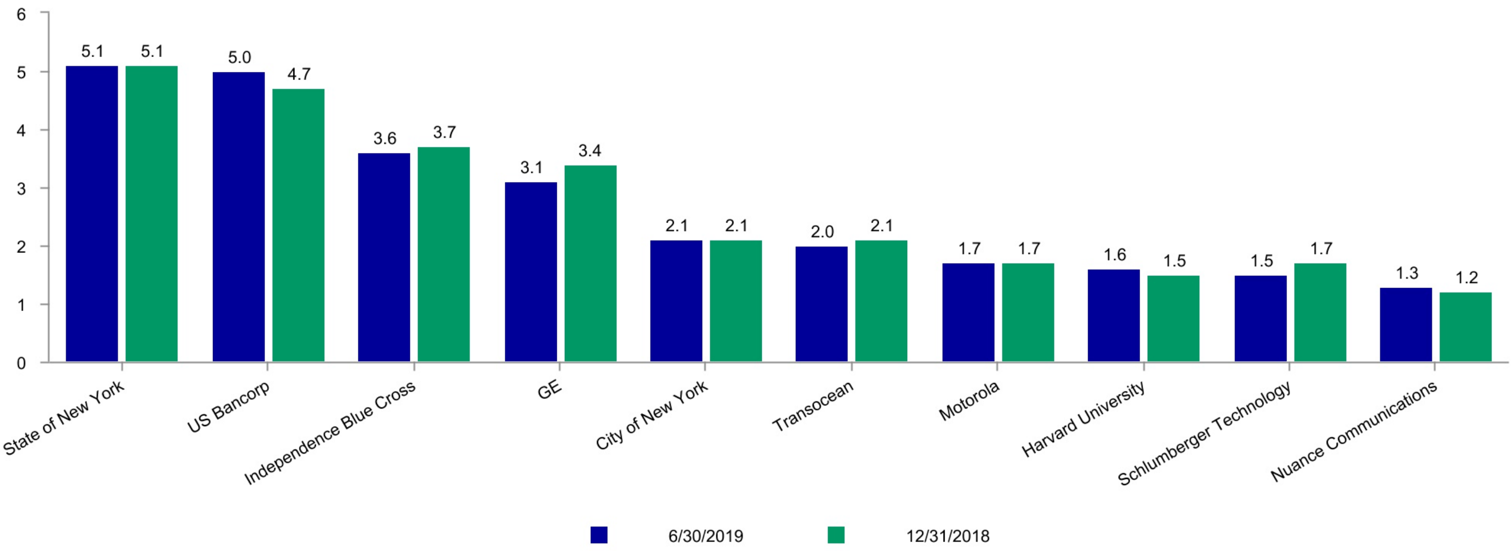
(1) This schedule presents all tenants contributing 1.0% or more to Annualized Lease Revenue.

(2) Credit rating may reflect the credit rating of the parent or a guarantor. When available, both the Standard & Poor's credit rating and the Moody's credit rating are provided. The absence of a credit rating for a tenant is not an indication of the creditworthiness of the tenant; in most cases, the lack of a credit rating reflects that the tenant has not sought such a rating.

(3) Unless otherwise indicated, Lease Expiration represents the expiration year of the majority of the square footage leased by the tenant.

(4) Of the total amount of space leased to the tenant, the lease for approximately 125,000 square feet expires in 2019 and the lease for approximately 16,000 square feet expires in 2025. One additional lease for 4,000 square feet expires in 2024.

Percentage of Annualized Leased Revenue (%)
June 30, 2019 as compared to December 31, 2018



Tenant Credit Rating (1)

Rating Level	Annualized Lease Revenue (in thousands)	Percentage of Annualized Lease Revenue (%)
AAA / Aaa	$16,524	3.2
AA / Aa	49,898	9.5
A / A	86,692	16.5
BBB / Baa	74,542	14.2
BB / Ba	35,895	6.9
B / B	28,945	5.5
Below	1,726	0.3
Not rated (2)	229,980	43.9
Total	**$524,202**	**100.0**

Lease Distribution

Lease Size	Number of Leases	Percentage of Leases (%)	Annualized Lease Revenue (in thousands)	Percentage of Annualized Lease Revenue (%)	Leased Square Footage (in thousands)	Percentage of Leased Square Footage (%)
2,500 or Less	289	34.0	$26,656	5.1	248	1.6
2,501 - 10,000	309	36.4	56,751	10.8	1,608	10.7
10,001 - 20,000	102	12.0	47,747	9.1	1,403	9.3
20,001 - 40,000	72	8.5	74,176	14.2	2,056	13.6
40,001 - 100,000	41	4.8	89,890	17.1	2,475	16.4
Greater than 100,000	37	4.3	228,982	43.7	7,291	48.4
Total	**850**	**100.0**	**$524,202**	**100.0**	**15,081**	**100.0**

(1) Credit rating may reflect the credit rating of the parent or a guarantor. Where differences exist between the Standard & Poor's credit rating for a tenant and the Moody's credit rating for a tenant, the higher credit rating is selected for this analysis.

(2) The classification of a tenant as "not rated" is not an indication of the creditworthiness of the tenant; in most cases, the lack of a credit rating reflects that the tenant has not sought such a rating. Included in this category are such tenants as Independence Blue Cross, Piper Jaffray, Brother International, and RaceTrac Petroleum.

Piedmont Office Realty Trust, Inc.
Leased Percentage Information
(in thousands)

	Three Months Ended June 30, 2019			Three Months Ended June 30, 2018		
	Leased Square Footage	Rentable Square Footage	Percent Leased (1)	Leased Square Footage	Rentable Square Footage	Percent Leased (1)
As of March 31, 20xx	**14,817**	**15,876**	**93.3 %**	**14,765**	**16,172**	**91.3 %**
Leases signed during the period	517			424		
Less:						
Lease renewals signed during period	(282)			(284)		
New leases signed during period for currently occupied space	(148)			(75)		
Leases expired during period and other	(201)	(2)		(178)	4	
Subtotal	**14,703**	**15,874**	**92.6 %**	**14,652**	**16,176**	**90.6 %**
Acquisitions and properties placed in service during period (2)	378	414		—	—	
Dispositions and properties taken out of service during period (2)	—	—		—	—	
As of June 30, 20xx	**15,081**	**16,288**	**92.6 %**	**14,652**	**16,176**	**90.6 %**

	Six Months Ended June 30, 2019			Six Months Ended June 30, 2018		
	Leased Square Footage	Rentable Square Footage	Percent Leased (1)	Leased Square Footage	Rentable Square Footage	Percent Leased (1)
As of December 31, 20xx	**15,128**	**16,208**	**93.3 %**	**17,091**	**19,061**	**89.7 %**
Leases signed during period	1,316			765		
Less:						
Lease renewals signed during period	(924)			(476)		
New leases signed during period for currently occupied space	(212)			(76)		
Leases expired during period and other	(292)	—		(393)	4	
Subtotal	**15,016**	**16,208**	**92.6 %**	**16,911**	**19,065**	**88.7 %**
Acquisitions and properties placed in service during period (2)	378	414		182	182	
Dispositions and properties taken out of service during period (2)	(313)	(334)		(2,441)	(3,071)	
As of June 30, 20xx	**15,081**	**16,288**	**92.6 %**	**14,652**	**16,176**	**90.6 %**

Same Store Analysis						
Less acquisitions / dispositions after June 30, 2018 and developments / redevelopments (2) (3)	(896)	(970)	92.4 %	(789)	(861)	91.6 %
Same Store Leased Percentage	**14,185**	**15,318**	**92.6 %**	**13,863**	**15,315**	**90.5 %**

(1) Calculated as square footage associated with commenced leases as of period end with the addition of square footage associated with uncommenced leases for spaces vacant as of period end, divided by total rentable square footage as of period end, expressed as a percentage.

