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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): October 30, 2018**

**Piedmont Office Realty Trust, Inc.**

(Exact name of registrant as specified in its charter)

**Commission File Number: 001-34626**

**Maryland**  
(State or other jurisdiction of  
incorporation)

**58-2328421**  
(IRS Employer  
Identification No.)

**5565 Glenridge Connector**  
**Suite 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.

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## Item 2.02 Results of Operations and Financial Condition

On October 30, 2018, Piedmont Office Realty Trust, Inc. (the “Registrant”) issued a press release announcing its financial results for the third quarter 2018, and published supplemental information for the third quarter 2018 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

(c) On October 30, 2018, the Board of Directors of the Registrant promoted the Chief Investment Officer of the Registrant, C. Brent Smith, to President and Chief Investment Officer. Mr. Smith, 43, has served as Chief Investment Officer since 2016 as well as Executive Vice President of the Northeast Region since 2015. In his regional role, Mr. Smith is responsible for all leasing, asset management, acquisition, disposition and development activity for the Registrant’s approximately three million square foot Boston and New York/New Jersey portfolio. In addition to these responsibilities, as Chief Investment Officer he also focuses on capital market transactions across the Registrant’s entire portfolio. Prior to joining the Registrant in 2012, Mr. Smith served as an Executive Director with Morgan Stanley in the Real Estate Investment Banking division advising a wide range of public and private real estate clients. He brings almost 15 years of corporate- and property-level real estate acquisitions experience in both North America and Asia.

Mr. Smith’s compensation is described in the Registrant’s definitive proxy statement filed with the Securities and Exchange Commission on March 26, 2018.

Donald A. Miller, who has served as the Chief Executive Officer, President, and a member of the Board of Directors of the Registrant since 2007, will continue to serve as Chief Executive Officer and a member of the Board of Directors.

### Item 9.01 Financial Statements and Exhibits

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press release dated October 30, 2018.</a>
99.2	<a href="#">Piedmont Office Realty Trust, Inc. Quarterly Supplemental Information for the Third Quarter 2018.</a>

**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: October 30, 2018

By: /s/ Robert E. Bowers  
Robert E. Bowers  
Chief Financial Officer and Executive Vice President



## Piedmont Office Realty Trust Reports Third Quarter 2018 Results

ATLANTA, October 30, 2018 --Piedmont Office Realty Trust, Inc. ("Piedmont" or the "Company") (NYSE:PDM), an owner of Class A office properties in select sub-markets located primarily within eight major Eastern U.S. office markets, today announced its results for the quarter ended September 30, 2018.

### Highlights for the Three Months Ended September 30, 2018:

- Reported Net Income Applicable to Common Stockholders of \$0.13 per diluted share;
- Achieved Core Funds From Operations ("Core FFO") of \$0.45 per diluted share;
- Reported an 8.5% increase in Same Store NOI- Cash Basis as compared to the third quarter of 2017;
- Completed over 613,000 square feet of leasing, approximately three-fourths of which related to new leases for currently vacant space, including a new full building lease in Houston;
- Entered into a binding contract to sell the Company's last remaining West Coast asset, 800 North Brand Boulevard, for \$160.0 million; and
- Replaced its existing \$500 Million Unsecured 2015 Line of Credit with a new, more favorably priced, \$500 Million Unsecured Line of Credit and amended and restated its \$300 Million Unsecured 2011 Term Loan to extend the term and decrease the stated interest rate spread over LIBOR.

Commenting on the Company's results, Donald A. Miller, CFA, President and Chief Executive Officer, said, "The third quarter was one of our best quarters since our IPO. We posted strong financial results, including increases in occupancy levels, rental rates, and portfolio-wide leasing activity during the quarter. Specifically, we completed over 613,000 square feet of leasing, including a significant inaugural lease in Houston, as well as 87,000 square feet of new leasing related to vacant space in our Washington, D.C. portfolio, to end the quarter at 93% leased for our in-service portfolio. Further, we placed our last West Coast asset under contract to sell and completed some key financing activity. Overall, we are very pleased with our third quarter results from a number of different perspectives and hope to sustain that momentum during the last quarter of the year."

### **Results for the Quarter ended September 30, 2018**

Piedmont recognized net income applicable to common stockholders for the three months ended September 30, 2018 of \$16.1 million, or \$0.13 per diluted share, as compared with net income of \$126.1 million, or \$0.87 per diluted share, for the three months ended September 30, 2017. The three months ended September 30, 2017 included approximately \$113.2 million, or \$0.77 per diluted share, of gains on sales of both a wholly-owned property, as well as an equity interest in a joint venture, whereas the current quarter had no sales or related gains. The current quarter's results reflect increased operating income as a

result of higher overall occupancy in the portfolio in the current period and the operational results of a property acquired during the first quarter of 2018.

Funds From Operations ("FFO") and Core FFO, which remove the impact of the gains on sales mentioned above (as well as depreciation and amortization), were both \$0.45 per diluted share for the three months ended September 30, 2018, as compared with \$0.42 per diluted share for the three months ended September 30, 2017, an increase of \$0.03 per diluted share, despite significant net disposition activity since July 1, 2017. In addition to higher occupancy levels and increased rental rates, the increase in both FFO and Core FFO per diluted share is also attributable to a 16.9 million share decrease in our weighted average shares outstanding as a result of share repurchase activity pursuant to the Company's stock repurchase program during the twelve months ended September 30, 2018.

Total revenues and property operating costs were \$129.7 million and \$49.7 million, respectively, for the three months ended September 30, 2018, compared to \$137.6 million and \$54.5 million, respectively, for the third quarter of 2017, with the decrease in both items primarily attributable to the net property sales mentioned above, partially offset by increases due to increased rental rates and occupancy in the portfolio.

General and administrative expense was \$6.7 million for the third quarter of 2018 compared to \$6.2 million for the same period in 2017, with the \$0.5 million increase primarily attributable to increased accruals for potential performance-based compensation.

The gain on sale of real estate assets of \$109.5 million during the three months ended September 30, 2017 related to the sale of Two Independence Square, one of the Company's largest wholly-owned assets at the time of the sale, located in Washington, D.C.

### Leasing Update

The Company's completed leasing for the third quarter totaled 613,200 square feet, with approximately three-fourths of that activity related to new leases for currently vacant space. The Company's largest lease completed during the quarter was in Houston where a major oilfield services provider signed an almost 17-year, full-building lease for the Company's newly constructed, 300,000 square foot Enclave Place. Other activity was robust and well-diversified throughout each of the Company's markets. Highlights included the following:

- **In Washington, D.C.** - Reservoir International executed a 29,000 square foot new lease through 2023 and Rapid7, Inc. completed an approximately 17,000 square foot new lease through 2024, both at Arlington Gateway; Global Connections to Employment, Inc. completed a 15,000 square foot new lease through 2028 at 3100 Clarendon Boulevard; Applied Predictive Technologies completed a 12,000 square foot lease expansion through 2028 at 4250 North Fairfax Drive;
- **In Atlanta** - Morgan Stanley Smith Barney Financing, LLC renewed their approximately 18,000 square feet through 2024; and R-T Specialty, LLC executed a renewal and expansion totaling over 17,000 square feet through 2026 at Glenridge Highlands II;
- **In Dallas** - Switch Commerce, LLC renewed their approximately 15,000 square feet at 6565 North MacArthur Blvd. through 2024;
- **In Boston** - TZ Insurance Solutions LLC executed a new lease for 15,000 square feet at 80 Central Street, through 2029;

- **In Minneapolis** - Health Catalyst, Inc. completed an almost 13,000 square foot new lease through 2024 at Crescent Ridge II; and
- **In Los Angeles** - Children's Hospital Los Angeles signed an approximately 26,000 square foot lease expansion through 2026 at 800 North Brand Boulevard.

The Company's reported leased percentage and weighted average lease term were approximately 93.2% and 6.7 years, respectively, as of September 30, 2018, as compared to 89.2% and 6.5 years, respectively, as of September 30, 2017. The Company has no significant lease expirations for the remainder of 2018. Same Store NOI increased 8.5% on a cash basis and 6.5% on an accrual basis for the three months ended September 30, 2018 as compared to the three months ended September 30, 2017. Same Store NOI on a cash basis was favorably impacted by the expiration of several large lease abatements and favorable tax appeals at certain properties. Same Store NOI on an accrual basis was additionally favorably impacted by the commencement of several large leases throughout the portfolio. Details outlining Piedmont's largest upcoming lease expirations, the status of certain major leasing activity, 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](http://www.piedmontreit.com).

### **Transactional and Financing Update**

During the three months ended September 30, 2018, Piedmont entered into a binding contract to sell 800 North Brand Boulevard to a third party for approximately \$160.0 million. 800 North Brand Boulevard is an approximately 527,000 square foot, 21-story, 90% leased, office building constructed in 1990. The sale is expected to close during the fourth quarter of 2018 and will complete Piedmont's exit from the West Coast.

Additionally during the third quarter, Piedmont replaced its existing \$500 Million Unsecured 2015 Line of Credit with a new \$500 million unsecured line of credit facility priced as of closing at LIBOR plus 90 basis points, a 10 basis point decrease. Further, Piedmont amended and restated its \$300 Million Unsecured 2011 Term Loan to extend its maturity date by 22 months, from January 15, 2020 to November 30, 2021. In addition to extending the Company's next significant upcoming debt maturity, the primary rationale for the extension was to include the possibility of five, seven, and ten year debt structures in the Company's available future refinancing options. Additionally, the amendment and restatement decreased the stated interest rate spread as of closing by 15 basis points to 1.0% over LIBOR.

Subsequent to quarter end, Piedmont purchased 9320 Excelsior Boulevard, Hopkins, MN, for \$49.4 million, representing a substantial discount to replacement cost and a 10% cap rate on a GAAP and cash basis. 9320 Excelsior Boulevard is a 7-story, approximately 268,000 square foot, Class AA office building situated on 5.84 acres in close proximity to Piedmont's Norman Pointe I building acquired in 2017. 9320 Excelsior Boulevard is 100% leased to Cargill, Inc.

### **Fourth Quarter 2018 Dividend Declaration**

On October 30, 2018, the board of directors of Piedmont declared dividends for the fourth quarter of 2018 in the amount of \$0.21 per share on its common stock to stockholders of record as of the close of business on November 30, 2018, payable on January 3, 2019.

## Promotion of C. Brent Smith to President & Chief Investment Officer

On October 30, 2018, the board of directors of Piedmont promoted Chief Investment Officer, C. Brent Smith, to President and Chief Investment Officer of the Company. Mr. Smith has served Piedmont as Chief Investment Officer since 2016. Mr. Donald A. Miller, Chief Executive Officer, will continue to serve in that capacity. Mr. Smith will report to Mr. Miller and work with him on corporate strategy and take a broader role across the Company's platform.

## Guidance for 2018

The Company has narrowed its previously announced guidance for full-year 2018 based upon year-to-date results, the acquisition of 9320 Excelsior Boulevard, and the anticipated sale of 800 North Brand in the fourth quarter of 2018. Management's current expectations are as follows:

*(in millions, except per share data)*

	Low	High
Net Income	\$95	- \$97
Add:		
Depreciation	109	- 111
Amortization	61	- 62
Less: Gain on Sale of Real Estate Assets	(45)	- (46)
NAREIT FFO applicable to Common Stock	\$ 220	- \$224
NAREIT FFO per diluted share	\$1.68	- \$1.71
Less: Loss on Extinguishment of Debt	\$2	- \$2
Core FFO applicable to Common Stock	\$ 222	- \$226
Core FFO per diluted share	\$1.70	- \$1.73

These estimates reflect management's view of current market conditions and incorporate certain economic and operational assumptions and projections. Actual results could differ materially from these estimates based on a variety of factors, 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, 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 September 30, 2018 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 Wednesday, October 31, 2018 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](http://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 time on November 14, 2018, 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 38095. A web cast replay will also be available after the conference call in the Investor Relations section of the Company's website. During the audio web cast and conference call, the Company's management team will review third quarter 2018 performance, discuss recent events, and conduct a question-and-answer period.

### **Supplemental Information**

Quarterly supplemental information as of and for the period ended September 30, 2018 can be accessed on the Company's website under the Investor Relations section at [www.piedmontreit.com](http://www.piedmontreit.com).

### **About Piedmont Office Realty Trust**

Piedmont Office Realty Trust, Inc. (NYSE: PDM) is an owner, manager, developer, and operator of high-quality, Class A office properties in select sub-markets located primarily within eight major 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](http://www.piedmontreit.com).

### **Forward Looking Statements**

Certain statements contained in this press release constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company intends for all such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act, as applicable. Such information is subject to certain risks and uncertainties, as well as known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of the Company's performance in future periods. Such

forward-looking statements can generally be identified by our use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "believe," "continue" or similar words or phrases that are predictions of future events or trends and which do not relate solely to historical matters. Examples of such statements in this press release include the expected sale of 800 North Brand Boulevard, and whether the Company will be able to sustain leasing and transactional momentum through the fourth quarter of 2018, 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, 2018.

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; the effect on us of adverse market and economic conditions, including any resulting impairment charges on both our long-lived assets or goodwill; 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 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 of properties, many of which risks and uncertainties may not be known at the time of acquisition; 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; 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; any change in the financial condition of any of our large lead tenants; 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, 2017.

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)*

	September 30, 2018 <i>(unaudited)</i>	December 31, 2017
<b>Assets:</b>		
Real estate assets, at cost:		
Land	\$ 523,994	\$ 521,186
Buildings and improvements	3,107,025	3,053,416
Buildings and improvements, accumulated depreciation	(797,222)	(728,134)
Intangible lease assets	149,795	176,950
Intangible lease assets, accumulated amortization	(84,268)	(99,145)
Construction in progress	22,753	11,681
Real estate assets held for sale, gross	174,352	674,976
Real estate assets held for sale, accumulated depreciation and amortization	(60,434)	(226,188)
<b>Total real estate assets</b>	<b>3,035,995</b>	<b>3,384,742</b>
Amounts due from unconsolidated joint ventures	—	10
Cash and cash equivalents	6,807	7,382
Tenant receivables, net of allowance for doubtful accounts	10,522	12,139
Straight line rent receivables	168,745	154,384
Notes receivable	3,200	—
Restricted cash and escrows	1,374	1,373
Prepaid expenses and other assets	31,470	21,222
Goodwill	98,918	98,918
Interest rate swaps	4,069	688
Deferred lease costs, less accumulated amortization	250,038	257,916
Other assets held for sale, net	12,752	61,193
<b>Total assets</b>	<b>\$ 3,623,890</b>	<b>\$ 3,999,967</b>
<b>Liabilities:</b>		
Unsecured debt, net of discount and unamortized debt issuance costs	\$ 1,524,618	\$ 1,535,311
Secured debt, net of premiums and unamortized debt issuance costs	190,753	191,616
Accounts payable, accrued expenses, dividends payable, and accrued capital expenditures	109,087	216,653
Deferred income	27,450	29,582
Intangible lease liabilities, less accumulated amortization	37,986	38,458
Interest rate swaps	—	1,478
Other liabilities held for sale, net	—	380
<b>Total liabilities</b>	<b>1,889,894</b>	<b>2,013,478</b>
<b>Stockholders' equity :</b>		
Common stock	1,284	1,424
Additional paid in capital	3,682,209	3,677,360
Cumulative distributions in excess of earnings	(1,964,135)	(1,702,281)
Other comprehensive income	12,851	8,164
<b>Piedmont stockholders' equity</b>	<b>1,732,209</b>	<b>1,984,667</b>
Non-controlling interest	1,787	1,822
<b>Total stockholders' equity</b>	<b>1,733,996</b>	<b>1,986,489</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 3,623,890</b>	<b>\$ 3,999,967</b>

Number of shares of common stock outstanding as of end of period

128,371

142,359

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

	Three Months Ended		Nine Months Ended	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
<b>Revenues:</b>				
Rental income	\$ 101,348	\$ 108,868	\$ 304,280	\$ 345,399
Tenant reimbursements	23,170	24,253	68,211	73,375
Property management fee revenue	368	454	1,059	1,379
Other property related income	4,822	4,012	15,232	14,576
Total revenues	129,708	137,587	388,782	434,729
<b>Expenses:</b>				
Property operating costs	49,679	54,518	154,175	166,635
Depreciation	26,852	30,000	81,112	90,827
Amortization	14,840	18,123	46,818	57,852
General and administrative	6,677	6,190	21,487	21,868
Total operating expenses	98,048	108,831	303,592	337,182
<b>Real estate operating income</b>	<b>31,660</b>	<b>28,756</b>	<b>85,190</b>	<b>97,547</b>
<b>Other income (expense):</b>				
Interest expense	(15,849)	(16,183)	(45,294)	(52,661)
Other income	303	290	1,480	228
Equity in income of unconsolidated joint ventures	—	3,754	—	3,872
Loss on extinguishment of debt	—	—	(1,680)	—
Gain on sale of real estate assets	—	109,512	45,186	115,951
Total other income/(expense)	(15,546)	97,373	(308)	67,390
<b>Net income</b>	<b>16,114</b>	<b>126,129</b>	<b>84,882</b>	<b>164,937</b>
Plus: Net loss applicable to noncontrolling interest	—	4	4	10
<b>Net income applicable to Piedmont</b>	<b>\$ 16,114</b>	<b>\$ 126,133</b>	<b>\$ 84,886</b>	<b>\$ 164,947</b>
Weighted average common shares outstanding - diluted*	128,819	145,719	131,187	145,680
<b>Per Share Information -- diluted:</b>				
<b>Net income applicable to common stockholders</b>	<b>\$ 0.13</b>	<b>\$ 0.87</b>	<b>\$ 0.65</b>	<b>\$ 1.13</b>

\*Number of shares of common stock outstanding as of end of period

128,371

145,295

128,371

145,295

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		Nine Months Ended	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
<b>GAAP net income applicable to common stock</b>	<b>\$ 16,114</b>	<b>\$ 126,133</b>	<b>\$ 84,886</b>	<b>\$ 164,947</b>
Depreciation of real estate assets <sup>(1) (2)</sup>	26,668	29,774	80,531	90,335
Amortization of lease-related costs <sup>(1)</sup>	14,828	18,107	46,773	57,828
Gain on sale of real estate assets <sup>(1)</sup>	—	(113,195)	(45,186)	(119,634)
<b>NAREIT Funds From Operations applicable to common stock*</b>	<b>57,610</b>	<b>60,819</b>	<b>167,004</b>	<b>193,476</b>
Acquisition costs	—	—	—	6
Loss on extinguishment of debt	—	—	1,680	—
<b>Core Funds From Operations applicable to common stock*</b>	<b>57,610</b>	<b>60,819</b>	<b>168,684</b>	<b>193,482</b>
Amortization of debt issuance costs, fair market adjustments on notes payable, and discount on Unsecured Senior Notes	550	634	1,561	1,892
Depreciation of non real estate assets	176	218	558	597
Straight-line effects of lease revenue <sup>(1)</sup>	(3,210)	(3,602)	(11,489)	(15,939)
Stock-based and other non-cash compensation	1,661	1,250	4,462	4,202
Net effect of amortization of below-market in-place lease intangibles <sup>(1)</sup>	(2,006)	(1,720)	(5,636)	(4,890)
Acquisition costs	—	—	—	(6)
Non-incremental capital expenditures <sup>(3)</sup>	(9,276)	(5,229)	(27,407)	(21,974)
<b>Adjusted funds from operations applicable to common stock*</b>	<b>\$ 45,505</b>	<b>\$ 52,370</b>	<b>\$ 130,733</b>	<b>\$ 157,364</b>
Weighted average common shares outstanding - diluted**	128,819	145,719	131,187	145,680
<b>Funds from operations per share (diluted)</b>	<b>\$ 0.45</b>	<b>\$ 0.42</b>	<b>\$ 1.27</b>	<b>\$ 1.33</b>
<b>Core funds from operations per share (diluted)</b>	<b>\$ 0.45</b>	<b>\$ 0.42</b>	<b>\$ 1.29</b>	<b>\$ 1.33</b>
<b>**Number of shares of common stock outstanding as of end of period</b>	<b>128,371</b>	<b>145,295</b>	<b>128,371</b>	<b>145,295</b>

<sup>(1)</sup> Includes adjustments for consolidated properties and for our proportionate share of amounts attributable to unconsolidated joint ventures.

<sup>(2)</sup> Excludes depreciation of non real estate assets.

<sup>(3)</sup> 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	
	09/30/2018	09/30/2017	09/30/2018	09/30/2017
<b>GAAP net income applicable to common stock</b>	<b>16,114</b>	126,133	<b>16,114</b>	126,133
Net loss applicable to noncontrolling interest	—	(4)	—	(4)
Interest expense	<b>15,849</b>	16,183	<b>15,849</b>	16,183
Depreciation <sup>(1)</sup>	<b>26,844</b>	29,993	<b>26,844</b>	29,993
Amortization <sup>(1)</sup>	<b>14,828</b>	18,107	<b>14,828</b>	18,107
Gain on sale of real estate assets <sup>(1)</sup>	—	(113,195)	—	(113,195)
<b>EBITDAre</b>	<b>73,635</b>	77,217	<b>73,635</b>	77,217
Net loss from casualty events	—	25	—	25
<b>Core EBITDA*</b>	<b>73,635</b>	77,242	<b>73,635</b>	77,242
General & administrative expenses <sup>(1)</sup>	<b>6,677</b>	6,202	<b>6,677</b>	6,202
Management fee revenue	<b>(181)</b>	(253)	<b>(181)</b>	(253)
Other income <sup>(1)</sup>	<b>(87)</b>	(171)	<b>(87)</b>	(171)
Straight line effects of lease revenue <sup>(1)</sup>	<b>(3,210)</b>	(3,602)		
Amortization of lease-related intangibles <sup>(1)</sup>	<b>(2,006)</b>	(1,720)		
<b>Property NOI*</b>	<b>74,828</b>	77,698	<b>80,044</b>	83,020
Net operating income from:				
Acquisitions	<b>(958)</b>	—	<b>(1,292)</b>	—
Dispositions	<b>(122)</b>	(8,001)	<b>(122)</b>	(7,675)
Other investments <sup>(2)</sup>	<b>(659)</b>	(2,339)	<b>(827)</b>	(2,301)
<b>Same Store NOI *</b>	<b>73,089</b>	67,358	<b>77,803</b>	73,044
<i>Change period over period in Same Store NOI</i>	<i>8.5%</i>	<i>N/A</i>	<i>6.5%</i>	<i>N/A</i>

**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	
	Nine Months Ended		Nine Months Ended	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
<b>GAAP net income applicable to common stock</b>	<b>\$ 84,886</b>	<b>\$ 164,947</b>	<b>\$ 84,886</b>	<b>\$ 164,947</b>
Net loss applicable to noncontrolling interest	(4)	(10)	(4)	(10)
Interest expense	45,294	52,661	45,294	52,661
Depreciation <sup>(1)</sup>	81,090	90,933	81,090	90,933
Amortization <sup>(1)</sup>	46,773	57,828	46,773	57,828
Gain on sale of real estate assets <sup>(1)</sup>	(45,186)	(119,634)	(45,186)	(119,634)
<b>EBITDAre</b>	<b>212,853</b>	<b>246,725</b>	<b>212,853</b>	<b>246,725</b>
Loss on extinguishment of debt	1,680	—	1,680	—
Acquisition costs	—	6	—	6
Net loss from casualty events	—	57	—	57
<b>Core EBITDA*</b>	<b>214,533</b>	<b>246,788</b>	<b>214,533</b>	<b>246,788</b>
General & administrative expenses <sup>(1)</sup>	21,487	21,907	21,487	21,907
Management fee revenue	(531)	(762)	(531)	(762)
Other (income)/expense <sup>(1)</sup>	(475)	(146)	(475)	(146)
Straight line effects of lease revenue <sup>(1)</sup>	(11,489)	(15,939)		
Amortization of lease-related intangibles <sup>(1)</sup>	(5,636)	(4,890)		
<b>Property NOI*</b>	<b>217,889</b>	<b>246,958</b>	<b>235,014</b>	<b>267,787</b>
Net operating income from:				
Acquisitions	(2,540)	—	(3,424)	—
Dispositions	(509)	(39,077)	(500)	(36,331)
Other investments <sup>(2)</sup>	(3,096)	(6,277)	(3,309)	(7,079)
<b>Same Store NOI *</b>	<b>\$ 211,744</b>	<b>\$ 201,604</b>	<b>\$ 227,781</b>	<b>\$ 224,377</b>
<i>Change period over period in Same Store NOI</i>	<i>5.0%</i>	<i>N/A</i>	<i>1.5%</i>	<i>N/A</i>

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

<sup>(2)</sup> Other investments consist of our investments in unconsolidated joint ventures, 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 500 TownPark in Lake Mary, Florida, and 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  
September 30, 2018*

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

Please refer to page [46](#) 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 [39](#). 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, 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 approximately 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 September 30, 2018	As of December 31, 2017
Number of consolidated office properties <sup>(1)</sup>	53	67
Rentable square footage (in thousands) <sup>(1) (2)</sup>	16,179	19,061
Percent leased <sup>(3)</sup>	93.2%	89.7%
Capitalization (in thousands):		
Total debt - principal amount outstanding (excludes premiums, discounts, and deferred financing costs)	\$1,725,033	\$1,733,670
Equity market capitalization <sup>(4)</sup>	\$2,430,071	\$2,791,659
Total market capitalization <sup>(4)</sup>	\$4,155,104	\$4,525,329
Total debt / Total market capitalization <sup>(4)</sup>	41.5%	38.3%
Average net debt to Core EBITDA	5.8 x	5.6 x
Total debt / Total gross assets	37.8%	34.3%
Common stock data:		
High closing price during quarter	\$20.40	\$20.40
Low closing price during quarter	\$18.59	\$19.21
Closing price of common stock at period end	\$18.93	\$19.61
Weighted average fully diluted shares outstanding during quarter (in thousands)	128,819	144,503
Shares of common stock issued and outstanding at period end (in thousands)	128,371	142,359
Annual regular dividend per share <sup>(5)</sup>	\$0.84	\$0.84
Special dividend per share declared during calendar year	NA	\$0.50
Rating / Outlook		
Standard & Poor's	BBB / Stable	BBB / Stable
Moody's	Baa2 / Stable	Baa2 / Stable
Employees	136	136

(1) As of September 30, 2018, our consolidated office portfolio consisted of 53 properties (exclusive of one property that was taken out of service for redevelopment on January 1, 2018, Two Pierce Place in Itasca, IL), whereas it consisted of 67 properties at December 31, 2017. During the first quarter of 2018, the Company sold a 14-property portfolio consisting of 2.6 million square feet (additional details about which can be found on page 37), and we acquired 501 West Church Street, a 182,000 square foot office building located in Orlando, FL. There were no acquisitions or dispositions of office properties completed during the second or third quarters of 2018.

(2) The figure for September 30, 2018 excluded one property that was taken out of service for redevelopment on January 1, 2018, Two Pierce Place in Itasca, IL, consisting of approximately 487,000 square feet; the Company's total rentable square footage including this property was 16.7 million square feet.

(3) 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 27 for additional analyses regarding Piedmont's leased percentage.

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

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

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**C. Brent Smith**  
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Board of Directors and Chairman  
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**Dale H. Taysom**  
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Audit and Capital Committees

**Kelly H. Barrett**  
Director and Member of the Audit and  
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**Wesley E. Cantrell**  
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**Piedmont Office Realty Trust, Inc.**  
**Financial Highlights**  
**As of September 30, 2018**

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**Financial Results <sup>(1)</sup>**

Net income attributable to Piedmont for the quarter ended September 30, 2018 was \$16.1 million, or \$0.13 per share (diluted), compared to \$126.1 million, or \$0.87 per share (diluted), for the same quarter in 2017. Net income attributable to Piedmont for the nine months ended September 30, 2018 was \$84.9 million, or \$0.65 per share (diluted), compared to \$164.9 million, or \$1.13 per share (diluted), for the same period in 2017. The decrease in net income attributable to Piedmont for the three months and the nine months ended September 30, 2018 when compared to the same periods in 2017 was primarily due to the recognition of a larger amount of total gains on sales of real estate during 2017 (\$119.6 million year-to-date) when compared to 2018 (\$45.2 million year-to-date), in addition to a decrease in income from continuing operations in 2018 resulting from the net disposition of approximately \$760 million in properties since the beginning of 2017.

Funds from operations (FFO) for the quarter ended September 30, 2018 was \$57.6 million, or \$0.45 per share (diluted), compared to \$60.8 million, or \$0.42 per share (diluted), for the same quarter in 2017. FFO for the nine months ended September 30, 2018 was \$167.0 million, or \$1.27 per share (diluted), compared to \$193.5 million, or \$1.33 per share (diluted), for the same period in 2017. The decrease in dollar amount of FFO for the three months and the nine months ended September 30, 2018 when compared to the same periods in 2017 was primarily attributable to net disposition activity completed since the beginning of 2017 amounting to approximately \$760 million of properties, including the sales of Two Independence Square in Washington, D.C., in July 2017 and a 14-property portfolio in January 2018. In addition to the explanations provided above, the per share results for 2018 were positively influenced by the amount of shares of Company stock repurchased through Piedmont's board-approved stock repurchase program over the trailing twelve month period, amounting to approximately 17.3 million shares, or about \$323 million, of repurchases.

Core funds from operations (Core FFO) for the quarter ended September 30, 2018 was \$57.6 million, or \$0.45 per share (diluted), compared to \$60.8 million, or \$0.42 per share (diluted), for the same quarter in 2017. Core FFO for the nine months ended September 30, 2018 was \$168.7 million, or \$1.29 per share (diluted), compared to \$193.5 million, or \$1.33 per share (diluted), for the same period in 2017. The decrease in dollar amount of Core FFO for the three months and the nine months ended September 30, 2018 when compared to the same periods in 2017 was primarily attributable to the net disposition activity described above for changes in FFO. The per share results for 2018 were positively influenced by the Company's share repurchase activity described above for changes in FFO per share.

Adjusted funds from operations (AFFO) for the quarter ended September 30, 2018 was \$45.5 million, compared to \$52.4 million for the same quarter in 2017. AFFO for the nine months ended September 30, 2018 was \$130.7 million, compared to \$157.4 million for the same period in 2017. The decrease in AFFO for the three months and the nine months ended September 30, 2018 when compared to the same periods in 2017 was primarily due to the net disposition activity described above for changes in FFO and Core FFO in addition to an increase in capital expenditures in 2018 attributable to recent leasing activity.

**Operations and Leasing**

Within its portfolio, Piedmont has 53 office properties located primarily in eight major office markets in the eastern portion of the United States and one re-development 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 38 of this report.

On a square footage leased basis, our total in-service office portfolio was 93.2% leased as of September 30, 2018, as compared to 89.7% at the beginning of the year and 89.2% a year earlier. Please refer to page 27 for additional leased percentage information.

The weighted average remaining lease term of our in-service portfolio was 6.7 years<sup>(2)</sup> as of September 30, 2018 as compared to 6.5 years at December 31, 2017. Our weighted average adjusted Annualized Lease Revenue<sup>(3)</sup> per square foot for our in service portfolio was \$35.69 as of September 30, 2018.

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(1) FFO, Core FFO and AFFO are supplemental non-GAAP financial measures. See page 39 for definitions of these non-GAAP financial measures, and pages 15 and 41 for reconciliations of FFO, Core FFO and AFFO to Net Income.

(2) Remaining lease term (after taking into account leases for vacant spaces which had been executed but not commenced as of September 30, 2018) is weighted based on Annualized Lease Revenue, as defined on page 39.

(3) 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 reflecting the true gross rental rate for those buildings.

During the three months ended September 30, 2018, the Company completed approximately 613,000 square feet of total leasing. Of the total leasing activity completed during the quarter, we signed new tenant leases for approximately 475,000 square feet. During the nine months ended September 30, 2018, we completed approximately 1,378,000 square feet of leasing for our consolidated office properties, including approximately 764,000 square feet of new tenant leases. 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 nine months ended September 30, 2018 (net of commitment expirations during the period) was \$5.61 (see page 33).

Of particular significance during the third quarter of 2018 was the Company's completion of a 301,000 square foot, full-building lease at Enclave Place, Piedmont's 11-story, ground-up development located within a deed-restricted and architecturally-controlled office park in the Energy Corridor of Houston, TX. The approximately 17-year lease with an international energy services company has the potential to commence at the beginning of the third quarter of 2019. See the Development / Redevelopment section below for additional information.

During the three months ended September 30, 2018, we executed eleven leases greater than 10,000 square feet at our consolidated office properties. Information on those leases is set forth below.

Tenant	Property	Property Location	Square Feet Leased	Expiration Year	Lease Type
Transocean Offshore Deepwater Drilling, Inc.	Enclave Place	Houston, TX	300,906	2036	New
Reservoir International, LLC	Arlington Gateway	Arlington, VA	29,379	2023	New
Children's Hospital Los Angeles	800 North Brand Boulevard	Glendale, CA	25,897	2026	Expansion
Morgan Stanley Smith Barney Financing, LLC	Glenridge Highlands Two	Atlanta, GA	18,286	2024	Renewal
R-T Specialty, LLC	Glenridge Highlands Two	Atlanta, GA	17,414	2026	Renewal / Expansion
Rapid7, Inc.	Arlington Gateway	Arlington, VA	16,527	2024	New
Switch Commerce, LLC	6565 North MacArthur Boulevard	Irving, TX	15,492	2024	Renewal
TZ Insurance Solutions, LLC	80 Central Street	Boxborough, MA	15,489	2029	New
Global Connections to Employment, Inc.	3100 Clarendon Boulevard	Arlington, VA	15,267	2028	New
Health Catalyst, Inc.	Crescent Ridge II	Minnetonka, MN	12,796	2024	New
Applied Predictive Technologies, Inc.	4250 North Fairfax Drive	Arlington, VA	12,186	2028	Expansion

At the end of the third quarter of 2018, there was one tenant whose lease individually contributed greater than 1% in Annualized Lease Revenue expiring during the eighteen month period following September 30, 2018. Information regarding the leasing status of the space associated with this tenant's lease 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	480,708	5.1%	Q1 2019	The Company continues to be in advanced discussions with the tenant regarding a long-term lease renewal and potential modest square footage contraction.