(2) For additional information on acquisitions and dispositions completed during the last year and current developments and redevelopments, please refer to pages 36 and 37, respectively.

(3) Dispositions completed during the previous twelve months are deducted from the previous period data and acquisitions completed during the previous twelve months are deducted from the current period data. Redevelopments commenced during the previous twelve months are deducted from the previous period data and developments and redevelopments placed in service during the previous twelve months are deducted from the current period data.

Piedmont Office Realty Trust, Inc.
Rental Rate Roll Up / Roll Down Analysis [1]
(in thousands)

	Three Months Ended June 30, 2019				
	Square Feet	% of Total Signed During Period	% of Rentable Square Footage	% Change Cash Rents [2]	% Change Accrual Rents [3] [4]
Leases executed for spaces vacant one year or less	385	74.5%	2.4%	14.4%	17.9%
Leases executed for spaces excluded from analysis [5]	132	25.5%			

	Six Months Ended June 30, 2019				
	Square Feet	% of Total Signed During Period	% of Rentable Square Footage	% Change Cash Rents [2]	% Change Accrual Rents [3] [4]
Leases executed for spaces vacant one year or less	515	61.5%	3.2%	13.1%	18.0%
Leases executed for spaces excluded from analysis [5]	323	38.5%			
New York State short-term extension	477				

(1) The population analyzed consists of consolidated leases executed during the period with lease terms of greater than one year. Leases associated with storage spaces, management offices, newly acquired assets for which there is less than one year of operating history, and unconsolidated joint venture assets are excluded from this analysis.

(2) For the purposes of this analysis, the last twelve months of cash paying rents of the previous leases are compared to the first twelve months of cash paying rents of the new leases in order to calculate the percentage change.

(3) For the purposes of this analysis, the accrual basis rents of the previous leases are compared to the accrual basis rents of the new leases in order to calculate the percentage change. For newly signed leases which have variations in accrual basis rents, whether because of known future expansions, contractions, lease expense recovery structure changes, or other similar reasons, the weighted average of such varying accrual basis rents is used for the purposes of this analysis.

(4) For leases under which a tenant may use, at its discretion, a portion of its tenant improvement allowance for expenses other than those related to improvements to its space, an assumption is made that the tenant elects to use any such portion of its tenant improvement allowance for improvements to its space prior to the commencement of its lease, unless the Company is notified otherwise by the tenant. This assumption is made based upon historical usage patterns of tenant improvement allowances by the Company's tenants.

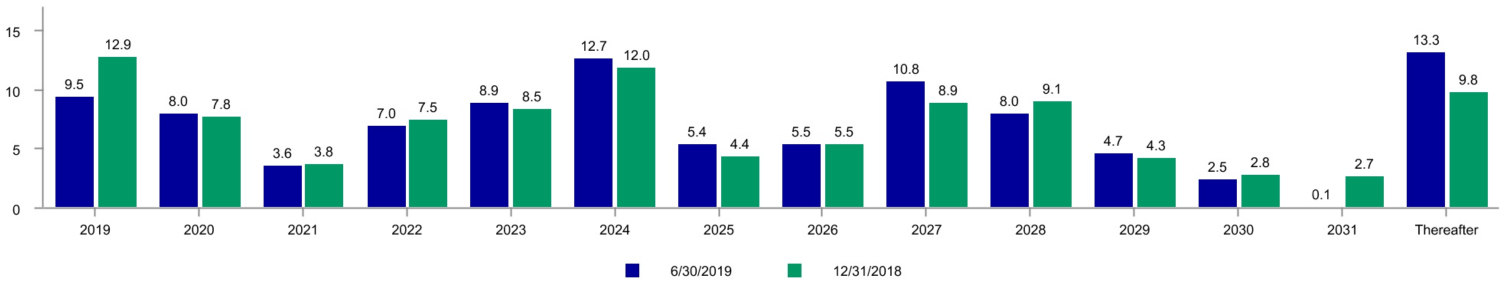
(5) Represents leases signed at our consolidated office assets that do not qualify for inclusion in the analysis primarily because the spaces for which the new leases were signed had been vacant for more than one year.

Piedmont Office Realty Trust, Inc.
Lease Expiration Schedule
As of June 30, 2019
(in thousands)

Expiration Year	Annualized Lease Revenue (1)	Percentage of Annualized Lease Revenue (%)	Rentable Square Footage	Percentage of Rentable Square Footage (%)
Vacant	$—	—	1,207	7.4
2019 (2)	49,791	9.5	1,208	7.4
2020 (3)	42,061	8.0	1,314	8.1
2021	18,850	3.6	582	3.6
2022	36,458	7.0	1,146	7.0
2023	46,642	8.9	1,532	9.4
2024	66,463	12.7	2,279	14.0
2025	28,359	5.4	823	5.1
2026	28,851	5.5	861	5.3
2027	56,816	10.8	1,502	9.2
2028	42,146	8.0	1,098	6.7
2029	24,624	4.7	644	4.0
2030	12,903	2.5	343	2.1
2031	314	0.1	6	—
Thereafter	69,924	13.3	1,743	10.7
Total / Weighted Average	**$524,202**	**100.0**	**16,288**	**100.0**

Average Lease Term Remaining	
6/30/2019	6.4 years
12/31/2018	6.6 years

Percentage of Annualized Lease Revenue (%)



(1) Annualized rental income associated with each newly executed lease for currently occupied space is incorporated herein only at the expiration date for the current lease. Annualized rental income associated with each such new lease is removed from the expiry year of the current lease and added to the expiry year of the new lease. These adjustments effectively incorporate known roll ups and roll downs into the expiration schedule.

(2) Includes leases with an expiration date of June 30, 2019, comprised of approximately 30,000 square feet and Annualized Lease Revenue of $0.9 million.

(3) Leases and other revenue-producing agreements on a month-to-month basis, comprised of approximately 14,000 square feet and Annualized Lease Revenue of $0.4 million, are assigned a lease expiration date of a year and a day beyond the period end date.

Piedmont Office Realty Trust, Inc.
Lease Expirations by Quarter
As of June 30, 2019
(in thousands)

	Q3 2019 [(1)]		Q4 2019		Q1 2020		Q2 2020	
Location	**Expiring Square Footage**	**Expiring Lease Revenue [(2)]**	**Expiring Square Footage**	**Expiring Lease Revenue [(2)]**	**Expiring Square Footage**	**Expiring Lease Revenue [(2)]**	**Expiring Square Footage**	**Expiring Lease Revenue [(2)]**
Atlanta	160	$4,878	55	$1,170	19	$590	36	$1,063
Boston	30	1,132	28	991	52	1,336	4	162
Chicago	—	—	11	477	—	—	12	348
Dallas	78	2,073	47	1,588	18	593	25	642
Minneapolis	8	78	115	3,671	6	243	22	1,015
New York	544	29,676	—	25	—	5	438	13,779
Orlando	36	1,382	70	2,192	22	652	8	235
Washington, D.C.	6	170	20	941	8	402	18	808
Other	—	—	—	—	—	—	—	—
Total / Weighted Average [(3)]	**862**	**$39,389**	**346**	**$11,055**	**125**	**$3,821**	**563**	**$18,052**

(1) Includes leases with an expiration date of June 30, 2019, comprised of approximately 30,000 square feet and expiring lease revenue of $1.0 million. No such adjustments are made to other periods presented.

(2) Expiring Lease Revenue is calculated as expiring square footage multiplied by the gross rent per square foot of the tenant currently leasing the space.

(3) Total expiring lease revenue in any given year will not tie to the expiring Annualized Lease Revenue presented on the Lease Expiration Schedule on the previous page as the Lease Expiration Schedule accounts for the revenue effects of newly signed leases. Reflected herein are expiring revenues based on in-place rental rates.