## Future Lease Commencements and Abatements

As of September 30, 2018, our overall leased percentage was 93.2% and our economic leased percentage was 86.6%. 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 547,197 square feet of leases as of September 30, 2018, or 3.4% of the portfolio); and
- 2) leases which have commenced but are within rental abatement periods (amounting to 758,869 square feet of leases as of September 30, 2018, or a 3.2% impact to leased percentage on an economic basis).

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 1.9% of the 6.6% gap), (2) abatements associated with existing or newly executed leases commence and expire (see page 8 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.

Piedmont has leases with many large corporate office space users. The average size of lease in the Company's portfolio is approximately 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	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
Children's Hospital Los Angeles	800 North Brand Boulevard	Glendale, CA	76,182	Not Vacant	Q2 2021	New
Schlumberger Technology Corporation	1430 Enclave Parkway	Houston, TX	63,145	Not Vacant	Q1 2019	New <sup>(1)</sup>
Gartner, Inc.	6011 Connection Drive	Irving, TX	53,952	Vacant	Q3 2019 (27,198 SF) <sup>(2)</sup> Q3 2020 (26,754 SF)	New

(1) During the second quarter of 2018, Schlumberger signed a 225,726 square foot lease renewal and expansion. The expansion component is comprised of 63,145 square feet and is the portion of the lease presented on this line. Schlumberger currently subleases the 63,145 square feet from Technip. Schlumberger's direct lease for the space will commence on January 1, 2019, immediately following the expiration of Technip's lease.

(2) The commencement of the Gartner lease occurs in three phases. The first phase of 98,134 square feet commenced during the third quarter of 2018 and is receiving ten months of rental abatements. The other two phases presented in this table have not yet commenced and will not receive any rental abatements. The tenant has options to accelerate the commencement dates for the second and third phases and may choose to do so.

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 due to several leases being in abatement periods. Presented below 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. There were no abatements of 50,000 square feet or greater that expired during the third quarter of 2018.

Abatements Expired During Quarter

None of 50,000 square feet or greater.

Current / Future Abatements

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
United States of America (Social Security Administration Commissioner)	One Independence Square	Washington, DC	52,720	Q2 2018	June 2018 through June 2019 <sup>(1)</sup>	Q2 2028
Gartner, Inc.	6011 Connection Drive	Irving, TX	98,134	Q3 2018	September 2018 through June 2019	Q2 2034
Norris, McLaughlin & Marcus	400 Bridgewater Crossing	Bridgewater, NJ	61,642	Q4 2016	October through December 2018; November and December 2019	Q4 2029
Holland & Knight, LLP	SunTrust Center	Orlando, FL	50,655	Q4 2018 <sup>(2)</sup>	December 2018 through February 2019	Q1 2024
Schlumberger Technology Corporation	1430 Enclave Parkway	Houston, TX	225,726	Q1 2019	January through June 2019	Q4 2028
District of Columbia (Department of Disability Services)	One Independence Square	Washington, DC	101,982	Q2 2016	June 2019 and June 2020	Q1 2028
Transocean Offshore Deepwater Drilling, Inc.	Enclave Place	Houston, TX	300,906	Q3 2019	July 2019 through April 2021 *	Q2 2036

\* 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.

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 values have been maximized 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

On August 31, 2018, Piedmont entered into a binding contract to sell 800 North Brand Boulevard, a 21-story, 90% leased, 527,000 square foot office building located in Glendale, CA. The sale price is \$160.0 million, or approximately \$303 per square foot. The sale is scheduled to close during the fourth quarter of 2018 and will allow the Company to:

- reduce the number of projects owned outside of its eight strategic operating markets to two; and
- dispose of its last remaining West Coast property.

The two remaining projects that Piedmont owns outside of its eight strategic markets currently have a combined leased percentage of 100% and a weighted average lease term remaining of over 13 years.

(1) The rental abatement commenced on an estimated date of June 19, 2018 and will continue for a period of one year.

(2) Represents the commencement date of the renewal term.

### Acquisitions

There were no acquisitions completed during the quarter ended September 30, 2018.

Information regarding property transaction activity effected after the end of the third quarter of 2018 can be found under the Subsequent Events heading below. For additional information on acquisitions and dispositions completed over the previous eighteen months, please refer to page 37.

### Development / Redevelopment

The Company had no ground-up developments underway as of September 30, 2018. During the third quarter of 2018, the Company continued a nearly \$14 million redevelopment (with approximately \$13.4 million already spent) at Two Pierce Place in Itasca, IL. The project includes a renovation of the property's lobby and exterior plaza, an elevator modernization, the enhancement and addition of building amenities, and the acquisition and improving of additional land to increase the building's parking ratio.

As recently announced, Piedmont completed a 301,000 square foot, full-building lease at the newly constructed Enclave Place in Houston, TX, during the third quarter of 2018. The nearly 17-year lease was signed with an international energy services company and the location will function as the tenant's US headquarters. The estimated cash and GAAP returns on cost after all lease-related obligations are funded are in the low 7% range. While the yields on cost achieved are less than that originally underwritten as a result of the recent challenging leasing conditions in Houston, the strengthening of oil market fundamentals in 2018 has led to increased office market activity - and allowed the company to complete the long-term lease with an internationally-known tenant at positive economics relative to recent expectations.

Additional detail on the Company's developable land parcels, all of which are located adjacent to existing Piedmont properties, as well as information on the current redevelopment project, can be found on page 38.

### Finance

On September 28, 2018, Piedmont closed on a new \$500 million unsecured line of credit. The new revolver replaced the Company's prior credit facility of equal size providing an extended term and a reduced credit spread (thereby, reducing the all-in interest rate under the new facility relative to the prior facility). The new revolver has a term of four years, with two six-month extension options, for a total potential term of five years; the initial maturity date of September 30, 2022, is approximately three and one-quarter years beyond that of the prior facility. The unsecured line of credit has the option to bear interest at varying levels based on (i) the London Interbank Offered Rate ("LIBOR"), or (ii) the Base Rate, defined as the greater of the prime rate, the federal funds rate plus 0.5%, or LIBOR for a one-month period plus one percent. The interest rate for LIBOR-based loans is LIBOR + 90.0 basis points and the annual facility fee is 20.0 basis points. The facility is structured to allow for an increase in size up to a total commitment of \$1.0 billion at the election of Piedmont; however, no existing bank has an obligation to participate in any such increase. The loan syndicate consists of a total of 13 major banks. The Company's previous revolver was terminated concurrently with the closing of the new facility.

On September 28, 2018, Piedmont closed on an extension of the \$300 million unsecured term loan that was originally put in place in 2011 and amended and extended in 2014. The maturity date of the loan was extended approximately 22 months from January 15, 2020 to November 30, 2021. Other than extending the Company's next significant debt maturity, a key reason for the extension was to enable Piedmont to maximize available future refinancing options under its current debt maturity schedule, allowing for the consideration of 5-, 7-, or 10-year debt structures when the loan matures in 2021 all while maintaining a laddered debt maturity profile. In addition to the extension of the maturity date, the applicable credit spread was reduced by 15 basis points (thereby, reducing the all-in interest rate under the facility relative to the prior structure). The interest rate options available under the credit facility are all floating interest rates. However, the previously existing interest rate swap agreements will continue to be applied to this loan, resulting in an effective interest rate of 3.20% through the termination date of the swaps on January 15, 2020, assuming no credit rating change for the Company. No additional funds were borrowed under the facility through this transaction.

As of September 30, 2018, our ratio of debt to total gross assets was 37.8%. This debt ratio is based on total principal amount outstanding for our various loans at September 30, 2018.

As of September 30, 2018, our average net debt to Core EBITDA ratio was 5.8 x, and the same measure at December 31, 2017 was 5.6 x.

### Stock Repurchase Program

No common stock repurchases were made during the third quarter of 2018. Since the stock repurchase program began in December 2011, the Company has repurchased approximately 45.8 million shares at an average price of \$17.74 per share, or approximately \$812.7 million in aggregate (before the consideration of transaction costs). As of quarter end, Board-approved capacity remaining for additional repurchases totaled approximately \$123.5 million under the stock repurchase plan. Repurchases of stock under the program will be made at the Company's discretion and will depend on market conditions, other investment opportunities and other factors that the Company deems relevant.

### Dividend

On August 1, 2018, the Board of Directors of Piedmont declared a dividend for the third quarter of 2018 in the amount of \$0.21 per common share outstanding to stockholders of record as of the close of business on August 31, 2018. The dividend was paid on September 21, 2018. The Company's dividend payout percentage (for dividends declared) for the nine months ended September 30, 2018 was 49% of Core FFO and 63% of AFFO.

### Subsequent Events

On October 25, 2018, Piedmont completed the purchase of 9320 Excelsior Boulevard, a 268,000 square foot, 100% leased, seven-story, Class AA office building with a three-level parking structure (offering 4.6 spaces per 1,000 square feet of space), located in Hopkins, MN, for \$49.4 million, or approximately \$184 per square foot. The 2010-vintage building is currently leased and occupied by an investment-grade tenant through 2023; however, the investment offers upside potential as the sole tenant desires to rationalize its space usage, yet it has no contractual rights to do so. This situation provides Piedmont with time to consider various restructuring alternatives to find a solution that will work for both the Company and the tenant and that will provide a compelling risk-adjusted return for investors. The property is situated within a park-like office development at the northeast corner of Highway 169 and Excelsior Boulevard, between the prominent suburbs of Minnetonka and Edina, with easy accessibility to Interstates 394 and 494, offering excellent connectivity to the entire Minneapolis metropolitan area. The asset complements the Company's existing Minneapolis portfolio in terms of physical quality and location, allowing both marketing and operating synergies. The acquisition was completed at an estimated discount to replacement cost of almost 50% and estimated GAAP and cash yields of approximately 10%.

On October 30, 2018, the Board of Directors of Piedmont declared a dividend for the fourth quarter of 2018 in the amount of \$0.21 per common share outstanding to stockholders of record as of the close of business on November 30, 2018. The dividend is expected to be paid on January 3, 2019.

### Guidance for 2018

The following financial guidance for calendar year 2018 has been narrowed and is based upon year-to-date results and management's expectations at this time, inclusive of the \$160 million sale of 800 North Brand Boulevard in Glendale, CA, as well as the acquisition of 9320 Excelsior Boulevard in Hopkins, MN.

	<u>Low</u>		<u>High</u>
<b>Net Income</b>	<b>\$95 million</b>	<b>to</b>	<b>\$97 million</b>
Add:			
Depreciation	109 million	to	111 million
Amortization	61 million	to	62 million
Less:			
Gain on Sale of Real Estate Assets	(45) million	to	(46) million
<b>NAREIT Funds from Operations applicable to Common Stock</b>	<b>\$220 million</b>		<b>\$224 million</b>
<b>NAREIT Funds from Operations per diluted share</b>	<b>\$1.68</b>	<b>to</b>	<b>\$1.71</b>
Less:			
Loss on Extinguishment of Debt	\$2 million	to	\$2 million
<b>Core Funds From Operations</b>	<b>\$222 million</b>	<b>to</b>	<b>\$226 million</b>
<b>Core Funds from Operations per diluted share</b>	<b>\$1.70</b>	<b>to</b>	<b>\$1.73</b>

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, 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)*

	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
<b>Assets:</b>					
Real estate, at cost:					
Land assets	\$ 523,994	\$ 523,994	\$ 523,994	\$ 521,186	\$ 516,828
Buildings and improvements	3,107,025	3,090,727	3,086,441	3,053,416	3,028,371
Buildings and improvements, accumulated depreciation	(797,222)	(772,106)	(753,445)	(728,134)	(702,968)
Intangible lease asset	149,795	150,205	158,338	176,950	171,965
Intangible lease asset, accumulated amortization	(84,268)	(79,934)	(83,063)	(99,145)	(93,265)
Construction in progress	22,753	17,802	15,197	11,681	7,560
Real estate assets held for sale, gross	174,352	174,351	173,526	674,976	720,400
Real estate assets held for sale, accumulated depreciation & amortization	(60,434)	(59,586)	(58,315)	(226,188)	(223,137)
<b>Total real estate assets</b>	<b>3,035,995</b>	<b>3,045,453</b>	<b>3,062,673</b>	<b>3,384,742</b>	<b>3,425,754</b>
Investments in and amounts due from unconsolidated joint ventures	—	—	10	10	49
Cash and cash equivalents	6,807	8,944	6,729	7,382	36,108
Tenant receivables, net of allowance for doubtful accounts	10,522	9,323	12,040	12,139	12,802
Straight line rent receivable	168,745	164,237	159,289	154,384	148,071
Notes receivable	3,200	3,200	3,200	—	—
Escrow deposits and restricted cash	1,374	1,415	1,464	1,373	1,260
Prepaid expenses and other assets	31,470	27,978	23,779	21,222	26,551
Goodwill	98,918	98,918	98,918	98,918	98,918
Interest rate swap	4,069	2,679	725	688	34
Deferred lease costs, less accumulated amortization	250,038	248,853	253,460	257,916	249,362
Other assets held for sale	12,752	12,990	13,403	61,193	61,741
<b>Total assets</b>	<b>\$ 3,623,890</b>	<b>\$ 3,623,990</b>	<b>\$ 3,635,690</b>	<b>\$ 3,999,967</b>	<b>\$ 4,060,650</b>
<b>Liabilities:</b>					
Unsecured debt, net of discount	\$ 1,524,618	\$ 1,529,856	\$ 1,498,339	\$ 1,535,311	\$ 1,511,663
Secured debt	190,753	190,990	191,305	191,616	191,923
Accounts payable, accrued expenses, and accrued capital expenditures	109,087	94,215	83,786	216,653	108,120
Deferred income	27,450	25,532	29,751	29,582	29,970
Intangible lease liabilities, less accumulated amortization	37,986	40,341	42,699	38,458	40,662
Interest rate swaps	—	—	222	1,478	3,915
Other liabilities held for sale	—	—	—	380	402
<b>Total liabilities</b>	<b>\$ 1,889,894</b>	<b>\$ 1,880,934</b>	<b>\$ 1,846,102</b>	<b>\$ 2,013,478</b>	<b>\$ 1,886,655</b>
<b>Stockholders' equity:</b>					
Common stock	1,284	1,284	1,300	1,424	1,453
Additional paid in capital	3,682,209	3,681,127	3,680,241	3,677,360	3,676,706
Cumulative distributions in excess of earnings	(1,964,135)	(1,953,291)	(1,904,404)	(1,702,281)	(1,511,428)
Other comprehensive loss	12,851	12,141	10,639	8,164	5,400
<b>Piedmont stockholders' equity</b>	<b>1,732,209</b>	<b>1,741,261</b>	<b>1,787,776</b>	<b>1,984,667</b>	<b>2,172,131</b>
Non-controlling interest	1,787	1,795	1,812	1,822	1,864
<b>Total stockholders' equity</b>	<b>1,733,996</b>	<b>1,743,056</b>	<b>1,789,588</b>	<b>1,986,489</b>	<b>2,173,995</b>
<b>Total liabilities, redeemable common stock and stockholders' equity</b>	<b>\$ 3,623,890</b>	<b>\$ 3,623,990</b>	<b>\$ 3,635,690</b>	<b>\$ 3,999,967</b>	<b>\$ 4,060,650</b>
<i>Common stock outstanding at end of period</i>	128,371	128,371	130,025	142,359	145,295

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

	Three Months Ended				
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
<b>Revenues:</b>					
Rental income	\$ 101,348	\$ 101,478	\$ 101,454	\$ 109,726	\$ 108,868
Tenant reimbursements	23,170	22,047	22,994	24,764	24,253
Property management fee revenue	368	382	309	356	454
Other property related income	4,822	5,267	5,143	4,598	4,012
	<b>129,708</b>	<b>129,174</b>	<b>129,900</b>	<b>139,444</b>	<b>137,587</b>
<b>Expenses:</b>					
Property operating costs	49,679	52,637	51,859	55,806	54,518
Depreciation	26,852	27,115	27,145	28,461	30,000
Amortization	14,840	15,245	16,733	17,515	18,123
Impairment loss on real estate assets <sup>(1)</sup>	—	—	—	46,461	—
General and administrative	6,677	8,258	6,552	7,451	6,190
	<b>98,048</b>	<b>103,255</b>	<b>102,289</b>	<b>155,694</b>	<b>108,831</b>
<b>Real estate operating income</b>	<b>31,660</b>	<b>25,919</b>	<b>27,611</b>	<b>(16,250)</b>	<b>28,756</b>
<b>Other income / (expense):</b>					
Interest expense	(15,849)	(15,687)	(13,758)	(15,463)	(16,183)
Other income / (expense)	303	731	446	429	290
Equity in income / (loss) of unconsolidated joint ventures	—	—	—	(27)	3,754
Gain / (loss) on extinguishment of debt	—	—	(1,680)	—	—
	<b>(15,546)</b>	<b>(14,956)</b>	<b>(14,992)</b>	<b>(15,061)</b>	<b>(12,139)</b>
<b>Income from continuing operations</b>	<b>16,114</b>	<b>10,963</b>	<b>12,619</b>	<b>(31,311)</b>	<b>16,617</b>
<b>Discontinued operations:</b>					
Operating income, excluding impairment loss	—	—	—	—	—
Gain / (loss) on sale of properties	—	—	—	—	—
<b>Income / (loss) from discontinued operations</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Gain / (loss) on sale of real estate <sup>(2)</sup>	—	(23)	45,209	(77)	109,512
<b>Net income</b>	<b>16,114</b>	<b>10,940</b>	<b>57,828</b>	<b>(31,388)</b>	<b>126,129</b>
Less: Net (income) / loss attributable to noncontrolling interest	—	2	2	5	4
<b>Net income attributable to Piedmont</b>	<b>\$ 16,114</b>	<b>\$ 10,942</b>	<b>\$ 57,830</b>	<b>\$ (31,383)</b>	<b>\$ 126,133</b>
<i>Weighted average common shares outstanding - diluted</i>	<i>128,819</i>	<i>128,701</i>	<i>136,183</i>	<i>144,503</i>	<i>145,719</i>
<b>Net income per share available to common stockholders - diluted</b>	<b>\$ 0.13</b>	<b>\$ 0.09</b>	<b>\$ 0.42</b>	<b>\$ (0.21)</b>	<b>\$ 0.87</b>
<i>Common stock outstanding at end of period</i>	<i>128,371</i>	<i>128,371</i>	<i>130,025</i>	<i>142,359</i>	<i>145,295</i>

(1) The impairment loss on real estate assets recorded in the fourth quarter of 2017 was related to certain properties within the 14-property portfolio disposition that closed at the beginning of 2018. Accounting standards require that any anticipated loss from an asset sale be recorded as an impairment charge when the likelihood of a sale becomes probable. Conversely, any gain on the sale of an asset is not recorded until the sale transaction closes. Therefore, during the fourth quarter of 2017, Piedmont recorded impairment losses associated with the 14-property portfolio disposition totaling \$46.5 million; however, it recorded a nearly equal amount of gains relating to other properties within the same transaction totaling \$45.2 million during the first quarter of 2018.

(2) The gain on sale of real estate reflected in the first quarter of 2018 was related to certain assets within the 14-property portfolio sale on which the company recorded a total of \$45.2 million in gains. The gain on sale of real estate reflected in the third quarter of 2017 was related to the sale of Two Independence Square in Washington, DC, on which the Company recorded a \$109.5 million gain.

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

	Three Months Ended				Nine Months Ended			
	9/30/2018	9/30/2017	Change (\$)	Change (%)	9/30/2018	9/30/2017	Change (\$)	Change (%)
<b>Revenues:</b>								
Rental income	\$ 101,348	\$ 108,868	\$ (7,520)	(6.9)%	\$ 304,280	\$ 345,399	\$ (41,119)	(11.9)%
Tenant reimbursements	23,170	24,253	(1,083)	(4.5)%	68,211	73,375	(5,164)	(7.0)%
Property management fee revenue	368	454	(86)	(18.9)%	1,059	1,379	(320)	(23.2)%
Other property related income	4,822	4,012	810	20.2 %	15,232	14,576	656	4.5 %
	129,708	137,587	(7,879)	(5.7)%	388,782	434,729	(45,947)	(10.6)%
<b>Expenses:</b>								
Property operating costs	49,679	54,518	4,839	8.9 %	154,175	166,635	12,460	7.5 %
Depreciation	26,852	30,000	3,148	10.5 %	81,112	90,827	9,715	10.7 %
Amortization	14,840	18,123	3,283	18.1 %	46,818	57,852	11,034	19.1 %
General and administrative	6,677	6,190	(487)	(7.9)%	21,487	21,868	381	1.7 %
	98,048	108,831	10,783	9.9 %	303,592	337,182	33,590	10.0 %
<b>Real estate operating income</b>	<b>31,660</b>	<b>28,756</b>	<b>2,904</b>	<b>10.1 %</b>	<b>85,190</b>	<b>97,547</b>	<b>(12,357)</b>	<b>(12.7)%</b>
<b>Other income / (expense):</b>								
Interest expense	(15,849)	(16,183)	334	2.1 %	(45,294)	(52,661)	7,367	14.0 %
Other income / (expense)	303	290	13	4.5 %	1,480	228	1,252	549.1 %
Equity in income / (loss) of unconsolidated joint ventures	—	3,754	(3,754)	(100.0)%	—	3,872	(3,872)	(100.0)%
Gain / (loss) on extinguishment of debt	—	—	—		(1,680)	—	(1,680)	(100.0)%
	(15,546)	(12,139)	(3,407)	(28.1)%	(45,494)	(48,561)	3,067	6.3 %
<b>Income from continuing operations</b>	<b>16,114</b>	<b>16,617</b>	<b>(503)</b>	<b>(3.0)%</b>	<b>39,696</b>	<b>48,986</b>	<b>(9,290)</b>	<b>(19.0)%</b>
<b>Discontinued operations:</b>								
Operating income, excluding impairment loss	—	—	—		—	—	—	
Gain / (loss) on sale of properties	—	—	—		—	—	—	
<b>Income / (loss) from discontinued operations</b>	<b>—</b>	<b>—</b>	<b>—</b>		<b>—</b>	<b>—</b>	<b>—</b>	
Gain / (loss) on sale of real estate <sup>(1)</sup>	—	109,512	(109,512)	(100.0)%	45,186	115,951	(70,765)	(61.0)%
<b>Net income</b>	<b>16,114</b>	<b>126,129</b>	<b>(110,015)</b>	<b>(87.2)%</b>	<b>84,882</b>	<b>164,937</b>	<b>(80,055)</b>	<b>(48.5)%</b>
Less: Net (income) / loss attributable to noncontrolling interest	—	4	(4)	(100.0)%	4	10	(6)	(60.0)%
<b>Net income attributable to Piedmont</b>	<b>\$ 16,114</b>	<b>\$ 126,133</b>	<b>\$ (110,019)</b>	<b>(87.2)%</b>	<b>\$ 84,886</b>	<b>\$ 164,947</b>	<b>\$ (80,061)</b>	<b>(48.5)%</b>
<i>Weighted average common shares outstanding - diluted</i>	<i>128,819</i>	<i>145,719</i>			<i>131,187</i>	<i>145,680</i>		
<b>Net income per share available to common stockholders - diluted</b>	<b>\$ 0.13</b>	<b>\$ 0.87</b>			<b>\$ 0.65</b>	<b>\$ 1.13</b>		
<i>Common stock outstanding at end of period</i>	<i>128,371</i>	<i>145,295</i>			<i>128,371</i>	<i>145,295</i>		

(1) The gain on sale of real estate for the nine months ended September 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. The gain on sale of real estate for the three months and the nine months ended September 30, 2017 was primarily related to the sale of Two Independence Square in Washington, DC, on which the Company recorded a \$109.5 million gain.

**Piedmont Office Realty Trust, Inc.**

**Key Performance Indicators**

*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 39 and reconciliations are provided beginning on page 41.

Selected Operating Data	Three Months Ended				
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
Percent leased <sup>(1)</sup>	93.2%	90.6%	91.3%	89.7%	89.2%
Percent leased - economic <sup>(1) (2)</sup>	86.6%	85.7%	85.9%	82.1%	83.4%
Rental income	\$101,348	\$101,478	\$101,454	\$109,726	\$108,868
Total revenues	\$129,708	\$129,174	\$129,900	\$139,444	\$137,587
Total operating expenses	\$98,048	\$103,255	\$102,289	\$155,694	\$108,831
Core EBITDA	\$73,635	\$68,986	\$71,912	\$76,509	\$77,242
Core FFO applicable to common stock	\$57,610	\$53,088	\$57,986	\$60,896	\$60,819
Core FFO per share - diluted	\$0.45	\$0.41	\$0.43	\$0.42	\$0.42
AFFO applicable to common stock	\$45,505	\$39,388	\$45,840	\$42,948	\$52,370
Gross regular dividends <sup>(3)</sup>	\$26,958	\$26,950	\$28,284	\$30,276	\$30,549
Regular dividends per share	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21
Gross special dividends <sup>(3) (4)</sup>	\$0	\$0	\$0	\$71,367	\$0
Special dividends per share	NA	NA	NA	\$0.50	NA
<b>Selected Balance Sheet Data</b>					
Total real estate assets, net	\$3,035,995	\$3,045,453	\$3,062,673	\$3,384,742	\$3,425,754
Total assets	\$3,623,890	\$3,623,990	\$3,635,690	\$3,999,967	\$4,060,650
Total liabilities	\$1,889,894	\$1,880,934	\$1,846,102	\$2,013,478	\$1,886,655
<b>Ratios &amp; Information for Debt Holders</b>					
Core EBITDA margin <sup>(5)</sup>	56.8%	53.4%	55.4%	54.9%	56.1%
Fixed charge coverage ratio <sup>(6)</sup>	4.5 x	4.2 x	5.1 x	4.9 x	4.7 x
Average net debt to Core EBITDA <sup>(7)</sup>	5.8 x	6.2 x	5.4 x	5.6 x	5.6 x
Total gross real estate assets	\$3,977,919	\$3,957,079	\$3,957,496	\$4,438,209	\$4,445,124
Net debt <sup>(8)</sup>	\$1,716,852	\$1,717,836	\$1,689,241	\$1,724,915	\$1,673,535

(1) Please refer to page 27 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) On December 13, 2017, the Board of Directors of Piedmont declared a special dividend in the amount of \$0.50 per common share outstanding to stockholders of record as of the close of business on December 26, 2017 as a result of taxable gains realized on property sales occurring during 2017.

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

(6) 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 \$374,868 for the quarter ended September 30, 2018, \$346,488 for the quarter ended June 30, 2018, \$106,873 for the quarter ended March 31, 2018, \$37,908 for the quarter ended December 31, 2017, and \$37,259 for the quarter ended September 30, 2017; the Company had principal amortization of \$161,405 for the quarter ended September 30, 2018, \$239,331 for the quarter ended June 30, 2018, \$236,041 for the quarter ended March 31, 2018, \$232,796 for the quarter ended December 31, 2017, and \$229,596 for the quarter ended September 30, 2017.

(7) 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.

(8) 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		Nine Months Ended	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
<b>GAAP net income applicable to common stock</b>	<b>\$ 16,114</b>	<b>\$ 126,133</b>	<b>\$ 84,886</b>	<b>\$ 164,947</b>
Depreciation <sup>(1) (2)</sup>	26,668	29,774	80,531	90,335
Amortization <sup>(1)</sup>	14,828	18,107	46,773	57,828
Loss / (gain) on sale of properties <sup>(1)</sup>	—	(113,195)	(45,186)	(119,634)
<b>NAREIT funds from operations applicable to common stock</b>	<b>57,610</b>	<b>60,819</b>	<b>167,004</b>	<b>193,476</b>
Adjustments:				
Acquisition costs	—	—	—	6
Loss / (gain) on extinguishment of debt	—	—	1,680	—
<b>Core funds from operations applicable to common stock</b>	<b>57,610</b>	<b>60,819</b>	<b>168,684</b>	<b>193,482</b>
Adjustments:				
Amortization of debt issuance costs, fair market adjustments on notes payable, and discount on senior notes	550	634	1,561	1,892
Depreciation of non real estate assets	176	218	558	597
Straight-line effects of lease revenue <sup>(1)</sup>	(3,210)	(3,602)	(11,489)	(15,939)
Stock-based and other non-cash compensation expense	1,661	1,250	4,462	4,202
Amortization of lease-related intangibles <sup>(1)</sup>	(2,006)	(1,720)	(5,636)	(4,890)
Acquisition costs	—	—	—	(6)
Non-incremental capital expenditures <sup>(3)</sup>	(9,276)	(5,229)	(27,407)	(21,974)
<b>Adjusted funds from operations applicable to common stock</b>	<b>\$ 45,505</b>	<b>\$ 52,370</b>	<b>\$ 130,733</b>	<b>\$ 157,364</b>
Weighted average common shares outstanding - diluted	128,819	145,719	131,187	145,680
Funds from operations per share (diluted)	\$ 0.45	\$ 0.42	\$ 1.27	\$ 1.33
Core funds from operations per share (diluted)	\$ 0.45	\$ 0.42	\$ 1.29	\$ 1.33
<i>Common stock outstanding at end of period</i>	<i>128,371</i>	<i>145,295</i>	<i>128,371</i>	<i>145,295</i>

(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 39.

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

	Three Months Ended		Nine Months Ended	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
<b>Net income attributable to Piedmont</b>	<b>\$ 16,114</b>	<b>\$ 126,133</b>	<b>\$ 84,886</b>	<b>\$ 164,947</b>
Net income / (loss) attributable to noncontrolling interest	—	(4)	(4)	(10)
Interest expense <sup>(1)</sup>	15,849	16,183	45,294	52,661
Depreciation <sup>(1)</sup>	26,844	29,993	81,090	90,933
Amortization <sup>(1)</sup>	14,828	18,107	46,773	57,828
Loss / (gain) on sale of properties <sup>(1)</sup>	—	(113,195)	(45,186)	(119,634)
<b>EBITDAre</b>	<b>73,635</b>	<b>77,217</b>	<b>212,853</b>	<b>246,725</b>
(Gain) / loss on extinguishment of debt	—	—	1,680	—
Acquisition costs	—	—	—	6
Net (recoveries) / loss from casualty events <sup>(1)</sup>	—	25	—	57
<b>Core EBITDA</b>	<b>73,635</b>	<b>77,242</b>	<b>214,533</b>	<b>246,788</b>
General & administrative expenses <sup>(1)</sup>	6,677	6,202	21,487	21,907
Management fee revenue <sup>(2)</sup>	(181)	(253)	(531)	(762)
Other (income) / expense <sup>(1) (3)</sup>	(87)	(171)	(475)	(146)
Straight-line effects of lease revenue <sup>(1)</sup>	(3,210)	(3,602)	(11,489)	(15,939)
Amortization of lease-related intangibles <sup>(1)</sup>	(2,006)	(1,720)	(5,636)	(4,890)
<b>Property net operating income (cash basis)</b>	<b>74,828</b>	<b>77,698</b>	<b>217,889</b>	<b>246,958</b>
Deduct net operating (income) / loss from:				
Acquisitions <sup>(4)</sup>	(958)	—	(2,540)	—
Dispositions <sup>(5)</sup>	(122)	(8,001)	(509)	(39,077)
Other investments <sup>(6)</sup>	(659)	(2,339)	(3,096)	(6,277)
<b>Same store net operating income (cash basis)</b>	<b>\$ 73,089</b>	<b>\$ 67,358</b>	<b>\$ 211,744</b>	<b>\$ 201,604</b>
<i>Change period over period</i>	<i>8.5%</i>	<i>N/A</i>	<i>5.0%</i>	<i>N/A</i>

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

(2) 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.

(3) 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. Certain prior period amounts may have been reclassified to conform to the current period financial statement presentation.

(4) Acquisitions consist of Norman Pointe I in Bloomington, MN, purchased on December 28, 2017; and 501 West Church Street in Orlando, FL, purchased on February 23, 2018.

(5) Dispositions consist of Sarasota Commerce Center II in Sarasota, FL, sold on June 16, 2017; Two Independence Square in Washington, DC, sold on July 5, 2017; and the 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).