Piedmont Office Realty Trust, Inc.
Lease Expirations by Year
As of June 30, 2019
(in thousands)

	12/31/2019 [(1)]		12/31/2020		12/31/2021		12/31/2022		12/31/2023	
Location	Expiring Square Footage	Expiring Lease Revenue [(2)]	Expiring Square Footage	Expiring Lease Revenue [(2)]	Expiring Square Footage	Expiring Lease Revenue [(2)]	Expiring Square Footage	Expiring Lease Revenue [(2)]	Expiring Square Footage	Expiring Lease Revenue [(2)]
Atlanta	215	$6,048	219	$6,059	147	$4,242	309	$9,167	138	$4,349
Boston	59	2,123	197	5,176	113	2,889	114	5,153	108	4,221
Chicago	11	477	17	585	—	—	6	309	13	573
Dallas	125	3,661	127	3,811	101	3,102	414	12,772	397	11,056
Minneapolis	122	3,749	114	4,502	76	2,663	62	2,287	698	19,301
New York	544	29,701	498	16,091	28	1,458	79	2,706	22	1,327
Orlando	106	3,573	47	1,279	37	1,119	140	4,387	93	2,863
Washington, D.C.	26	1,111	95	4,623	80	3,892	22	1,133	62	3,007
Other	—	—	—	—	—	—	—	2	1	45
Total / Weighted Average [(3)]	**1,208**	**$50,443**	**1,314**	**$42,126**	**582**	**$19,365**	**1,146**	**$37,916**	**1,532**	**$46,742**

(1) Includes leases with an expiration date of June 30, 2019, comprised of approximately 30,000 square feet and expiring lease revenue of $1.0 million. No such adjustments are made to other periods presented.

(2) Expiring Lease Revenue is calculated as expiring square footage multiplied by the gross rent per square foot of the tenant currently leasing the space.

(3) Total expiring lease revenue in any given year will not tie to the expiring Annualized Lease Revenue presented on the Lease Expiration Schedule on page 28 as the Lease Expiration Schedule accounts for the revenue effects of newly signed leases. Reflected herein are expiring revenues based on in-place rental rates.

Piedmont Office Realty Trust, Inc.
Capital Expenditures
For the quarter ended June 30, 2019
Unaudited (in thousands)

	For the Three Months Ended				
	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Non-incremental					
Building / construction / development	$ 1,004	$ 1,283	$ 2,041	$ 1,817	$ 546
Tenant improvements	6,869	1,346	10,154	4,144	4,718
Leasing costs	1,818	738	4,402	3,315	4,914
Total non-incremental	**9,691**	**3,367**	**16,597**	**9,276**	**10,178**
Incremental					
Building / construction / development	7,453	7,536	8,122	8,000	6,030
Tenant improvements	1,625	4,865	8,053	5,321	2,734
Leasing costs	907	1,415	6,475	1,329	1,681
Total incremental	**9,985**	**13,816**	**22,650**	**14,650**	**10,445**
Total capital expenditures	**$ 19,676**	**$ 17,183**	**$ 39,247**	**$ 23,926**	**$ 20,623**

NOTE: The information presented on this page is for all consolidated assets.

Contractual Tenant Improvements and Leasing Commission

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019	For the Year Ended 2018	2017	2016	2015	2014	2013	2013 to YTD 2019 *(Weighted Average or Total)*
Renewal Leases									
Square feet	277,068	933,007	735,969	1,198,603	880,289	1,334,398	959,424	2,376,177	8,417,867
Tenant improvements per square foot per year of lease term (1)	$3.00	$2.50	$4.15	$1.84	$1.35	$2.90	$2.97	$1.88	$2.34
Leasing commissions per square foot per year of lease term	$1.67	$1.48	$1.69	$1.12	$1.05	$1.42	$1.30	$0.62	$1.06
Total per square foot per year of lease term	$4.67 (2)	$3.98 (2)	$5.84 (3)	$2.96	$2.40	$4.32 (4)	$4.27 (5)	$2.50	$3.40
New Leases									
Square feet	234,456	372,141	864,113	855,069	1,065,630	1,563,866	1,142,743	1,050,428	6,913,990
Tenant improvements per square foot per year of lease term (1)	$4.43	$4.25	$4.58	$4.73	$5.01	$5.68	$3.78	$4.17	$4.73
Leasing commissions per square foot per year of lease term	$1.77	$1.76	$1.73	$1.83	$1.86	$1.90	$1.66	$1.51	$1.76
Total per square foot per year of lease term	$6.20	$6.01	$6.31 (3)	$6.56	$6.87	$7.58 (6)	$5.44	$5.68	$6.49
Total									
Square feet	511,524	1,305,148	1,600,082	2,053,672	1,945,919	2,898,264	2,102,167	3,426,605	15,331,857
Tenant improvements per square foot per year of lease term (1)	$3.95	$3.58	$4.46	$3.55	$3.70	$4.79	$3.48	$2.64	$3.72
Leasing commissions per square foot per year of lease term	$1.74	$1.66	$1.72	$1.54	$1.57	$1.75	$1.53	$0.91	$1.46
Total per square foot per year of lease term	$5.69	$5.24	$6.18 (3)	$5.09	$5.27	$6.54 (6)	$5.01 (5)	$3.55	$5.18
Less Adjustment for Commitment Expirations (7)									
Expired tenant improvements (not paid out) per square foot per year of lease term	-$0.07	-$0.12	-$0.54	-$0.44	-$0.16	-$0.33	-$0.71	$-0.69	-$0.48
Adjusted total per square foot per year of lease term	$5.62	$5.12	$5.64	$4.65	$5.11	$6.21	$4.30	$2.86	$4.70

NOTE: This information is presented for our consolidated office assets only and excludes activity associated with storage and license spaces.

(1) For leases under which a tenant may use, at its discretion, a portion of its tenant improvement allowance for expenses other than those related to improvements to its space, an assumption is made that the tenant elects to use any such portion of its tenant improvement allowance for improvements to its space prior to the commencement of its lease, unless the Company is notified otherwise by the tenant. This assumption is made based upon historical usage patterns of tenant improvement allowances by the Company's tenants.

(2) During the second quarter of 2019, we completed one large lease renewal and expansion with a significant capital commitment with VMware at 1155 Perimeter Center West in Atlanta, GA. If the costs associated with this lease were to be removed from the average committed capital cost calculation, the average committed capital cost per square foot per year of lease term for renewal leases completed during the three months and the six months ended June 30, 2019 would be $3.48 and $3.09, respectively.

(3) During 2018, we completed two large leasing transactions in the Houston, TX market with large capital commitments: a 254,000 square foot lease renewal and expansion with Schlumberger Technology Corporation at 1430 Enclave Parkway and a 301,000 square foot, full-building lease with Transocean Offshore Deepwater Drilling at Enclave Place. If the costs associated with those leases were to be removed from the average committed capital cost calculation, the average committed capital cost per square foot per year of lease term for renewal leases, new leases and total leases completed during the twelve months ended December 31, 2018 would be $5.27, $6.02, and $5.70, respectively.

(4) The average committed capital cost per square foot per year of lease term for renewal leases completed during 2015 was higher than our historical performance on this measure primarily as a result of four large lease renewals, two of which were completed in the Washington, DC, market, that involved higher capital commitments. If the costs associated with those renewals were to be removed from the average committed capital cost calculation, the average committed capital cost per square foot per year of lease term for renewal leases completed during 2015 would be $3.33.

(5) During 2014, we completed one large, 15-year lease renewal and expansion with a significant capital commitment with Jones Lang LaSalle at Aon Center in Chicago, IL. If the costs associated with this lease were to be removed from the average committed capital cost calculation, the average committed capital cost per square foot per year of lease term for renewal leases and total leases completed during 2014 would be $2.12 and $4.47, respectively.