(6) Other investments consist of our interests in unconsolidated joint ventures, 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 #SectionPage#. The operating results from 500 TownPark in Lake Mary, FL, and 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				Nine Months Ended				
	9/30/2018		9/30/2017		9/30/2018		9/30/2017		
	\$	%	\$	%	\$	%	\$	%	
New York <sup>(1)</sup>	\$ 10,914	14.9	\$ 10,611	15.7	\$ 33,783	15.9	\$ 30,771	15.3	
Atlanta <sup>(2)</sup>	9,225	12.6	8,301	12.3	25,759	12.2	24,230	12.0	
Boston	8,115	11.1	7,516	11.2	24,474	11.6	24,030	11.9	
Washington, D.C. <sup>(3)</sup>	9,283	12.7	5,364	8.0	22,197	10.5	20,822	10.3	
Minneapolis <sup>(4)</sup>	7,501	10.3	6,654	9.9	21,457	10.1	19,673	9.8	
Orlando <sup>(5)</sup>	7,038	9.6	6,469	9.6	20,522	9.7	18,838	9.4	
Dallas <sup>(6)</sup>	6,478	8.9	8,243	12.2	20,106	9.5	23,057	11.4	
Chicago <sup>(7)</sup>	6,127	8.4	5,782	8.6	18,328	8.6	14,908	7.4	
Other	8,408	11.5	8,418	12.5	25,118	11.9	25,275	12.5	
<b>Total</b>	<b>\$ 73,089</b>	<b>100.0</b>	<b>\$ 67,358</b>	<b>100.0</b>	<b>\$ 211,744</b>	<b>100.0</b>	<b>\$ 201,604</b>	<b>100.0</b>	

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 metropolitan New York Same Store Net Operating Income for the nine months ended September 30, 2018 as compared to the same period in 2017 was primarily related to increased economic occupancy at 200 and 400 Bridgewater Crossing in Bridgewater, NJ.
- (2) The increase in Atlanta Same Store Net Operating Income for the three months and the nine months ended September 30, 2018 as compared to the same periods in 2017 was primarily related to increased economic occupancy at Galleria 200 and Glenridge Highlands One in Atlanta, GA.
- (3) The increase in Washington, D.C. Same Store Net Operating Income for the three months and the nine months ended September 30, 2018 as compared to the same periods in 2017 was primarily due to successful property tax appeals and increased economic occupancy at One Independence Square in Washington, D.C., in addition to increased economic occupancy at 3100 Clarendon Boulevard and 4250 North Fairfax Drive, both in Arlington, VA. Partially offsetting these favorable results was decreased economic occupancy associated with lease expirations at 1201 Eye Street in Washington, D.C., and Arlington Gateway in Arlington, VA.
- (4) The increase in Minneapolis Same Store Net Operating Income for the three months and the nine months ended September 30, 2018 as compared to the same periods in 2017 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 nine months ended September 30, 2018 as compared to the same period in 2017 was primarily attributable to increased economic occupancy at CNL Center II in Orlando, FL.
- (6) The decrease in Dallas Same Store Net Operating Income for the three months and the nine months ended September 30, 2018 as compared to the same periods in 2017 was primarily due to the downtime between the expiration of a whole-building lease and the commencement of the replacement whole-building lease at 6011 Connection Drive, as well as lease expirations at 6031 Connection Drive, both in Irving, TX.
- (7) The increase in Chicago Same Store Net Operating Income for the nine months ended September 30, 2018 as compared to the same period in 2017 was primarily a result of increased economic occupancy at 500 West Monroe Street in Chicago, IL.

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

	Three Months Ended		Nine Months Ended	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
<b>Net income attributable to Piedmont</b>	<b>\$ 16,114</b>	<b>\$ 126,133</b>	<b>\$ 84,886</b>	<b>\$ 164,947</b>
Net income / (loss) attributable to noncontrolling interest	—	(4)	(4)	(10)
Interest expense <sup>(1)</sup>	15,849	16,183	45,294	52,661
Depreciation <sup>(1)</sup>	26,844	29,993	81,090	90,933
Amortization <sup>(1)</sup>	14,828	18,107	46,773	57,828
Loss / (gain) on sale of properties <sup>(1)</sup>	—	(113,195)	(45,186)	(119,634)
<b>EBITDAre</b>	<b>73,635</b>	<b>77,217</b>	<b>212,853</b>	<b>246,725</b>
(Gain) / loss on extinguishment of debt	—	—	1,680	—
Acquisition costs	—	—	—	6
Net (recoveries) / loss from casualty events <sup>(1)</sup>	—	25	—	57
<b>Core EBITDA</b>	<b>73,635</b>	<b>77,242</b>	<b>214,533</b>	<b>246,788</b>
General & administrative expenses <sup>(1)</sup>	6,677	6,202	21,487	21,907
Management fee revenue <sup>(2)</sup>	(181)	(253)	(531)	(762)
Other (income) / expense <sup>(1) (3)</sup>	(87)	(171)	(475)	(146)
<b>Property net operating income (accrual basis)</b>	<b>80,044</b>	<b>83,020</b>	<b>235,014</b>	<b>267,787</b>
Deduct net operating (income) / loss from:				
Acquisitions <sup>(4)</sup>	(1,292)	—	(3,424)	—
Dispositions <sup>(5)</sup>	(122)	(7,675)	(500)	(36,331)
Other investments <sup>(6)</sup>	(827)	(2,301)	(3,309)	(7,079)
<b>Same store net operating income (accrual basis)</b>	<b>\$ 77,803</b>	<b>\$ 73,044</b>	<b>\$ 227,781</b>	<b>\$ 224,377</b>
<i>Change period over period</i>	6.5%	N/A	1.5%	N/A

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

(2) 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.

(3) 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. Certain prior period amounts may have been reclassified to conform to the current period financial statement presentation.

(4) Acquisitions consist of Norman Pointe I in Bloomington, MN, purchased on December 28, 2017; and 501 West Church Street in Orlando, FL, purchased on February 23, 2018.

(5) Dispositions consist of Sarasota Commerce Center II in Sarasota, FL, sold on June 16, 2017; Two Independence Square in Washington, DC, sold on July 5, 2017; and the 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).

(6) Other investments consist of our interests in unconsolidated joint ventures, 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 38. The operating results from 500 TownPark in Lake Mary, FL, and Two Pierce Place in Itasca, IL, are included in this line item.

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

Same Store Net Operating Income (Accrual Basis)									
Contributions from Strategic Operating Markets	Three Months Ended					Nine Months Ended			
	9/30/2018		9/30/2017		9/30/2018		9/30/2017		
	\$	%	\$	%	\$	%	\$	%	
New York <sup>(1)</sup>	\$ 9,876	12.7	\$ 9,935	13.6	\$ 30,848	13.6	\$ 29,769	13.3	
Washington, D.C. <sup>(2)</sup>	12,351	15.9	7,491	10.3	29,908	13.1	27,709	12.3	
Atlanta	9,912	12.8	9,796	13.4	29,041	12.8	29,077	13.0	
Boston	9,290	11.9	9,285	12.7	27,880	12.2	28,156	12.5	
Dallas <sup>(3)</sup>	6,917	8.9	8,329	11.4	22,410	9.8	24,199	10.8	
Orlando	7,252	9.3	6,825	9.3	21,803	9.6	21,350	9.5	
Minneapolis <sup>(4)</sup>	6,938	8.9	6,280	8.6	20,105	8.8	18,614	8.3	
Chicago <sup>(5)</sup>	6,238	8.0	5,965	8.2	18,751	8.2	17,389	7.8	
Other <sup>(6)</sup>	9,029	11.6	9,138	12.5	27,035	11.9	28,114	12.5	
<b>Total</b>	<b>\$ 77,803</b>	<b>100.0</b>	<b>\$ 73,044</b>	<b>100.0</b>	<b>\$ 227,781</b>	<b>100.0</b>	<b>\$ 224,377</b>	<b>100.0</b>	

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 metropolitan New York Same Store Net Operating Income for the nine months ended September 30, 2018 as compared to the same period in 2017 was primarily related to increased rental income associated with the commencement of new leases at 400 Bridgewater Crossing in Bridgewater, NJ.
- (2) The increase in Washington, D.C. Same Store Net Operating Income for the three months and the nine months ended September 30, 2018 as compared to the same periods in 2017 was primarily due to successful property tax appeals and increased rental income resulting from the commencement of several new leases at One Independence Square in Washington, D.C., in addition to increased rental income resulting from the commencement of several new leases at 3100 Clarendon Boulevard and 4250 North Fairfax Drive, both in Arlington, VA. Partially offsetting these favorable results was the loss of rental income associated with lease expirations at 1201 Eye Street in Washington, D.C., and Arlington Gateway in Arlington, VA.
- (3) The decrease in Dallas Same Store Net Operating Income for the three months and the nine months ended September 30, 2018 as compared to the same periods in 2017 was primarily due to the downtime between the expiration of a whole-building lease and the commencement of the replacement whole-building lease at 6011 Connection Drive, as well as lease expirations at 6031 Connection Drive, both in Irving, TX.
- (4) The increase in Minneapolis Same Store Net Operating Income for the three months and the nine months ended September 30, 2018 as compared to the same periods in 2017 was primarily attributable to increased rental income associated with the commencement of new leases at US Bancorp Center in Minneapolis, MN.
- (5) The increase in Chicago Same Store Net Operating Income for the nine months ended September 30, 2018 as compared to the same period in 2017 was primarily attributable to increased rental income resulting from the commencement of several new leases, along with the expiration 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 nine months ended September 30, 2018 as compared to the same period in 2017 was influenced by a lease contraction at 800 North Brand Boulevard in Glendale, CA.

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

	As of September 30, 2018	As of December 31, 2017
<b>Market Capitalization</b>		
Common stock price <sup>(1)</sup>	\$ 18.93	\$ 19.61
Total shares outstanding	128,371	142,359
Equity market capitalization <sup>(1)</sup>	\$ 2,430,071	\$ 2,791,659
Total debt - principal amount outstanding (excludes premiums, discounts, and deferred financing costs)	\$ 1,725,033	\$ 1,733,670
Total market capitalization <sup>(1)</sup>	\$ 4,155,104	\$ 4,525,329
Total debt / Total market capitalization <sup>(1)</sup>	41.5%	38.3%
<b>Ratios &amp; Information for Debt Holders</b>		
Total gross real estate assets <sup>(2)</sup>	\$ 3,977,919	\$ 4,438,209
Total debt / Total gross real estate assets <sup>(2)</sup>	43.4%	39.1%
Total debt / Total gross assets <sup>(3)</sup>	37.8%	34.3%
Average net debt to Core EBITDA <sup>(4)</sup>	5.8 x	5.6 x

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

(2) 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.

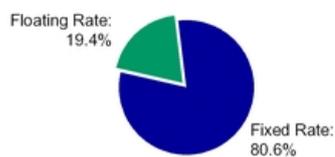
(3) Gross assets is defined as total assets with the add-back of accumulated depreciation and accumulated amortization related to real estate assets.

(4) 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 September 30, 2018**  
**Unaudited (\$ in thousands)**

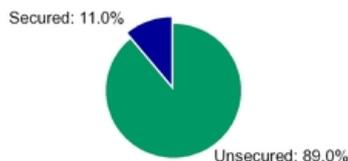
**Floating Rate & Fixed Rate Debt**

Debt <sup>(1)</sup>	Principal Amount Outstanding	Weighted Average Stated Interest Rate <sup>(2)</sup>	Weighted Average Maturity
Floating Rate	\$335,000 <sup>(3)</sup>	3.36%	57.0 months
Fixed Rate	1,390,033	3.79%	55.6 months
<b>Total</b>	<b>\$1,725,033</b>	<b>3.71%</b>	<b>55.8 months</b>



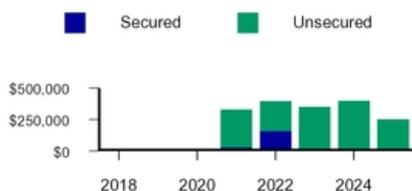
**Unsecured & Secured Debt**

Debt <sup>(1)</sup>	Principal Amount Outstanding	Weighted Average Stated Interest Rate <sup>(2)</sup>	Weighted Average Maturity
Unsecured	\$1,535,000	3.69%	57.4 months
Secured	190,033	3.81%	43.6 months
<b>Total</b>	<b>\$1,725,033</b>	<b>3.71%</b>	<b>55.8 months</b>



**Debt Maturities**

Maturity Year	Secured Debt - Principal Amount Outstanding <sup>(1)</sup>	Unsecured Debt - Principal Amount Outstanding <sup>(1)</sup>	Weighted Average Stated Interest Rate <sup>(2)</sup>	Percentage of Total
2018	\$—	\$—	N/A	—%
2019	—	—	N/A	—%
2020	—	—	N/A	—%
2021	30,033	300,000	3.41%	19.1%
2022	160,000	235,000 <sup>(4)</sup>	3.28%	22.9%
2023	—	350,000	3.40%	20.3%
2024	—	400,000	4.45%	23.2%
2025 +	—	250,000	4.00%	14.5%
<b>Total</b>	<b>\$190,033</b>	<b>\$1,535,000</b>	<b>3.71%</b>	<b>100.0%</b>



(1) All of Piedmont's outstanding debt as of September 30, 2018, was interest-only debt with the exception of the \$30.0 million of 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) Amount of floating rate debt represents the \$235 million outstanding balance as of September 30, 2018 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 September 30, 2018. The \$300 million unsecured term loan that closed in 2011 and the \$250 million unsecured term loan that closed in 2018 have stated variable rates. However, Piedmont entered into interest rate swap agreements to effectively fix a portion of the aggregate principal balance of the two loans. For the 2011 unsecured term loan, Piedmont entered into \$300 million in notional amount of interest rate swap agreements which effectively fix the interest rate on the loan at 3.20% through January 15, 2020, assuming no credit rating change for the company. For the \$250 million unsecured term loan, 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.

(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 <sup>(1)</sup>	Property	Stated Rate	Maturity	Principal Amount Outstanding as of September 30, 2018
<b>Secured</b>				
\$35.0 Million Fixed-Rate Loan <sup>(2)</sup>	5 Wall Street	5.55% <sup>(3)</sup>	9/1/2021	\$ 30,033
\$160.0 Million Fixed-Rate Loan	1901 Market Street	3.48% <sup>(4)</sup>	7/5/2022	160,000
<b>Subtotal / Weighted Average <sup>(5)</sup></b>		<b>3.81%</b>		<b>\$ 190,033</b>
<b>Unsecured</b>				
\$300.0 Million Unsecured 2011 Term Loan	N/A	3.20% <sup>(6)</sup>	11/30/2021	\$ 300,000
\$500.0 Million Unsecured Line of Credit <sup>(7)</sup>	N/A	3.15% <sup>(8)</sup>	9/30/2022	235,000
\$350.0 Million Unsecured Senior Notes	N/A	3.40% <sup>(9)</sup>	6/1/2023	350,000
\$400.0 Million Unsecured Senior Notes	N/A	4.45% <sup>(10)</sup>	3/15/2024	400,000
\$250.0 Million Unsecured Term Loan	N/A	4.00% <sup>(11)</sup>	3/31/2025	250,000
<b>Subtotal / Weighted Average <sup>(5)</sup></b>		<b>3.69%</b>		<b>\$ 1,535,000</b>
<b>Total Debt - Principal Amount Outstanding / Weighted Average Stated Rate <sup>(5)</sup></b>		<b>3.71%</b>		<b>\$ 1,725,033</b>
GAAP Accounting Adjustments <sup>(12)</sup>				(9,662)
<b>Total Debt - GAAP Amount Outstanding</b>				<b>\$ 1,715,371</b>

- (1) All of Piedmont's outstanding debt as of September 30, 2018, was interest-only debt with the exception of the \$30.0 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 September 30, 2018.
- (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. During the third quarter of 2018, the maturity date of the \$300 million unsecured term loan was extended from January 15, 2020 to November 30, 2021; for additional information, please refer to the Financing and Capital Activity section of Financial Highlights in this report.
- (7) All of Piedmont's outstanding debt as of September 30, 2018, was term debt with the exception of \$235 million outstanding on our unsecured revolving credit facility. On September 28, 2018, Piedmont closed on a new \$500 million unsecured revolving credit facility that replaced the previous facility that was scheduled to mature on June 18, 2019; for additional information, please refer to the Financing and Capital Activity section of Financial Highlights in this report. The new 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 interest rate presented for the \$500 million unsecured revolving credit facility is the weighted average interest rate for all outstanding draws as of September 30, 2018. 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 September 30, 2018) 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 during the first quarter of 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 September 30, 2018) 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 September 30, 2018**  
**Unaudited**

Bank Debt Covenant Compliance <sup>(1)</sup>	Required	Three Months Ended				
		9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
Maximum leverage ratio	0.60	0.34	0.37	0.35	0.34	0.34
Minimum fixed charge coverage ratio <sup>(2)</sup>	1.50	4.22	4.29	4.38	4.29	4.24
Maximum secured indebtedness ratio	0.40	0.04	0.04	0.04	0.04	0.04
Minimum unencumbered leverage ratio	1.60	3.03	2.79	2.93	3.09	3.09
Minimum unencumbered interest coverage ratio <sup>(3)</sup>	1.75	4.67	4.82	5.05	5.11	5.15

Bond Covenant Compliance <sup>(4)</sup>	Required	Three Months Ended				
		9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
Total debt to total assets	60% or less	43.2%	43.5%	42.7%	38.9%	38.1%
Secured debt to total assets	40% or less	4.8%	4.8%	4.8%	4.3%	4.3%
Ratio of consolidated EBITDA to interest expense	1.50 or greater	4.98	5.02	5.07	4.95	4.93
Unencumbered assets to unsecured debt	150% or greater	241%	240%	244%	269%	276%

Other Debt Coverage Ratios for Debt Holders	Three Months Ended	Nine Months Ended	Twelve Months Ended
	September 30, 2018	September 30, 2018	December 31, 2017
Average net debt to core EBITDA <sup>(5)</sup>	5.8 x	5.8 x	5.8 x
Fixed charge coverage ratio <sup>(6)</sup>	4.5 x	4.6 x	4.7 x
Interest coverage ratio <sup>(7)</sup>	4.5 x	4.7 x	4.7 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 September 30, 2018 and December 31, 2017. The Company had capitalized interest of \$374,868 for the three months ended September 30, 2018, \$828,228 for the nine months ended September 30, 2018, and \$189,482 for the twelve months ended December 31, 2017. The Company had principal amortization of \$161,405 for the three months ended September 30, 2018, \$636,777 for the nine months ended September 30, 2018, and \$912,157 for the twelve months ended December 31, 2017.

(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 \$374,868 for the three months ended September 30, 2018, \$828,228 for the nine months ended September 30, 2018, and \$189,482 for the twelve months ended December 31, 2017.

**Piedmont Office Realty Trust, Inc.**  
**Tenant Diversification <sup>(1)</sup>**  
**As of September 30, 2018**  
*(in thousands except for number of properties)*

Tenant	Credit Rating <sup>(2)</sup>	Number of Properties	Lease Expiration <sup>(3)</sup>	Annualized Lease Revenue	Percentage of Annualized Lease Revenue (%)	Leased Square Footage	Percentage of Leased Square Footage (%)
State of New York	AA+ / Aa1	1	2019	\$26,368	5.1	481	3.2
US Bancorp	A+ / A1	3	2023 / 2024	24,671	4.8	784	5.2
Independence Blue Cross	No Rating Available	1	2033	19,101	3.7	801	5.3
GE	BBB+ / A2	1	2027	17,620	3.4	452	3.0
U.S. Government	AA+ / Aaa	5	2018 - 2032 <sup>(4)</sup>	11,686	2.2	251	1.7
City of New York	AA / Aa2	1	2020	11,061	2.1	313	2.1
Nestle	AA- / Aa2	1	2021	10,753	2.1	349	2.3
Transocean	B- / B3	1	2036	10,712	2.1	301	2.0
Motorola	BBB- / Baa3	1	2028	8,662	1.7	206	1.4
Harvard University	AAA / Aaa	2	2032 / 2033	7,937	1.5	129	0.8
District of Columbia	AA+ / Aaa	2	2028	7,411	1.4	146	1.0
Raytheon	A+ / A3	2	2024	6,525	1.3	440	2.9
Nuance Communications	BB- / Ba3	1	2030	6,319	1.2	201	1.3
Epsilon Data Management	No Rating Available	1	2026	6,067	1.2	222	1.5
Schlumberger Technology	AA- / A1	1	2028	6,041	1.2	163	1.1
First Data Corporation	BB- / Ba3	1	2027	5,909	1.1	195	1.3
CVS Caremark	BBB / Baa1	1	2022	5,786	1.1	208	1.4
SunTrust Bank	BBB+ / Baa1	3	2019 - 2025 <sup>(5)</sup>	5,773	1.1	145	0.9
International Food Policy Research Institute	No Rating Available	1	2029	5,581	1.1	102	0.7
Technip	BBB+ / Baa2	1	2018 <sup>(6)</sup>	5,551	1.1	150	1.0
Applied Predictive Technologies	A / A2	1	2028	5,445	1.0	125	0.8
Gartner	BB / Ba2	2	2034	5,409	1.0	180	1.2
Other			Various	298,637	57.5	8,740	57.9
<b>Total</b>				<b>\$519,025</b>	<b>100.0</b>	<b>15,084</b>	<b>100.0</b>

(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.

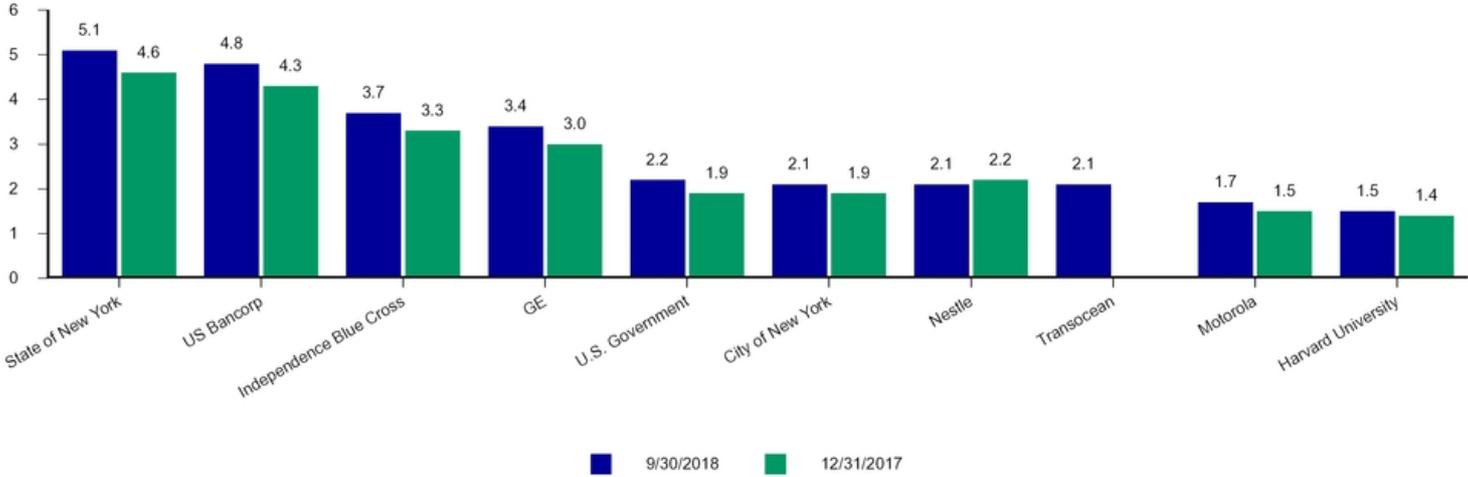
(4) There are several leases with several different agencies of the U.S. Government with expiration years ranging from 2018 to 2032. Of the total population of U.S. Government leases, leases contributing 1.9% to Annualized Lease Revenue expire in 2025 and after.

(5) 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.

(6) Of the total amount of space leased to the tenant, approximately 63,000 square feet has been subleased to the other tenant in the building, Schlumberger Technology, through December 2018, the end of Technip's lease term. Schlumberger then directly leases that particular space from the Company through 2028, with the commencement of its direct lease occurring immediately following the Technip lease expiration. Schlumberger has certain rights to expand into the remaining portion of the Technip space, comprised of 87,000 square feet, which the Company is actively marketing for lease.

**Piedmont Office Realty Trust, Inc.**  
**Tenant Diversification**  
**As of September 30, 2018**

Percentage of Annualized Leased Revenue (%)  
 September 30, 2018 as compared to December 31, 2017



**Piedmont Office Realty Trust, Inc.**  
**Tenant Credit Rating & Lease Distribution Information**  
**As of September 30, 2018**

**Tenant Credit Rating <sup>(1)</sup>**

Rating Level	Annualized Lease Revenue (in thousands)	Percentage of Annualized Lease Revenue (%)
AAA / Aaa	\$30,539	5.9
AA / Aa	67,967	13.1
A / A	84,602	16.3
BBB / Baa	54,614	10.5
BB / Ba	35,167	6.8
B / B	27,317	5.3
Below	5,266	1.0
Not rated <sup>(2)</sup>	213,553	41.1
<b>Total</b>	<b>\$519,025</b>	<b>100.0</b>

**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	249	32.7	\$23,374	4.5	201	1.3
2,501 - 10,000	264	34.7	47,466	9.1	1,359	9.0
10,001 - 20,000	94	12.4	43,948	8.5	1,310	8.7
20,001 - 40,000	73	9.6	73,986	14.3	2,109	14.0
40,001 - 100,000	42	5.5	91,459	17.6	2,556	16.9
Greater than 100,000	39	5.1	238,792	46.0	7,549	50.1
<b>Total</b>	<b>761</b>	<b>100.0</b>	<b>\$519,025</b>	<b>100.0</b>	<b>15,084</b>	<b>100.0</b>

(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			Three Months Ended		
	September 30, 2018			September 30, 2017		
	Leased Square Footage	Rentable Square Footage	Percent Leased <sup>(1)</sup>	Leased Square Footage	Rentable Square Footage	Percent Leased <sup>(1)</sup>
<b>As of June 30, 20xx</b>	<b>14,652</b>	<b>16,176</b>	<b>90.6%</b>	<b>17,704</b>	<b>19,450</b>	<b>91.0%</b>
Leases signed during the period	613			447		
<u>Less:</u>						
Lease renewals signed during period	(138)			(244)		
New leases signed during period for currently occupied space	(23)			(53)		
Leases expired during period and other	(20)	3		(431)	3	
<b>Subtotal</b>	<b>15,084</b>	<b>16,179</b>	<b>93.2%</b>	<b>17,423</b>	<b>19,453</b>	<b>89.6%</b>
Acquisitions and properties placed in service during period <sup>(2)</sup>	—	—		—	—	
Dispositions and properties taken out of service during period <sup>(2)</sup>	—	—		(606)	(606)	
<b>As of September 30, 20xx</b>	<b>15,084</b>	<b>16,179</b>	<b>93.2%</b>	<b>16,817</b>	<b>18,847</b>	<b>89.2%</b>

	Nine Months Ended			Nine Months Ended		
	September 30, 2018			September 30, 2017		
	Leased Square Footage	Rentable Square Footage	Percent Leased <sup>(1)</sup>	Leased Square Footage	Rentable Square Footage	Percent Leased <sup>(1)</sup>
<b>As of December 31, 20xx</b>	<b>17,091</b>	<b>19,061</b>	<b>89.7%</b>	<b>17,996</b>	<b>19,581</b>	<b>91.9%</b>
Leases signed during period	1,378			1,203		
<u>Less:</u>						
Lease renewals signed during period	(614)			(655)		
New leases signed during period for currently occupied space	(99)			(170)		
Leases expired during period and other	(413)	7		(814)	21	
<b>Subtotal</b>	<b>17,343</b>	<b>19,068</b>	<b>91.0%</b>	<b>17,560</b>	<b>19,602</b>	<b>89.6%</b>
Acquisitions and properties placed in service during period <sup>(2)</sup>	182	182		—	—	
Dispositions and properties taken out of service during period <sup>(2)</sup>	(2,441)	(3,071)		(743)	(755)	
<b>As of September 30, 20xx</b>	<b>15,084</b>	<b>16,179</b>	<b>93.2%</b>	<b>16,817</b>	<b>18,847</b>	<b>89.2%</b>

<b>Same Store Analysis</b>						
Less acquisitions / dispositions after September 30, 2017 and developments / redevelopments <sup>(2) (3)</sup>	(333)	(396)	84.1%	(2,440)	(3,071)	79.5%
<b>Same Store Leased Percentage</b>	<b>14,751</b>	<b>15,783</b>	<b>93.5%</b>	<b>14,377</b>	<b>15,776</b>	<b>91.1%</b>

- (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 37 and 38, 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 <sup>(1)</sup>**  
*(in thousands)*

	Three Months Ended				
	September 30, 2018				
	Square Feet	% of Total Signed During Period	% of Rentable Square Footage	% Change Cash Rents <sup>(2)</sup>	% Change Accrual Rents <sup>(3) (4)</sup>
Leases executed for spaces vacant one year or less	122	19.9%	0.8%	7.4%	21.8%
Leases executed for spaces excluded from analysis <sup>(5)</sup>	491	80.1%			

	Nine Months Ended				
	September 30, 2018				
	Square Feet	% of Total Signed During Period	% of Rentable Square Footage	% Change Cash Rents <sup>(2)</sup>	% Change Accrual Rents <sup>(3) (4)</sup>
Leases executed for spaces vacant one year or less	753	54.6%	4.7%	4.2%	10.6% <sup>(6)</sup>
Leases executed for spaces excluded from analysis <sup>(5)</sup>	625	45.4%			

(1) The population analyzed consists of consolidated office 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.

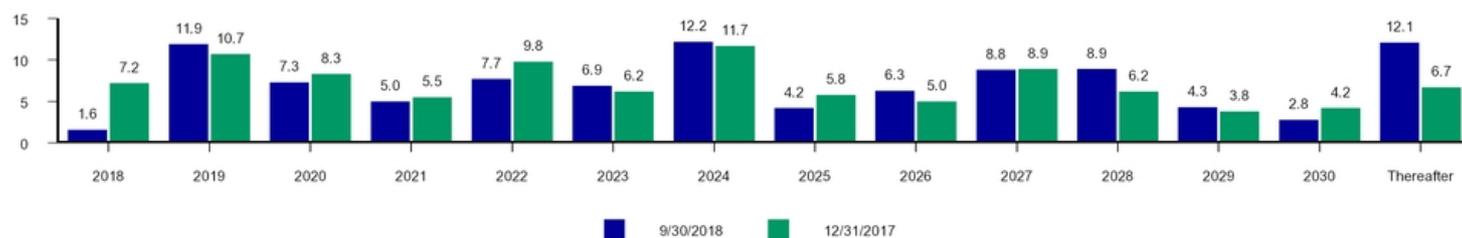
(6) The results for the nine months ended September 30, 2018 were influenced by one large transaction, the 226,000 square foot lease extension and expansion with Schlumberger Technology Corporation at 1430 Enclave Parkway in Houston, TX. If the effects of this transaction were to be removed, the percentage change in cash and accrual rents for the nine months ended September 30, 2018 would be 7.1% and 18.9%, respectively.

**Piedmont Office Realty Trust, Inc.**  
**Lease Expiration Schedule**  
**As of September 30, 2018**  
*(in thousands)*

Expiration Year	Annualized Lease Revenue <sup>(1)</sup>	Percentage of Annualized Lease Revenue (%)	Rentable Square Footage	Percentage of Rentable Square Footage (%)
Vacant	\$—	—	1,095	6.8
2018 <sup>(2)</sup>	8,414	1.6	234	1.4
2019 <sup>(3)</sup>	61,519	11.9	1,592	9.8
2020	37,875	7.3	1,228	7.6
2021	26,064	5.0	845	5.2
2022	39,933	7.7	1,209	7.5
2023	35,684	6.9	1,140	7.1
2024	63,242	12.2	2,240	13.8
2025	21,820	4.2	626	3.9
2026	32,854	6.3	985	6.1
2027	45,833	8.8	1,250	7.7
2028	46,175	8.9	1,161	7.2
2029	22,315	4.3	584	3.6
2030	14,561	2.8	387	2.4
Thereafter	62,736	12.1	1,603	9.9
<b>Total / Weighted Average</b>	<b>\$519,025</b>	<b>100.0</b>	<b>16,179</b>	<b>100.0</b>

Average Lease Term Remaining	
9/30/2018	6.7 years
12/31/2017	6.5 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 September 30, 2018, comprised of approximately 14,000 square feet and Annualized Lease Revenue of \$0.3 million.
- (3) Leases and other revenue-producing agreements on a month-to-month basis, comprised of approximately 4,000 square feet and Annualized Lease Revenue of \$0.2 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 September 30, 2018**  
*(in thousands)*

Location	Q4 2018 <sup>(1)</sup>		Q1 2019		Q2 2019		Q3 2019	
	Expiring Square Footage	Expiring Lease Revenue <sup>(2)</sup>	Expiring Square Footage	Expiring Lease Revenue <sup>(2)</sup>	Expiring Square Footage	Expiring Lease Revenue <sup>(2)</sup>	Expiring Square Footage	Expiring Lease Revenue <sup>(2)</sup>
Atlanta	26	\$780	—	\$67	117	\$3,452	233	\$6,819
Boston	52	1,708	—	—	—	—	—	8
Chicago	—	—	—	—	—	—	—	—
Dallas	63	1,389	9	280	41	1,086	62	2,023
Minneapolis	2	83	—	5	11	196	4	162
New York	—	23	481	26,368	9	581	67	3,056
Orlando	1	51	14	487	41	1,352	137	5,222
Washington, D.C.	4	228	—	—	15	719	11	437
Other	86	3,188	—	—	—	—	—	—
<b>Total / Weighted Average <sup>(3)</sup></b>	<b>234</b>	<b>\$7,450</b>	<b>504</b>	<b>\$27,207</b>	<b>234</b>	<b>\$7,386</b>	<b>514</b>	<b>\$17,727</b>

(1) Includes leases with an expiration date of September 30, 2018, comprised of approximately 14,000 square feet and expiring lease revenue of \$0.4 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 September 30, 2018**  
*(in thousands)*