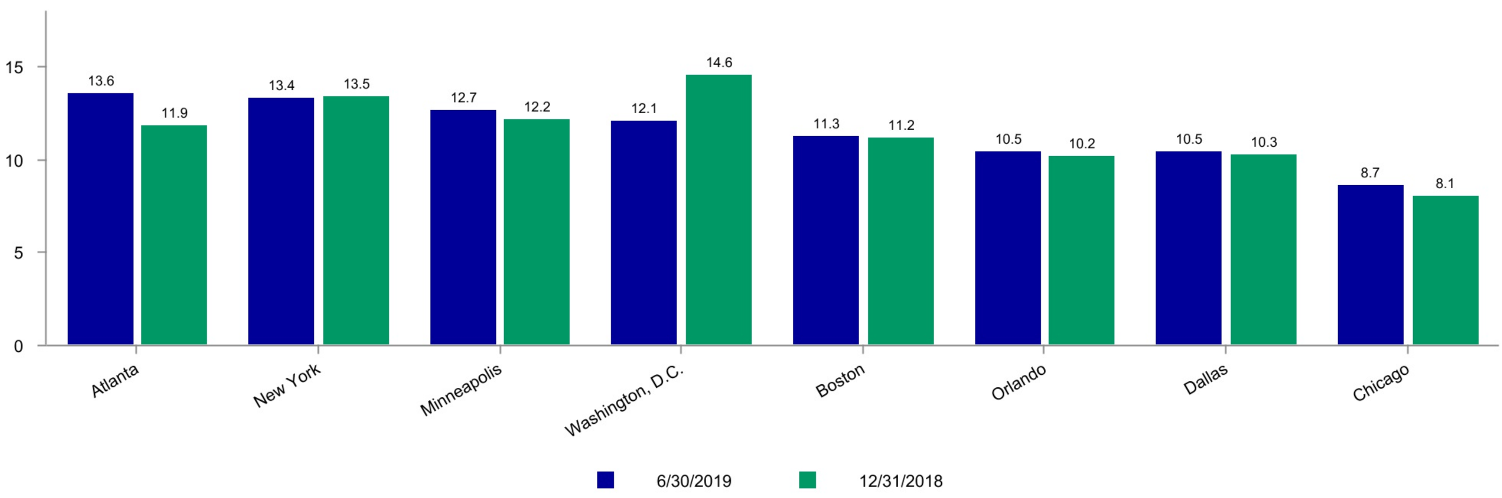
(6) During 2015, we completed seven new leases in Washington, DC, and Chicago, IL, comprising 680,035 square feet, with above-average capital commitments. If the costs associated with those new leases were to be removed from the average committed capital cost calculation, the average committed capital cost per square foot per year of lease term for new leases and total leases completed during 2015 would be $5.42 and $4.88, respectively.

(7) The Company has historically reported the maximum amount of capital to which it committed in leasing transactions as of the signing of the leases with no subsequent updates for variations and/or changes in tenants' uses of tenant improvement allowances. Many times, tenants do not use the full allowance provided in their leases or let portions of their tenant improvement allowances expire. In an effort to provide additional clarity on the actual cost of completed leasing transactions, tenant improvement allowances that expired or became no longer available to tenants are disclosed in this section and are deducted from the capital commitments per square foot of leased space in the periods in which they expired in an effort to provide a better estimation of leasing transaction costs over time.

Piedmont Office Realty Trust, Inc.
Geographic Diversification
As of June 30, 2019
($ and square footage in thousands)

Location	Number of Properties	Annualized Lease Revenue	Percentage of Annualized Lease Revenue (%)	Rentable Square Footage	Percentage of Rentable Square Footage (%)	Leased Square Footage	Percent Leased (%)
Atlanta	8	$71,546	13.6	2,661	16.3	2,440	91.7
New York	4	70,027	13.4	1,772	10.9	1,720	97.1
Minneapolis	6	66,367	12.7	2,104	12.9	2,015	95.8
Washington, D.C.	6	63,281	12.1	1,618	9.9	1,227	75.8
Boston	10	59,254	11.3	1,882	11.6	1,804	95.9
Orlando	6	55,210	10.5	1,755	10.8	1,692	96.4
Dallas	10	55,174	10.5	2,114	13.0	1,858	87.9
Chicago	1	45,715	8.7	967	5.9	964	99.7
Other	3	37,628	7.2	1,415	8.7	1,361	96.2
Total / Weighted Average	**54**	**$524,202**	**100.0**	**16,288**	**100.0**	**15,081**	**92.6**

Percentage of Annualized Lease Revenue (%)



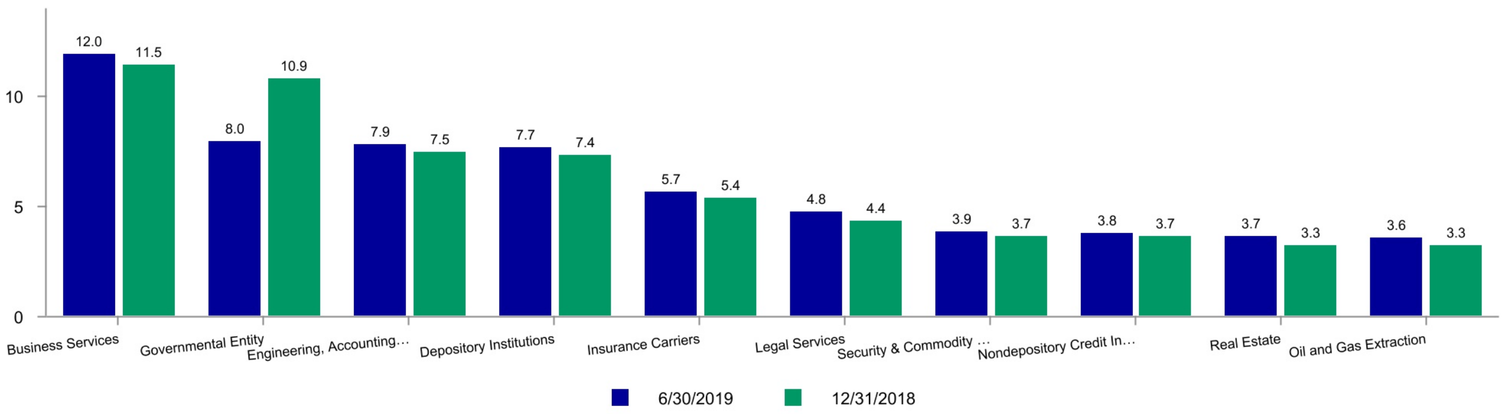
Piedmont Office Realty Trust, Inc.
Geographic Diversification by Location Type
As of June 30, 2019
(square footage in thousands)

		CBD / URBAN INFILL				SUBURBAN				TOTAL			
Location	**State**	**Number of Properties**	**Percentage of Annualized Lease Revenue (%)**	**Rentable Square Footage**	**Percentage of Rentable Square Footage (%)**	**Number of Properties**	**Percentage of Annualized Lease Revenue (%)**	**Rentable Square Footage**	**Percentage of Rentable Square Footage (%)**	**Number of Properties**	**Percentage of Annualized Lease Revenue (%)**	**Rentable Square Footage**	**Percentage of Rentable Square Footage (%)**
Atlanta	GA	7	13.4	2,523	15.5	1	0.2	138	0.8	8	13.6	2,661	16.3
New York	NY, NJ	1	9.5	1,033	6.4	3	3.9	739	4.5	4	13.4	1,772	10.9
Minneapolis	MN	1	6.7	937	5.7	5	6.0	1,167	7.2	6	12.7	2,104	12.9
Washington, D.C.	DC, VA	6	12.1	1,618	9.9	—	—	—	—	6	12.1	1,618	9.9
Boston	MA	2	2.5	174	1.1	8	8.8	1,708	10.5	10	11.3	1,882	11.6
Orlando	FL	4	8.9	1,445	8.9	2	1.6	310	1.9	6	10.5	1,755	10.8
Dallas	TX	2	2.8	440	2.7	8	7.7	1,674	10.3	10	10.5	2,114	13.0
Chicago	IL	1	8.7	967	5.9	—	—	—	—	1	8.7	967	5.9
Other		1	3.6	801	4.9	2	3.6	614	3.8	3	7.2	1,415	8.7
Total / Weighted Average		**25**	**68.2**	**9,938**	**61.0**	**29**	**31.8**	**6,350**	**39.0**	**54**	**100.0**	**16,288**	**100.0**