Location	12/31/2018 <sup>(1)</sup>		12/31/2019		12/31/2020		12/31/2021		12/31/2022	
	Expiring Square Footage	Expiring Lease Revenue <sup>(2)</sup>	Expiring Square Footage	Expiring Lease Revenue <sup>(2)</sup>	Expiring Square Footage	Expiring Lease Revenue <sup>(2)</sup>	Expiring Square Footage	Expiring Lease Revenue <sup>(2)</sup>	Expiring Square Footage	Expiring Lease Revenue <sup>(2)</sup>
Atlanta	26	\$780	395	\$11,201	184	\$4,787	141	\$4,056	358	\$10,098
Boston	52	1,708	6	200	158	3,621	86	1,743	91	4,123
Chicago	—	—	11	448	17	435	—	—	6	295
Dallas	63	1,389	171	5,309	135	3,904	104	3,112	405	12,191
Minneapolis	2	83	135	4,187	120	4,533	91	3,166	62	2,199
New York	—	23	556	30,085	497	15,891	27	1,449	79	2,691
Orlando	1	51	272	9,458	50	1,271	34	1,012	112	3,456
Washington, D.C.	4	228	46	1,971	67	3,422	89	4,300	96	5,063
Other	86	3,188	—	—	—	—	273	8,500	—	2
<b>Total / Weighted Average <sup>(3)</sup></b>	<b>234</b>	<b>\$7,450</b>	<b>1,592</b>	<b>\$62,859</b>	<b>1,228</b>	<b>\$37,864</b>	<b>845</b>	<b>\$27,338</b>	<b>1,209</b>	<b>\$40,118</b>

(1) Includes leases with an expiration date of September 30, 2018, comprised of approximately 14,000 square feet and expiring lease revenue of \$0.4 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 29 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 & Commitments**  
**For the quarter ended September 30, 2018**  
*Unaudited (in thousands)*

	For the Three Months Ended				
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
<b>Non-incremental</b>					
Building / construction / development	\$ 1,817	\$ 546	\$ 804	\$ 2,081	\$ 984
Tenant improvements	4,144	4,718	5,965	3,909	2,450
Leasing costs	3,315	4,914	1,184	7,473	1,795
<b>Total non-incremental</b>	<b>9,276</b>	<b>10,178</b>	<b>7,953</b>	<b>13,463</b>	<b>5,229</b>
<b>Incremental</b>					
Building / construction / development	8,000	6,030	2,429	4,932	2,365
Tenant improvements	5,321	2,734	5,671	4,317	9,501
Leasing costs	1,329	1,681	1,110	2,412	2,359
<b>Total incremental</b>	<b>14,650</b>	<b>10,445</b>	<b>9,210</b>	<b>11,661</b>	<b>14,225</b>
<b>Total capital expenditures</b>	<b>\$ 23,926</b>	<b>\$ 20,623</b>	<b>\$ 17,163</b>	<b>\$ 25,124</b>	<b>\$ 19,454</b>

<b>Non-incremental tenant improvement commitments <sup>(1)</sup></b>	
Non-incremental tenant improvement commitments outstanding as of June 30, 2018	\$ 39,997
New non-incremental tenant improvement commitments related to leases executed during period	1,345
Non-incremental tenant improvement expenditures	(4,144)
Tenant improvement expenditures fulfilled through accrued liabilities already presented on Piedmont's balance sheet, expired commitments or other adjustments <sup>(2)</sup>	9,781
Non-incremental tenant improvement commitments fulfilled, expired or other adjustments	5,637
<b>Total as of September 30, 2018</b>	<b>\$ 46,979</b>

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

- (1) Commitments are unexpired contractual non-incremental tenant improvement obligations for leases executed in current and prior periods that have not yet been incurred, are due over the next five years, and have not otherwise been presented on Piedmont's financial statements. The four largest commitments total approximately \$33.7 million, or 72% of the total outstanding commitments.
- (2) Because the payable date for a mid-term space refresh allowance under the 801,000 square foot lease to Independence Blue Cross at 1901 Market Street in Philadelphia, PA, now falls within the five-year period covered by this disclosure, it has been added to the outstanding commitments total.

**Piedmont Office Realty Trust, Inc.**  
**Contractual Tenant Improvements and Leasing Commissions**

	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2018	For the Year Ended					2013 to YTD 2018 (Weighted Average or Total)
			2017	2016	2015	2014	2013	
<b>Renewal Leases</b>								
Number of leases	12	53	64	79	74	56	56	382
Square feet	133,141	608,491	1,198,603	880,289	1,334,398	959,424	2,376,177	7,357,382
Tenant improvements per square foot <sup>(1)</sup>	\$9.04	\$21.16	\$7.84	\$7.36	\$16.91	\$19.02	\$14.24	\$14.06
Leasing commissions per square foot	\$5.14	\$8.19	\$4.80	\$5.76	\$8.29	\$8.33	\$4.66	\$6.24
Total per square foot	\$14.18	\$29.35	\$12.64	\$13.12	\$25.20	\$27.35	\$18.90	\$20.30
Tenant improvements per square foot per year of lease term	\$3.09	\$4.02	\$1.84	\$1.35	\$2.90	\$2.97	\$1.88	\$2.30
Leasing commissions per square foot per year of lease term	\$1.75	\$1.56	\$1.12	\$1.05	\$1.42	\$1.30	\$0.62	\$1.02
Total per square foot per year of lease term	\$4.84	\$5.58 <sup>(2)</sup>	\$2.96	\$2.40	\$4.32 <sup>(3)</sup>	\$4.27 <sup>(4)</sup>	\$2.50	\$3.32
<b>New Leases</b>								
Number of leases	18	58	74	93	90	98	87	500
Square feet	474,974	763,754	855,069	1,065,630	1,563,866	1,142,743	1,050,428	6,441,490
Tenant improvements per square foot <sup>(1)</sup>	\$64.34	\$51.44	\$41.19	\$40.78	\$60.41	\$34.46	\$35.74	\$44.92
Leasing commissions per square foot	\$21.72	\$19.18	\$15.90	\$15.13	\$20.23	\$15.19	\$12.94	\$16.60
Total per square foot	\$86.06	\$70.62	\$57.09	\$55.91	\$80.64	\$49.65	\$48.68	\$61.52
Tenant improvements per square foot per year of lease term	\$4.94	\$4.60	\$4.73	\$5.01	\$5.68	\$3.78	\$4.17	\$4.77
Leasing commissions per square foot per year of lease term	\$1.67	\$1.71	\$1.83	\$1.86	\$1.90	\$1.66	\$1.51	\$1.76
Total per square foot per year of lease term	\$6.61	\$6.31 <sup>(2)</sup>	\$6.56	\$6.87	\$7.58 <sup>(5)</sup>	\$5.44	\$5.68	\$6.53
<b>Total</b>								
Number of leases	30	111	138	172	164	154	143	882
Square feet	608,115	1,372,245	2,053,672	1,945,919	2,898,264	2,102,167	3,426,605	13,798,872
Tenant improvements per square foot <sup>(1)</sup>	\$52.24	\$38.01	\$21.73	\$25.66	\$40.38	\$27.41	\$20.83	\$28.46
Leasing commissions per square foot	\$18.09	\$14.30	\$9.42	\$10.89	\$14.73	\$12.06	\$7.20	\$11.08
Total per square foot	\$70.33	\$52.31	\$31.15	\$36.55	\$55.11	\$39.47	\$28.03	\$39.54
Tenant improvements per square foot per year of lease term	\$4.83	\$4.44	\$3.55	\$3.70	\$4.79	\$3.48	\$2.64	\$3.71
Leasing commissions per square foot per year of lease term	\$1.67	\$1.67	\$1.54	\$1.57	\$1.75	\$1.53	\$0.91	\$1.45
Total per square foot per year of lease term	\$6.50	\$6.11 <sup>(2)</sup>	\$5.09	\$5.27	\$6.54 <sup>(5)</sup>	\$5.01 <sup>(4)</sup>	\$3.55	\$5.16
<b>Less Adjustment for Current Period Commitment Expirations<sup>(6)</sup></b>								
Expired tenant improvements (not paid out) per square foot	-\$0.04	-\$4.30	-\$2.73	-\$1.12	-\$2.77	-\$5.60	-\$5.47	-\$3.78
Adjusted total per square foot	\$70.29	\$48.01	\$28.42	\$35.43	\$52.34	\$33.87	\$22.56	\$35.76
Adjusted total per square foot per year of lease term	\$6.50	\$5.61	\$4.65	\$5.11	\$6.21	\$4.30	\$2.86	\$4.67

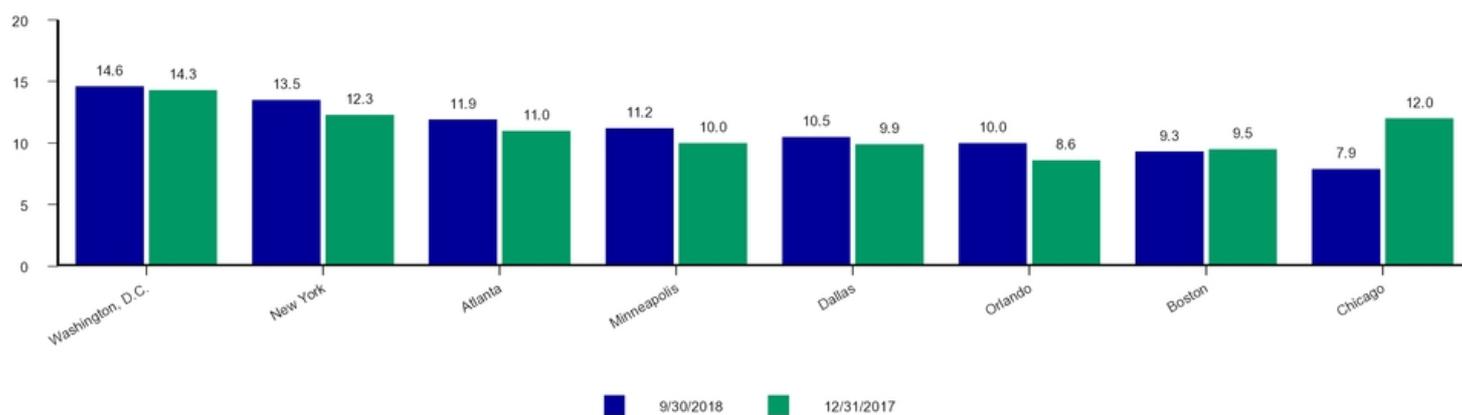
NOTE: This information is presented for our consolidated office assets only and excludes activity associated with storage and license spaces.

- (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 2018, we completed two large leasing transactions in the Houston, TX market with large capital commitments: a 225,726 square foot lease renewal and expansion with Schlumberger Technology Corporation at 1430 Enclave Parkway and a 300,906 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 nine months ended September 30, 2018 would be \$4.62, \$5.90, and \$5.39, respectively.
- (3) 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, D.C. 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.
- (4) 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.
- (5) During 2015, we completed seven new leases in Washington, D.C., 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.
- (6) The Company has historically reported capital committed in leasing transactions at lease signing 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 in the current period or can no longer be used by tenants is disclosed in this section and are deducted from the current period's capital commitments per square foot of leased space in an effort to provide a better estimation of leasing transaction costs over time.

**Piedmont Office Realty Trust, Inc.**  
**Geographic Diversification**  
**As of September 30, 2018**  
*(\$ 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 (%)
Washington, D.C.	7	\$75,779	14.6	1,950	12.1	1,513	77.6
New York	4	70,001	13.5	1,772	10.9	1,727	97.5
Atlanta	7	61,773	11.9	2,249	13.9	2,175	96.7
Minneapolis	5	58,405	11.2	1,836	11.3	1,740	94.8
Dallas	10	54,467	10.5	2,114	13.1	1,891	89.5
Orlando	6	52,137	10.0	1,755	10.8	1,668	95.0
Boston	9	48,140	9.3	1,594	9.9	1,557	97.7
Chicago	1	40,808	7.9	967	6.0	922	95.3
Other	4	57,515	11.1	1,942	12.0	1,891	97.4
<b>Total / Weighted Average</b>	<b>53</b>	<b>\$519,025</b>	<b>100.0</b>	<b>16,179</b>	<b>100.0</b>	<b>15,084</b>	<b>93.2</b>

**Percentage of Annualized Lease Revenue (%)**



**Piedmont Office Realty Trust, Inc.**  
**Geographic Diversification by Location Type**  
**As of September 30, 2018**  
*(square footage in thousands)*

Location	State	CBD / URBAN INFILL				SUBURBAN				TOTAL			
		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 (%)
Washington, D.C.	DC, VA	7	14.6	1,950	12.1	—	—	—	—	7	14.6	1,950	12.1
New York	NY, NJ	1	9.5	1,033	6.3	3	4.0	739	4.6	4	13.5	1,772	10.9
Atlanta	GA	6	11.2	2,111	13.0	1	0.7	138	0.9	7	11.9	2,249	13.9
Minneapolis	MN	1	6.4	937	5.8	4	4.8	899	5.5	5	11.2	1,836	11.3
Dallas	TX	2	2.8	440	2.7	8	7.7	1,674	10.4	10	10.5	2,114	13.1
Orlando	FL	4	8.5	1,445	8.9	2	1.5	310	1.9	6	10.0	1,755	10.8
Boston	MA	2	2.4	174	1.1	7	6.9	1,420	8.8	9	9.3	1,594	9.9
Chicago	IL	1	7.9	967	6.0	—	—	—	—	1	7.9	967	6.0
Other		2	6.8	1,328	8.3	2	4.3	614	3.7	4	11.1	1,942	12.0
<b>Total / Weighted Average</b>		<b>26</b>	<b>70.1</b>	<b>10,385</b>	<b>64.2</b>	<b>27</b>	<b>29.9</b>	<b>5,794</b>	<b>35.8</b>	<b>53</b>	<b>100.0</b>	<b>16,179</b>	<b>100.0</b>

**Piedmont Office Realty Trust, Inc.**  
**Industry Diversification**  
**As of September 30, 2018**  
**(\$ 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 (%)
Governmental Entity	6	1.0	\$56,467	10.9	1,140	7.6
Business Services	71	11.5	54,508	10.5	1,675	11.1
Depository Institutions	17	2.8	39,876	7.7	1,197	7.9
Engineering, Accounting, Research, Management & Related Services	74	12.0	36,973	7.1	1,077	7.1
Insurance Carriers	15	2.4	28,324	5.5	1,088	7.2
Legal Services	47	7.6	22,163	4.3	674	4.5
Communications	41	6.6	19,517	3.8	567	3.8
Nondepository Credit Institutions	13	2.1	19,151	3.7	499	3.3
Security & Commodity Brokers, Dealers, Exchanges & Services	40	6.5	17,806	3.4	518	3.4
Oil and Gas Extraction	4	0.6	17,159	3.3	475	3.1
Electronic & Other Electrical Equipment & Components, Except Computer	11	1.8	17,134	3.3	467	3.1
Real Estate	35	5.7	17,008	3.3	499	3.3
Eating & Drinking Places	41	6.6	15,258	2.9	456	3.0
Automotive Repair, Services & Parking	8	1.3	13,814	2.7	4	—
Holding and Other Investment Offices	28	4.5	12,782	2.5	390	2.6
Other	166	27.0	131,085	25.1	4,358	29.0
<b>Total</b>	<b>617</b>	<b>100.0</b>	<b>\$519,025</b>	<b>100.0</b>	<b>15,084</b>	<b>100.0</b>

**Percentage of Annualized Lease Revenue (%)**



**Piedmont Office Realty Trust, Inc.**  
**Property Investment Activity**  
**As of September 30, 2018**  
*(\$ and square footage in thousands)*

**Acquisitions Over Previous Eighteen Months**

Property	Location	Acquisition Date	Percent Ownership (%)	Year Built	Purchase Price	Rentable Square Footage	Percent Leased at Acquisition (%)
Norman Pointe I	Bloomington, MN	12/28/2017	100	2000	\$35,159	214	71
501 West Church Street	Orlando, FL	2/23/2018	100	2003	28,000	182	100
Total / Weighted Average					\$63,159	396	84

**Dispositions Over Previous Eighteen Months**

Property	Location	Disposition Date	Percent Ownership (%)	Year Built	Sale Price	Rentable Square Footage	Percent Leased at Disposition (%)
Sarasota Commerce Center II	Sarasota, FL	6/16/2017	100	1999	\$23,500	149	92
Two Independence Square	Washington, DC	7/5/2017	100	1991	359,600	606	100
8560 Upland Drive <sup>(1)</sup>	Englewood, CO	7/27/2017	72	2001	17,600	149	100
14-Property Portfolio Sale <sup>(2)</sup>	Various	1/4/2018	100	Various	430,385	2,585	76
Total / Weighted Average					\$831,085	3,489	82

**Acquisitions Subsequent to Quarter End**

Property	Location	Acquisition Date	Percent Ownership (%)	Year Built	Purchase Price	Rentable Square Footage	Percent Leased at Acquisition (%)
9320 Excelsior Boulevard	Hopkins, MN	10/25/2018	100	2010	\$49,365	268	100

**Pending Dispositions**

Property	Location	Proposed Sale Month & Year	Percent Ownership (%)	Year Built	Contract Price	Rentable Square Footage	Current Percent Leased (%)
800 North Brand Boulevard	Glendale, CA	November 2018	100	1990	\$160,000	527	100

(1) The sale price and rentable square footage presented for 8560 Upland Drive are gross figures and have not been adjusted for Piedmont's ownership percentage; however, the weighted average percent leased at disposition for dispositions completed over the previous eighteen months includes this property at the Company's pro rata share of ownership.