Piedmont Office Realty Trust, Inc.
Industry Diversification
As of June 30, 2019
($ and square footage in thousands)

Industry	Number of Tenants	Percentage of Total Tenants (%)	Annualized Lease Revenue	Percentage of Annualized Lease Revenue (%)	Leased Square Footage	Percentage of Leased Square Footage (%)
Business Services	84	12.2	$62,760	12.0	1,887	12.5
Governmental Entity	6	0.9	42,182	8.0	869	5.8
Engineering, Accounting, Research, Management & Related Services	89	12.9	41,510	7.9	1,175	7.8
Depository Institutions	16	2.3	40,433	7.7	1,158	7.7
Insurance Carriers	17	2.5	29,770	5.7	1,125	7.5
Legal Services	60	8.7	24,943	4.8	760	5.0
Security & Commodity Brokers, Dealers, Exchanges & Services	47	6.8	20,577	3.9	592	3.9
Nondepository Credit Institutions	14	2.0	20,063	3.8	499	3.3
Real Estate	35	5.1	19,383	3.7	539	3.6
Oil and Gas Extraction	4	0.6	18,873	3.6	567	3.8
Electronic & Other Electrical Equipment & Components, Except Computer	10	1.4	17,320	3.3	445	3.0
Communications	47	6.8	16,140	3.1	430	2.9
Eating & Drinking Places	43	6.2	15,440	2.9	465	3.1
Automotive Repair, Services & Parking	7	1.0	15,351	2.9	4	—
Holding and Other Investment Offices	26	3.8	13,591	2.6	398	2.6
Other	186	26.8	125,866	24.1	4,168	27.5
Total	**691**	**100.0**	**$524,202**	**100.0**	**15,081**	**100.0**

Percentage of Annualized Lease Revenue (%)



Piedmont Office Realty Trust, Inc.
Property Investment Activity
As of June 30, 2019
($ and square footage in thousands)

Acquisitions Over Previous Eighteen Months

Property	Market / Submarket	Acquisition Date	Percent Ownership (%)	Year Built	Purchase Price	Rentable Square Footage	Percent Leased at Acquisition (%)
501 West Church Street	Orlando / CBD	2/23/2018	100	2003	$28,000	182	100
9320 Excelsior Boulevard	Minneapolis / West-Southwest	10/25/2018	100	2010	48,665	268	100
25 Burlington Mall Road	Boston / Route 128 North	12/12/2018	100	1987	74,023	288	89
Galleria 100	Atlanta / Northwest	5/6/2019	100	1982	91,624	414	91
Galleria Land	Atlanta / Northwest	5/6/2019	100	NA	3,500	NA	NA
Total / Weighted Average					$245,812	1,152	94

Dispositions Over Previous Eighteen Months

Property	Market / Submarket	Disposition Date	Percent Ownership (%)	Year Built	Sale Price	Rentable Square Footage	Percent Leased at Disposition (%)
14-Property Portfolio Sale (1)	Various	1/4/2018	100	Various	$430,385	2,585	76
800 North Brand Boulevard	Los Angeles / Tri-Cities	11/29/2018	100	1990	160,000	527	90
One Independence Square	Washington, DC / Southwest	2/28/2019	100	1991	170,000	334	94
Total / Weighted Average					$760,385	3,446	80

(1) On January 4, 2018, Piedmont completed the disposition of a 14-property portfolio comprised of 2300 Cabot Drive in Lisle, IL; Windy Point I and II in Schaumburg, IL; Suwanee Gateway One and land in Suwanee, GA; 1200 Crown Colony Drive in Quincy, MA; Piedmont Pointe I and II in Bethesda, MD; 1075 West Entrance Drive and Auburn Hills Corporate Center in Auburn Hills, MI; 5601 Hiatus Road in Tamarac, FL; 2001 NW 64th Street in Ft. Lauderdale, FL; Desert Canyon 300 in Phoenix, AZ; 5301 Maryland Way in Brentwood, TN; and 2120 West End Avenue in Nashville, TN. The sale price presented for the 14-property portfolio includes a $4.5 million earnout payment attributable to approximately 150,000 square feet of additional "in-process" leasing activity that was completed at the properties subsequent to the sale.

Piedmont Office Realty Trust, Inc.
Other Investments
As of June 30, 2019
($ and square footage in thousands)

Developable Land Parcels

Property	Market / Submarket	Adjacent Piedmont Property	Acres	Real Estate Book Value
Gavitello	Atlanta / Buckhead	The Medici	2.0	$2,665
Glenridge Highlands Three	Atlanta / Central Perimeter	Glenridge Highlands One and Two	3.0	2,002
Galleria	Atlanta / Northwest	Galleria 100, 200 and 300	1.5	3,530
State Highway 161	Dallas / Las Colinas	Las Colinas Corporate Center I and II, 161 Corporate Center	4.5	3,320
Royal Lane	Dallas / Las Colinas	6011, 6021 and 6031 Connection Drive	10.6	2,834
John Carpenter Freeway	Dallas / Las Colinas	750 West John Carpenter Freeway	3.5	1,000
TownPark	Orlando / Lake Mary	400 and 500 TownPark	18.9	6,350
Total			**44.0**	**$21,701**

Redevelopment - Lease-Up

Property	Market / Submarket	Adjacent Piedmont Property	Construction Type	Actual or Targeted Completion Date	Percent Leased (%)	Square Feet
Two Pierce Place	Chicago / Northwest	Not Applicable	Redevelopment	Q4 2018	42	487

Included below are definitions of various terms used throughout this supplemental report, including definitions of certain non-GAAP financial measures and the reasons why the Company's management believes these measures provide useful information to investors about the Company's financial condition and results of operations. Reconciliations of any non-GAAP financial measures defined below are included beginning on page 40.

Adjusted Funds From Operations ("AFFO"): The Company calculates AFFO by starting with Core FFO and adjusting for non-incremental capital expenditures and acquisition-related costs (that are not capitalized) and then adding back non-cash items including: non-real estate depreciation, straight-lined rents and fair value lease adjustments, non-cash components of interest expense and compensation expense, and by making similar adjustments for unconsolidated partnerships and joint ventures. AFFO is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company's operating performance. The Company believes that AFFO is helpful to investors as a meaningful supplemental comparative performance measure of our ability to make incremental capital investments. Other REITs may not define AFFO in the same manner as the Company; therefore, the Company's computation of AFFO may not be comparable to that of other REITs.

Annualized Lease Revenue ("ALR"): ALR is calculated by multiplying (i) rental payments (defined as base rent plus operating expense reimbursements, if payable by the tenant on a monthly basis under the terms of a lease that has been executed, but excluding a) rental abatements and b) rental payments related to executed but not commenced leases for space that was covered by an existing lease), by (ii) 12. In instances in which contractual rents or operating expense reimbursements are collected on an annual, semi-annual, or quarterly basis, such amounts are multiplied by a factor of 1, 2, or 4, respectively, to calculate the annualized figure. For leases that have been executed but not commenced relating to un-leased space, ALR is calculated by multiplying (i) the monthly base rental payment (excluding abatements) plus any operating expense reimbursements for the initial month of the lease term, by (ii) 12. Unless stated otherwise, this measure excludes revenues associated with our unconsolidated joint venture properties and development / re-development properties, if any.