(2) 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 September 30, 2018**  
*(\$ and square footage in thousands)*

**Developable Land Parcels**

Property	Location	Adjacent Piedmont Property	Acres	Real Estate Book Value
Gavitello	Atlanta, GA	The Medici	2.0	\$2,678
Glenridge Highlands Three	Atlanta, GA	Glenridge Highlands One and Two	3.0	1,966
State Highway 161	Irving, TX	Las Colinas Corporate Center I and II, 161 Corporate Center	4.5	3,320
Royal Lane	Irving, TX	6011, 6021 and 6031 Connection Drive	10.6	2,834
John Carpenter Freeway	Irving, TX	750 West John Carpenter Freeway	3.5	1,000
TownPark	Lake Mary, FL	400 and 500 TownPark	18.9	6,291
<b>Total</b>			<b>42.5</b>	<b>\$18,089</b>

**Development and / or Redevelopment Projects in Process**

Property	Location	Adjacent Piedmont Property	Construction Type	Targeted Completion Date	Percent Leased (%)	Square Feet	Current Asset Basis (Accrual)	Project Capital Expended (Cash)	Estimated Additional Capital Required (Cash)
Two Pierce Place	Itasca, IL	Not Applicable	Redevelopment	Q4 2018 <sup>(1)</sup>	40	487	\$66.3 million	\$13.4 million	\$0.7 million

(1) The majority of the project was complete at the end of the third quarter; however, several final elements will be completed during the latter part of 2018.

## Piedmont Office Realty Trust, Inc. Supplemental Definitions

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 41.

**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.

**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.

**NOI from Unconsolidated Joint Ventures:** NOI from Unconsolidated Joint Ventures is defined as Property NOI attributable to our interests in properties owned through unconsolidated partnerships. We present this measure on an accrual basis and a cash basis, which eliminates the effects of straight lined rents and fair value lease revenue. NOI from Unconsolidated Joint Ventures is a non-GAAP measure and therefore may not be comparable to similarly defined data provided by other REITs.

**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.

**Piedmont Office Realty Trust, Inc.**  
**Research Coverage**

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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					Nine Months Ended	
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017	9/30/2018	9/30/2017
<b>GAAP net income applicable to common stock</b>	<b>\$ 16,114</b>	<b>\$ 10,942</b>	<b>\$ 57,830</b>	<b>\$ (31,383)</b>	<b>\$ 126,133</b>	<b>\$ 84,886</b>	<b>\$ 164,947</b>
Depreciation <sup>(1) (2)</sup>	26,668	26,894	26,969	28,242	29,774	80,531	90,335
Amortization <sup>(1)</sup>	14,828	15,229	16,716	17,499	18,107	46,773	57,828
Impairment loss <sup>(1)</sup>	—	—	—	46,461	—	—	—
Loss / (gain) on sale of properties <sup>(1)</sup>	—	23	(45,209)	77	(113,195)	(45,186)	(119,634)
<b>NAREIT funds from operations applicable to common stock</b>	<b>57,610</b>	<b>53,088</b>	<b>56,306</b>	<b>60,896</b>	<b>60,819</b>	<b>167,004</b>	<b>193,476</b>
Adjustments:							
Acquisition costs	—	—	—	—	—	—	6
Loss / (gain) on extinguishment of debt	—	—	1,680	—	—	1,680	—
<b>Core funds from operations applicable to common stock</b>	<b>57,610</b>	<b>53,088</b>	<b>57,986</b>	<b>60,896</b>	<b>60,819</b>	<b>168,684</b>	<b>193,482</b>
Adjustments:							
Amortization of debt issuance costs, fair market adjustments on notes payable, and discount on senior notes	550	545	466	604	634	1,561	1,892
Depreciation of non real estate assets	176	213	169	212	218	558	597
Straight-line effects of lease revenue <sup>(1)</sup>	(3,210)	(4,806)	(3,473)	(5,553)	(3,602)	(11,489)	(15,939)
Stock-based and other non-cash compensation expense	1,661	2,513	288	1,937	1,250	4,462	4,202
Amortization of lease-related intangibles <sup>(1)</sup>	(2,006)	(1,987)	(1,643)	(1,685)	(1,720)	(5,636)	(4,890)
Acquisition costs	—	—	—	—	—	—	(6)
Non-incremental capital expenditures	(9,276)	(10,178)	(7,953)	(13,463)	(5,229)	(27,407)	(21,974)
<b>Adjusted funds from operations applicable to common stock</b>	<b>\$ 45,505</b>	<b>\$ 39,388</b>	<b>\$ 45,840</b>	<b>\$ 42,948</b>	<b>\$ 52,370</b>	<b>\$ 130,733</b>	<b>\$ 157,364</b>

(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					Nine Months Ended	
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017	9/30/2018	9/30/2017
<b>Net income attributable to Piedmont</b>	<b>\$ 16,114</b>	<b>\$ 10,942</b>	<b>\$ 57,830</b>	<b>\$ (31,383)</b>	<b>\$ 126,133</b>	<b>\$ 84,886</b>	<b>\$ 164,947</b>
Net income / (loss) attributable to noncontrolling interest	—	(2)	(2)	(5)	(4)	(4)	(10)
Interest expense	15,849	15,687	13,758	15,463	16,183	45,294	52,661
Depreciation	26,844	27,107	27,139	28,454	29,993	81,090	90,933
Amortization	14,828	15,229	16,716	17,499	18,107	46,773	57,828
Impairment loss	—	—	—	46,461	—	—	—
Loss / (gain) on sale of properties	—	23	(45,209)	77	(113,195)	(45,186)	(119,634)
<b>EBITDAre</b>	<b>73,635</b>	<b>68,986</b>	<b>70,232</b>	<b>76,566</b>	<b>77,217</b>	<b>212,853</b>	<b>246,725</b>
(Gain) / loss on extinguishment of debt	—	—	1,680	—	—	1,680	—
Acquisition costs	—	—	—	—	—	—	6
Net (recoveries) / loss from casualty events	—	—	—	(57)	25	—	57
<b>Core EBITDA</b>	<b>73,635</b>	<b>68,986</b>	<b>71,912</b>	<b>76,509</b>	<b>77,242</b>	<b>214,533</b>	<b>246,788</b>
General & administrative expenses	6,677	8,258	6,552	7,466	6,202	21,487	21,907
Management fee revenue	(181)	(200)	(150)	(161)	(253)	(531)	(762)
Other (income) / expense	(87)	(157)	(230)	(156)	(171)	(475)	(146)
Straight-line effects of lease revenue	(3,210)	(4,806)	(3,473)	(5,553)	(3,602)	(11,489)	(15,939)
Amortization of lease-related intangibles	(2,006)	(1,987)	(1,643)	(1,685)	(1,720)	(5,636)	(4,890)
<b>Property net operating income (cash basis)</b>	<b>74,828</b>	<b>70,094</b>	<b>72,968</b>	<b>76,420</b>	<b>77,698</b>	<b>217,889</b>	<b>246,958</b>
Deduct net operating (income) / loss from:							
Acquisitions	(958)	(917)	(666)	(23)	—	(2,540)	—
Dispositions	(122)	(205)	(182)	(6,749)	(8,001)	(509)	(39,077)
Other investments	(659)	(920)	(1,517)	(2,442)	(2,339)	(3,096)	(6,277)
<b>Same store net operating income (cash basis)</b>	<b>\$ 73,089</b>	<b>\$ 68,052</b>	<b>\$ 70,603</b>	<b>\$ 67,206</b>	<b>\$ 67,358</b>	<b>\$ 211,744</b>	<b>\$ 201,604</b>

**Piedmont Office Realty Trust, Inc.**  
**Unconsolidated Joint Venture Net Operating Income Reconciliations**  
*Pro rata and unaudited (in thousands)*

	Three Months Ended					Nine Months Ended	
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017	9/30/2018	9/30/2017
<b>Equity in income of unconsolidated joint ventures</b>	\$ —	\$ —	\$ —	\$ (27)	\$ 3,754	\$ —	\$ 3,872
Interest expense	—	—	—	—	—	—	—
Depreciation	—	—	—	—	—	—	129
Amortization	—	—	—	—	—	—	25
Impairment loss	—	—	—	—	—	—	—
Loss / (gain) on sale of properties	—	—	—	—	(3,683)	—	(3,683)
<b>EBITDAre and Core EBITDA</b>	—	—	—	(27)	71	—	343
General and administrative expenses	—	—	—	15	13	—	39
Other (income) / expense	—	—	—	—	—	—	—
<b>Property net operating income (accrual basis)</b>	—	—	—	(12)	84	—	382
Straight-line effects of lease revenue	—	—	—	—	(41)	—	(134)
Amortization of lease-related intangibles	—	—	—	—	—	—	—
<b>Property net operating income (cash basis)</b>	\$ —	\$ —	\$ —	\$ (12)	\$ 43	\$ —	\$ 248

**Piedmont Office Realty Trust, Inc.**  
**Property Detail - In-Service Portfolio <sup>(1)</sup>**  
**As of September 30, 2018**  
*(in thousands)*

Property	City	State	Percent Ownership	Year Built / Major Refurbishment	Rentable Square Footage Owned	Leased Percentage	Commenced Leased Percentage	Economic Leased Percentage <sup>(2)</sup>
<b>Atlanta</b>								
Glenridge Highlands Two	Atlanta	GA	100.0%	2000	426	100.0%	98.6%	98.6%
The Dupree	Atlanta	GA	100.0%	1997	138	100.0%	100.0%	100.0%
The Medici	Atlanta	GA	100.0%	2008	156	94.2%	94.2%	91.7%
1155 Perimeter Center West	Atlanta	GA	100.0%	2000	377	100.0%	100.0%	100.0%
Galleria 300	Atlanta	GA	100.0%	1987	432	97.7%	96.8%	96.8%
Glenridge Highlands One	Atlanta	GA	100.0%	1998	288	100.0%	100.0%	96.2%
Galleria 200	Atlanta	GA	100.0%	1984	432	87.3%	86.8%	76.2%
<b>Metropolitan Area Subtotal / Weighted Average</b>					<b>2,249</b>	<b>96.7%</b>	<b>96.2%</b>	<b>93.5%</b>
<b>Boston</b>								
80 Central Street	Boxborough	MA	100.0%	1988	150	100.0%	84.0%	84.0%
90 Central Street	Boxborough	MA	100.0%	2001	175	100.0%	100.0%	100.0%
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%
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%
5 & 15 Wayside Road	Burlington	MA	100.0%	1999 & 2001	272	86.8%	74.6%	74.6%
5 Wall Street	Burlington	MA	100.0%	2008	182	100.0%	100.0%	100.0%
One Wayside Road	Burlington	MA	100.0%	1997	201	100.0%	100.0%	100.0%
<b>Metropolitan Area Subtotal / Weighted Average</b>					<b>1,594</b>	<b>97.7%</b>	<b>94.1%</b>	<b>94.1%</b>
<b>Chicago</b>								
500 West Monroe Street	Chicago	IL	100.0%	1991	967	95.3%	95.3%	94.1%
<b>Metropolitan Area Subtotal / Weighted Average</b>					<b>967</b>	<b>95.3%</b>	<b>95.3%</b>	<b>94.1%</b>
<b>Dallas</b>								
6031 Connection Drive	Irving	TX	100.0%	1999	232	52.6%	52.6%	52.6%
6021 Connection Drive	Irving	TX	100.0%	2000	222	100.0%	100.0%	100.0%
6011 Connection Drive	Irving	TX	100.0%	1999	152	100.0%	64.5%	3.3%
Las Colinas Corporate Center I	Irving	TX	100.0%	1998	159	88.1%	88.1%	88.1%
Las Colinas Corporate Center II	Irving	TX	100.0%	1998	228	89.9%	89.9%	89.9%
6565 North MacArthur Boulevard	Irving	TX	100.0%	1998	260	94.2%	94.2%	93.1%
One Lincoln Park	Dallas	TX	100.0%	1999	262	99.6%	99.6%	99.6%
161 Corporate Center	Irving	TX	100.0%	1998	105	100.0%	100.0%	100.0%
Park Place on Turtle Creek	Dallas	TX	100.0%	1986	178	91.0%	91.0%	90.4%
750 West John Carpenter Freeway	Irving	TX	100.0%	1999	316	87.7%	87.7%	86.7%
<b>Metropolitan Area Subtotal / Weighted Average</b>					<b>2,114</b>	<b>89.5%</b>	<b>86.9%</b>	<b>82.2%</b>

Property	City	State	Percent Ownership	Year Built / Major Refurbishment	Rentable Square Footage Owned	Leased Percentage	Commenced Leased Percentage	Economic Leased Percentage <sup>(2)</sup>
<b>Minneapolis</b>								
Crescent Ridge II	Minnetonka	MN	100.0%	2000	301	95.0%	90.7%	90.4%
US Bancorp Center	Minneapolis	MN	100.0%	2000	937	98.5%	98.5%	97.9%
One Meridian Crossings	Richfield	MN	100.0%	1997	195	100.0%	100.0%	100.0%
Two Meridian Crossings	Richfield	MN	100.0%	1998	189	97.9%	97.9%	97.9%
Norman Pointe I	Bloomington	MN	100.0%	2000	214	70.6%	70.6%	70.6%
<b>Metropolitan Area Subtotal / Weighted Average</b>					<b>1,836</b>	<b>94.8%</b>	<b>94.1%</b>	<b>93.7%</b>
<b>New York</b>								
200 Bridgewater Crossing	Bridgewater	NJ	100.0%	2002	309	90.9%	90.9%	88.3%
60 Broad Street	New York	NY	100.0%	1962	1,033	98.4%	98.4%	98.4%
600 Corporate Drive	Lebanon	NJ	100.0%	2005	125	100.0%	100.0%	100.0%
400 Bridgewater Crossing	Bridgewater	NJ	100.0%	2002	305	100.0%	100.0%	100.0%
<b>Metropolitan Area Subtotal / Weighted Average</b>					<b>1,772</b>	<b>97.5%</b>	<b>97.5%</b>	<b>97.0%</b>
<b>Orlando</b>								
400 TownPark	Lake Mary	FL	100.0%	2008	176	80.7%	80.7%	78.4%
500 TownPark	Lake Mary	FL	100.0%	2016	134	100.0%	89.6%	79.1%
SunTrust Center	Orlando	FL	100.0%	1988	646	92.9%	92.9%	89.5%
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	98.6%	98.6%	98.6%
CNL Center II	Orlando	FL	99.0%	2006	270	99.3%	94.4%	90.7%
<b>Metropolitan Area Subtotal / Weighted Average</b>					<b>1,755</b>	<b>95.0%</b>	<b>93.5%</b>	<b>90.7%</b>
<b>Washington, D.C.</b>								
1201 Eye Street	Washington	DC	98.6% <sup>(3)</sup>	2001	269	48.7%	48.7%	10.8%
1225 Eye Street	Washington	DC	98.1% <sup>(3)</sup>	1986	225	94.7%	94.7%	91.6%
3100 Clarendon Boulevard	Arlington	VA	100.0%	1987 / 2015	261	62.8%	54.0%	40.6%
400 Virginia Avenue	Washington	DC	100.0%	1985	224	64.3%	61.2%	61.2%
4250 North Fairfax Drive	Arlington	VA	100.0%	1998	308	96.8%	92.9%	83.8%
One Independence Square	Washington	DC	100.0%	1991	334	93.7%	93.7%	77.8%
Arlington Gateway	Arlington	VA	100.0%	2005	329	76.0%	62.9%	45.9%
<b>Metropolitan Area Subtotal / Weighted Average</b>					<b>1,950</b>	<b>77.6%</b>	<b>73.2%</b>	<b>58.8%</b>
<b>Other</b>								
800 North Brand Boulevard	Glendale	CA	100.0%	1990	527	90.3%	90.3%	90.3%
1901 Market Street	Philadelphia	PA	100.0%	1987 / 2014	801	100.0%	100.0%	100.0%
Enclave Place	Houston	TX	100.0%	2015	301	100.0%	—%	—%
1430 Enclave Parkway	Houston	TX	100.0%	1994	313	100.0%	100.0%	100.0%
<b>Subtotal / Weighted Average</b>					<b>1,942</b>	<b>97.4%</b>	<b>81.9%</b>	<b>81.9%</b>
<b>Grand Total</b>					<b>16,179</b>	<b>93.2%</b>	<b>89.8%</b>	<b>86.6%</b>

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 38.
- (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.

**Piedmont Office Realty Trust, Inc.**  
**Supplemental Operating & Financial Data**  
**Risks, Uncertainties and Limitations**

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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 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 of properties, many of which risks and uncertainties may not be known at the time of acquisition; 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; the effect on us of adverse market and economic conditions, including any resulting impairment charges on both our long-lived assets or goodwill; 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; 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; any change in the financial condition of any of our large lead tenants; 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.