Core EBITDA: The Company calculates Core EBITDA as net income (computed in accordance with GAAP) before interest, taxes, depreciation and amortization and incrementally removing any impairment losses, gains or losses from sales of property and other significant infrequent items that create volatility within our earnings and make it difficult to determine the earnings generated by our core ongoing business. Core EBITDA is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company's operating performance. The Company believes that Core EBITDA is helpful to investors as a supplemental performance measure because it provides a metric for understanding the performance of the Company's results from ongoing operations without taking into account the effects of non-cash expenses (such as depreciation and amortization), as well as items that are not part of normal day-to-day operations of the Company's business. Other REITs may not define Core EBITDA in the same manner as the Company; therefore, the Company's computation of Core EBITDA may not be comparable to that of other REITs.

Core Funds From Operations ("Core FFO"): The Company calculates Core FFO by starting with FFO, as defined by NAREIT, and adjusting for gains or losses on the extinguishment of swaps and/or debt, acquisition-related expenses (that are not capitalized) and any significant non-recurring items. Core FFO is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company's operating performance. The Company believes that Core FFO is helpful to investors as a supplemental performance measure because it excludes the effects of certain items which can create significant earnings volatility, but which do not directly relate to the Company's core business operations. As a result, the Company believes that Core FFO can help facilitate comparisons of operating performance between periods and provides a more meaningful predictor of future earnings potential. Other REITs may not define Core FFO in the same manner as the Company; therefore, the Company's computation of Core FFO may not be comparable to that of other REITs.

EBITDA: EBITDA is defined as net income before interest, taxes, depreciation and amortization.

EBITDAre: The Company calculates EBITDAre in accordance with the current National Association of Real Estate Investment Trusts ("NAREIT") definition. NAREIT currently defines EBITDAre as net income (computed in accordance with GAAP) adjusted for gains or losses from sales of property, impairment losses, depreciation on real estate assets, amortization on real estate assets, interest expense and taxes, along with the same adjustments for unconsolidated partnerships and joint ventures. Some of the adjustments mentioned can vary among owners of identical assets in similar conditions based on historical cost accounting and useful-life estimates. EBITDAre is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company's operating performance. The Company believes that EBITDAre is helpful to investors as a supplemental performance measure because it provides a metric for understanding the Company's results from ongoing operations without taking into account the effects of non-cash expenses (such as depreciation and amortization) and capitalization and capital structure expenses (such as interest expense and taxes). The Company also believes that EBITDAre can help facilitate comparisons of operating performance between periods and with other REITs. However, other REITs may not define EBITDAre in accordance with the NAREIT definition, or may interpret the current NAREIT definition differently than the Company; therefore, the Company's computation of EBITDAre may not be comparable to that of such other REITs.

Funds From Operations ("FFO"): The Company calculates FFO in accordance with the current National Association of Real Estate Investment Trusts ("NAREIT") definition. NAREIT currently defines FFO as net income (computed in accordance with GAAP), excluding gains or losses from sales of property and impairment losses, adding back depreciation and amortization on real estate assets, and after the same adjustments for unconsolidated partnerships and joint ventures. These adjustments can vary among owners of identical assets in similar conditions based on historical cost accounting and useful-life estimates. FFO is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company's operating performance. The Company believes that FFO is helpful to investors as a supplemental performance measure because it excludes the effects of depreciation, amortization and gains or losses from sales of real estate, all of which are based on historical costs, which implicitly assumes that the value of real estate diminishes predictably over time. The Company also believes that FFO can help facilitate comparisons of operating performance between periods and with other REITs. However, other REITs may not define FFO in accordance with the NAREIT definition, or may interpret the current NAREIT definition differently than the Company; therefore, the Company's computation of FFO may not be comparable to that of such other REITs.

Gross Assets: Gross Assets is defined as total assets with the add-back of accumulated depreciation and accumulated amortization related to real estate assets and accumulated amortization related to deferred lease costs.

Gross Real Estate Assets: Gross Real Estate Assets is defined as total real estate assets with the add-back of accumulated depreciation and accumulated amortization related to real estate assets.

Incremental Capital Expenditures: Incremental Capital Expenditures are defined as capital expenditures of a non-recurring nature that incrementally enhance the underlying assets' income generating capacity. Tenant improvements, leasing commissions, building capital and deferred lease incentives ("Leasing Costs") incurred to lease space that was vacant at acquisition, Leasing Costs for spaces vacant for greater than one year, Leasing Costs for spaces at newly acquired properties for which in-place leases expire shortly after acquisition, improvements associated with the expansion of a building, renovations that change the underlying classification of a building, and deferred building maintenance capital identified at and completed shortly after acquisition are included in this measure.

Non-Incremental Capital Expenditures: Non-Incremental Capital Expenditures are defined as capital expenditures of a recurring nature related to tenant improvements and leasing commissions that do not incrementally enhance the underlying assets' income generating capacity. We exclude first generation tenant improvements and leasing commissions from this measure, in addition to other capital expenditures that qualify as Incremental Capital Expenditures, as defined above.

Property Net Operating Income ("Property NOI"): The Company calculates Property NOI by starting with Core EBITDA and adjusting for general and administrative expense, income associated with property management performed by Piedmont for other organizations and other income or expense items for the Company, such as interest income from loan investments or costs from the pursuit of non-consummated transactions. The Company may present this measure on an accrual basis or a cash basis. When presented on a cash basis, the effects of straight lined rents and fair value lease revenue are also eliminated. Property NOI is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company's operating performance. The Company believes that Property NOI is helpful to investors as a supplemental comparative performance measure of income generated by its properties alone without the administrative overhead of the Company. Other REITs may not define Property NOI in the same manner as the Company; therefore, the Company's computation of Property NOI may not be comparable to that of other REITs.

Same Store Net Operating Income ("Same Store NOI"): The Company calculates Same Store NOI as Property NOI attributable to the properties for which the following criteria were met during the entire span of the current and prior year reporting periods: (i) they were owned, (ii) they were not under development / redevelopment, and (iii) none of the operating expenses for which were capitalized. Same Store NOI also excludes amounts attributable to unconsolidated joint venture and land assets. The Company may present this measure on an accrual basis or a cash basis. When presented on a cash basis, the effects of straight lined rents and fair value lease revenue are also eliminated. Same Store NOI is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of the Company's operating performance. The Company believes that Same Store NOI is helpful to investors as a supplemental comparative performance measure of the income generated from the same group of properties from one period to the next. Other REITs may not define Same Store NOI in the same manner as the Company; therefore, the Company's computation of Same Store NOI may not be comparable to that of other REITs.

Same Store Properties: Same Store Properties is defined as those properties for which the following criteria were met during the entire span of the current and prior year reporting periods: (i) they were owned, (ii) they were not under development / redevelopment, and (iii) none of the operating expenses for which were capitalized. Same Store Properties excludes unconsolidated joint venture and land assets.

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Piedmont Office Realty Trust, Inc.
Funds From Operations, Core Funds From Operations, and Adjusted Funds From Operations Reconciliations
Unaudited (in thousands)

	Three Months Ended					Six Months Ended	
	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018	6/30/2019	6/30/2018
GAAP net income applicable to common stock	**$ 8,153**	**$ 50,208**	**$ 45,410**	**$ 16,114**	**$ 10,942**	**$ 58,361**	**$ 68,772**
Depreciation (1) (2)	26,128	26,309	26,582	26,668	26,894	52,437	53,863
Amortization (1)	18,446	17,685	16,462	14,828	15,229	36,131	31,945
Loss / (gain) on sale of properties (1)	(1,451)	(37,887)	(30,505)	—	23	(39,338)	(45,186)
NAREIT funds from operations applicable to common stock	**51,276**	**56,315**	**57,949**	**57,610**	**53,088**	**107,591**	**109,394**
Adjustments:							
Retirement and separation expenses associated with senior management transition	3,175	—	—	—	—	3,175	—
Loss / (gain) on extinguishment of debt	—	—	—	—	—	—	1,680
Core funds from operations applicable to common stock	**54,451**	**56,315**	**57,949**	**57,610**	**53,088**	**110,766**	**111,074**
Adjustments:							
Amortization of debt issuance costs, fair market adjustments on notes payable, and discount on senior notes	525	523	522	550	545	1,048	1,011
Depreciation of non real estate assets	212	208	255	176	213	420	382
Straight-line effects of lease revenue (1)	(3,223)	(2,683)	(2,491)	(3,210)	(4,806)	(5,906)	(8,279)
Stock-based and other non-cash compensation expense	2,184	2,780	3,066	1,661	2,513	4,964	2,801
Amortization of lease-related intangibles (1)	(2,088)	(1,998)	(1,979)	(2,006)	(1,987)	(4,086)	(3,630)
Non-incremental capital expenditures	(9,691)	(3,367)	(16,597)	(9,276)	(10,178)	(13,058)	(18,131)
Adjusted funds from operations applicable to common stock	**$ 42,370**	**$ 51,778**	**$ 40,725**	**$ 45,505**	**$ 39,388**	**$ 94,148**	**$ 85,228**

(1) Includes our proportionate share of amounts attributable to consolidated properties and unconsolidated joint ventures.
(2) Excludes depreciation of non real estate assets.

Piedmont Office Realty Trust, Inc.
Same Store Net Operating Income (Cash Basis)
Unaudited (in thousands)

	Three Months Ended					Six Months Ended	
	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018	6/30/2019	6/30/2018
Net income attributable to Piedmont	**$ 8,153**	**$ 50,208**	**$ 45,410**	**$ 16,114**	**$ 10,942**	**$ 58,361**	**$ 68,772**
Net income / (loss) attributable to noncontrolling interest	(1)	1	(1)	—	(2)	—	(4)
Interest expense	15,112	15,493	15,729	15,849	15,687	30,605	29,445
Depreciation	26,340	26,518	26,837	26,844	27,107	52,858	54,246
Amortization	18,446	17,685	16,462	14,828	15,229	36,131	31,945
Loss / (gain) on sale of properties	(1,451)	(37,887)	(30,505)	—	23	(39,338)	(45,186)
Loss / (gain) on consolidation	—	—	—	—	—	—	—
EBITDAre	**66,599**	**72,018**	**73,932**	**73,635**	**68,986**	**138,617**	**139,218**
Retirement and separation expenses associated with senior management transition	3,175	—	—	—	—	3,175	—
(Gain) / loss on extinguishment of debt	—	—	—	—	—	—	1,680
Core EBITDA	**69,774**	**72,018**	**73,932**	**73,635**	**68,986**	**141,792**	**140,898**
General & administrative expenses	9,244	9,368	8,226	6,677	8,258	18,611	14,810
Management fee revenue	(201)	(1,822)	(181)	(181)	(200)	(2,023)	(349)
Other (income) / expense	(56)	(62)	57	(87)	(157)	(118)	(388)
Straight-line effects of lease revenue	(3,223)	(2,683)	(2,491)	(3,210)	(4,806)	(5,906)	(8,279)
Amortization of lease-related intangibles	(2,088)	(1,998)	(1,979)	(2,006)	(1,987)	(4,086)	(3,630)
Property net operating income (cash basis)	**73,450**	**74,821**	**77,564**	**74,828**	**70,094**	**148,270**	**143,062**
Deduct net operating (income) / loss from:							
Acquisitions	(3,964)	(3,101)	(1,675)	(431)	(432)	(7,064)	(607)
Dispositions	(895)	(2,853)	(7,284)	(6,379)	(4,746)	(3,747)	(10,173)
Other investments	(246)	(38)	(8)	(132)	(333)	(285)	(1,325)
Same store net operating income (cash basis)	**$ 68,345**	**$ 68,829**	**$ 68,597**	**$ 67,886**	**$ 64,583**	**$ 137,174**	**$ 130,957**

Piedmont Office Realty Trust, Inc.
Property Detail - In-Service Portfolio [1]
As of June 30, 2019
(in thousands)

Property	City	State	Percent Ownership	Year Built / Major Refurbishment	Rentable Square Footage Owned	Leased Percentage	Commenced Leased Percentage	Economic Leased Percentage [2]
Atlanta								
Glenridge Highlands One	Atlanta	GA	100.0%	1998	288	98.6 %	98.6 %	95.1 %
Glenridge Highlands Two	Atlanta	GA	100.0%	2000	424	97.2 %	96.5 %	96.5 %
1155 Perimeter Center West	Atlanta	GA	100.0%	2000	377	100.0 %	100.0 %	100.0 %
Galleria 100	Atlanta	GA	100.0%	1982	414	91.3 %	88.6 %	83.8 %
Galleria 200	Atlanta	GA	100.0%	1984	432	84.7 %	84.0 %	84.0 %
Galleria 300	Atlanta	GA	100.0%	1987	432	99.1 %	97.7 %	97.2 %
The Dupree	Atlanta	GA	100.0%	1997	138	34.8 %	34.8 %	34.8 %
The Medici	Atlanta	GA	100.0%	2008	156	94.2 %	94.2 %	94.2 %
Metropolitan Area Subtotal / Weighted Average					**2,661**	**91.7 %**	**90.8 %**	**89.6 %**
Boston								
1414 Massachusetts Avenue	Cambridge	MA	100.0%	1873 / 1956	78	100.0 %	100.0 %	100.0 %
One Brattle Square	Cambridge	MA	100.0%	1991	96	99.0 %	99.0 %	99.0 %
One Wayside Road	Burlington	MA	100.0%	1997	201	100.0 %	100.0 %	100.0 %
5 & 15 Wayside Road	Burlington	MA	100.0%	1999 & 2001	272	91.5 %	89.7 %	89.7 %
5 Wall Street	Burlington	MA	100.0%	2008	182	100.0 %	100.0 %	100.0 %
25 Burlington Mall Road	Burlington	MA	100.0%	1987	288	86.8 %	86.8 %	85.8 %
225 Presidential Way	Woburn	MA	100.0%	2001	202	100.0 %	100.0 %	100.0 %
235 Presidential Way	Woburn	MA	100.0%	2000	238	100.0 %	100.0 %	100.0 %
80 Central Street	Boxborough	MA	100.0%	1988	150	89.3 %	89.3 %	71.3 %
90 Central Street	Boxborough	MA	100.0%	2001	175	100.0 %	100.0 %	100.0 %
Metropolitan Area Subtotal / Weighted Average					**1,882**	**95.9 %**	**95.6 %**	**94.0 %**
Chicago								
500 West Monroe Street	Chicago	IL	100.0%	1991	967	99.7 %	99.7 %	95.3 %
Metropolitan Area Subtotal / Weighted Average					**967**	**99.7 %**	**99.7 %**	**95.3 %**
Dallas								
161 Corporate Center	Irving	TX	100.0%	1998	105	100.0 %	100.0 %	89.5 %
750 West John Carpenter Freeway	Irving	TX	100.0%	1999	316	87.7 %	87.7 %	87.7 %
6011 Connection Drive	Irving	TX	100.0%	1999	152	100.0 %	82.2 %	3.9 %
6021 Connection Drive	Irving	TX	100.0%	2000	222	100.0 %	100.0 %	100.0 %
6031 Connection Drive	Irving	TX	100.0%	1999	232	40.5 %	40.5 %	40.5 %
6565 North MacArthur Boulevard	Irving	TX	100.0%	1998	260	84.6 %	81.9 %	80.8 %
Las Colinas Corporate Center I	Irving	TX	100.0%	1998	159	100.0 %	97.5 %	96.9 %
Las Colinas Corporate Center II	Irving	TX	100.0%	1998	228	90.4 %	90.4 %	89.9 %
One Lincoln Park	Dallas	TX	100.0%	1999	262	99.6 %	99.6 %	99.6 %
Park Place on Turtle Creek	Dallas	TX	100.0%	1986	178	91.0 %	91.0 %	89.9 %
Metropolitan Area Subtotal / Weighted Average					**2,114**	**87.9 %**	**86.1 %**	**79.6 %**

Property	City	State	Percent Ownership	Year Built / Major Refurbishment	Rentable Square Footage Owned	Leased Percentage	Commenced Leased Percentage	Economic Leased Percentage (2)
Minneapolis								
US Bancorp Center	Minneapolis	MN	100.0%	2000	937	98.3 %	97.3 %	96.7 %
Crescent Ridge II	Minnetonka	MN	100.0%	2000	301	96.7 %	94.7 %	94.7 %
Norman Pointe I	Bloomington	MN	100.0%	2000	214	70.6 %	70.6 %	69.6 %
9320 Excelsior Boulevard	Hopkins	MN	100.0%	2010	268	100.0 %	100.0 %	100.0 %
One Meridian Crossings	Richfield	MN	100.0%	1997	195	100.0 %	100.0 %	100.0 %
Two Meridian Crossings	Richfield	MN	100.0%	1998	189	100.0 %	100.0 %	100.0 %
Metropolitan Area Subtotal / Weighted Average					**2,104**	**95.8 %**	**95.1 %**	**94.7 %**
New York								
60 Broad Street	New York	NY	100.0%	1962	1,033	97.7 %	97.7 %	97.7 %
200 Bridgewater Crossing	Bridgewater	NJ	100.0%	2002	309	90.9 %	90.9 %	90.9 %
400 Bridgewater Crossing	Bridgewater	NJ	100.0%	2002	305	100.0 %	100.0 %	100.0 %
600 Corporate Drive	Lebanon	NJ	100.0%	2005	125	100.0 %	100.0 %	100.0 %
Metropolitan Area Subtotal / Weighted Average					**1,772**	**97.1 %**	**97.1 %**	**97.1 %**
Orlando								
400 TownPark	Lake Mary	FL	100.0%	2008	176	92.0 %	83.0 %	79.5 %
500 TownPark	Lake Mary	FL	100.0%	2016	134	100.0 %	100.0 %	100.0 %
501 West Church Street	Orlando	FL	100.0%	2003	182	100.0 %	100.0 %	100.0 %
CNL Center I	Orlando	FL	99.0%	1999	347	92.8 %	89.3 %	89.3 %
CNL Center II	Orlando	FL	99.0%	2006	270	99.3 %	99.3 %	99.3 %
SunTrust Center	Orlando	FL	100.0%	1988	646	96.6 %	93.3 %	92.3 %
Metropolitan Area Subtotal / Weighted Average					**1,755**	**96.4 %**	**93.6 %**	**92.9 %**
Washington, D.C.								
400 Virginia Avenue	Washington	DC	100.0%	1985	224	57.6 %	57.6 %	55.8 %
1201 Eye Street	Washington	DC	98.6% (3)	2001	271	51.3 %	48.3 %	48.3 %
1225 Eye Street	Washington	DC	98.1% (3)	1986	225	94.2 %	93.8 %	76.0 %
3100 Clarendon Boulevard	Arlington	VA	100.0%	1987 / 2015	261	66.3 %	64.0 %	60.9 %
4250 North Fairfax Drive	Arlington	VA	100.0%	1998	308	96.8 %	92.9 %	92.9 %
Arlington Gateway	Arlington	VA	100.0%	2005	329	83.9 %	75.1 %	64.1 %
Metropolitan Area Subtotal / Weighted Average					**1,618**	**75.8 %**	**72.4 %**	**66.9 %**
Other								
1430 Enclave Parkway	Houston	TX	100.0%	1994	313	82.7 %	82.7 %	0.6 %
Enclave Place	Houston	TX	100.0%	2015	301	100.0 %	— %	— %
1901 Market Street	Philadelphia	PA	100.0%	1987 / 2014	801	100.0 %	100.0 %	100.0 %
Subtotal/Weighted Average					**1,415**	**96.2 %**	**74.9 %**	**56.7 %**
Grand Total					**16,288**	**92.6 %**	**89.6 %**	**85.9 %**

NOTE: The Company has provided disaggregated financial and operational data for informational purposes for readers; however, regardless of the presentation approach used, we continue to evaluate and utilize our consolidated financial results in making operating decisions, allocating resources, and assessing our performance.

(1) This schedule includes information for Piedmont's in-service portfolio of properties only. Information on investments excluded from this schedule can be found on page 37.

(2) Economic leased percentage excludes the square footage associated with executed but not commenced leases for currently vacant spaces and the square footage associated with tenants receiving rental abatements (after proportional adjustments for tenants receiving only partial rental abatements).

(3) Although Piedmont owns 98.6% of 1201 Eye Street and 98.1% of 1225 Eye Street, it is entitled to 100% of the cash flows for each asset pursuant to the terms of each property ownership entity's joint venture agreement.

Risks, Uncertainties and Limitations

Certain statements contained in this supplemental package 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”). We intend 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 our 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,” "estimate," “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 supplemental package include our estimated Core FFO and Core FFO per diluted share for calendar year 2017 and certain expected future financing requirements and expenditures.

The following are some of the factors that could cause our actual results and expectations to differ materially from those described in our forward-looking statements: economic, regulatory and / or socio-economic changes (including accounting standards) that impact the real estate market generally or that could affect the patterns of use of commercial office space; the success of our real estate strategies and investment objectives, including our ability to identify and consummate suitable acquisitions and divestitures; lease terminations or lease defaults, particularly by one of our large lead tenants; the impact of competition on our 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 sector in general and the specific markets in which we operate, particularly in Washington, D.C., the New York metropolitan area, and Chicago where we have high concentrations of office properties; the illiquidity of real estate investments, including regulatory restrictions to which REITs are subject and the resulting impediment on our ability to quickly respond to adverse changes in the performance of our properties; the risks and uncertainties associated with the acquisition and disposition of properties, many of which risks and uncertainties may not be known at the time of acquisition or disposition; development and construction delays and resultant increased costs and risks; our real estate development strategies may not be successful; future acts of terrorism in any of the major metropolitan areas in which we own properties or future cybersecurity attacks against us or any of our tenants; additional risks and costs associated with directly managing properties occupied by government tenants; adverse market and economic conditions, including any resulting impairment charges on both our long-lived assets or goodwill resulting therefrom; availability of financing and our lending banks' ability to honor existing line of credit commitments; costs of complying with governmental laws and regulations; the effect of future offerings of debt or equity securities or changes in market interest rates on the value of our common stock; changes in the method pursuant to which the LIBOR rates are determined and the potential phasing out of LIBOR after 2021; uncertainties associated with environmental and other regulatory matters; potential changes in political environment and reduction in federal and/or state funding of our governmental tenants, including an increased risk of default by government tenants during periods in which state or federal governments are shut down or on furlough; any change in the financial condition of any of our large lead tenants; changes in the financial condition of our tenants directly or indirectly resulting from the United Kingdom's referendum to withdraw from the European Union; the effect of any litigation to which we are, or may become, subject; changes in tax laws impacting REITs and real estate in general, as well as our ability to continue to qualify as a REIT under the Internal Revenue Code of 1986; the future effectiveness of our internal controls and procedures; and other factors detailed in our most recent Annual Report on Form 10-K and other documents we file 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 supplemental report. We cannot guarantee the accuracy of any such forward-looking statements contained in this supplemental report, and we do not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.