
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): April 30, 2014

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.)

11695 Johns Creek Parkway
Suite 350
Johns Creek, GA 30097-1523
(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))
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Item 2.02 Results of Operations and Financial Condition

On April 30, 2014, Piedmont Office Realty Trust, Inc. (the “Registrant”) issued a press release announcing its financial results for the first quarter 2014 and published supplemental information for the first quarter 2014 to its website. The press release and the supplemental information are attached hereto as Exhibit 99.1 and 99.2, respectively, and are incorporated herein by reference. Pursuant to the rules and regulations of the Securities and Exchange Commission, such exhibits and the information set forth therein are deemed to have been furnished and shall not be deemed to be “filed” under the Securities Exchange Act of 1934.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated April 30, 2014.
99.2	Piedmont Office Realty Trust, Inc. Quarterly Supplemental Information for the First Quarter 2014.

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)

Date: April 30, 2014

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

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated April 30, 2014.
99.2	Piedmont Office Realty Trust, Inc. Quarterly Supplemental Information for the First Quarter 2014.

Piedmont Office Realty Trust Reports First Quarter 2014 Results

ATLANTA, April 30, 2014 --Piedmont Office Realty Trust, Inc. ("Piedmont" or the "Company") (NYSE:PDM), an owner of primarily Class A office properties located predominantly in ten of the largest U.S. office markets, today announced its results for the quarter ended March 31, 2014.

Highlights for the Three Months Ended March 31, 2014:

- Achieved Core Funds From Operations ("CFFO") of \$0.36 per diluted share for the quarter ended March 31, 2014;
- Completed 415,000 square feet of leasing during the first quarter primarily related to new tenants for vacant space;
- Disposed of two non-core assets during the first quarter and entered into a binding contract to sell two others;
- Used proceeds from the sales of non-core assets as its primary funding source to purchase 3.2 million shares of its common stock, at an average price of \$16.54 per share;
- Issued \$400 million in ten-year, unsecured notes and used the majority of the proceeds to repay a \$350 million secured debt facility which was scheduled to mature in 2014; and
- Used proceeds from a recently issued unsecured term loan to pay off \$225.0 million in secured loans.

Donald A. Miller, CFA, President and Chief Executive Officer said, "We are pleased with our results for the first quarter of 2014. They were in-line with our expectations. The majority of our leasing volume was driven by new leases for currently vacant space and we expect this trend to continue over the next few years given our low amount of upcoming lease expirations. We remain optimistic about achieving positive net lease absorption over the next few years."

Results for the First Quarter ended March 31, 2014

Piedmont's net income available to common stockholders for the first quarter of 2014 was \$9.4 million, or \$0.06 per diluted share, as compared with \$14.7 million, or \$0.09 per diluted share, for the first quarter of 2013. The current year's results include increases in income associated with new leases commencing and properties acquired during or after the first quarter of 2013; however, this additional income was more than offset by the expiration of two large governmental tenants in Piedmont's Washington, D.C. portfolio during 2013. Additionally, the prior year's first quarter results included a \$6.4 million impairment charge associated with an asset sold during 2013 and the current quarter's results include \$3.0 million in insurance recoveries associated with previously recognized casualty losses and litigation settlement expense. Finally, the current quarter reflects \$2.5 million, or \$0.02 per diluted share, of additional interest expense primarily associated with higher outstanding debt balances during the current quarter as a result of property acquisitions made by the Company during 2013 and shares repurchased pursuant to the Company's stock repurchase plan.

Revenues for the quarter ended March 31, 2014 were \$136.3 million, as compared with \$132.2 million for the same period a year ago, primarily reflecting increased revenue associated with the acquisition of five properties during 2013.

Property operating costs were \$58.3 million for the quarter ended March 31, 2014, as compared to the prior period of \$52.2 million, primarily as a result of additional expenses associated with properties acquired during 2013 as well as higher recoverable utility and snow removal costs associated with an unusually cold winter. General and administrative expenses were \$4.6 million for the current quarter, comparable to \$4.5 million for the quarter ended March 31, 2013.

Funds From Operations ("FFO") for the current quarter totaled \$58.0 million, or \$0.37 per diluted share, as compared with \$60.2 million, or \$0.36 per diluted share, for the quarter ended March 31, 2013. The current quarter includes \$3.0 million, or approximately \$0.02 per diluted share, in net insurance recoveries related to casualty losses and litigation settlement expense incurred in prior periods. In addition, per share results reflect a reduction in weighted average shares outstanding as a result of shares repurchased over the previous twelve months pursuant to the Company's stock repurchase plan.

Core FFO, which excludes acquisition costs and the insurance recoveries mentioned above, totaled \$55.1 million, or \$0.36 per diluted share, for the current quarter, as compared to \$61.6 million, or \$0.37 per diluted share, for the quarter ended March 31, 2013.

Adjusted FFO ("AFFO") for the first quarter of 2014 totaled \$32.0 million, or \$0.21 per diluted share, comparable to \$36.6 million, or \$0.22 per diluted share, in the first quarter of 2013.

Leasing Update

During the first quarter of 2014, the Company executed approximately 415,000 square feet of leasing throughout its markets. Due to low lease expirations during 2014, the majority of the leasing in the first quarter related to new leases. Of the leases signed during the quarter, approximately 118,000 square feet, or 28%, was renewal-related and 297,000 square feet, or 72%, was with new tenants.

As of March 31, 2014, the Company had approximately 2.2 million square feet of commenced leases that were in some form of abatement, as well as approximately 0.8 million square feet of executed leases for currently vacant space yet to commence. Same store net operating income (on a cash basis) for the quarter was \$61.9 million, reflecting a decrease from the first quarter of the prior year, primarily as a result of timing differences associated with re-tenanting portions of Aon Center and 6021 Connection Drive following the expiration of two large tenant leases, as well as the restructuring of the Independence Blue Cross lease at the 1901 Market Street building during 2013. In addition, the expiration of a governmental lease at One Independence Square in our Washington, D.C. portfolio during March 2013 also negatively impacted the current quarter's SSNOI.

The Company's overall portfolio was 86.7% leased and the stabilized portfolio was 88.8% leased as of March 31, 2014, with a weighted average lease term remaining of approximately 7.3 years. Details outlining Piedmont's significant upcoming lease expirations and the status of current leasing activity can be found in the Company's quarterly supplemental information package available at www.piedmontreit.com.

Capital Markets, Financing and Other Activities

During the three months ended March 31, 2014, Piedmont sold two non-core assets, 11107 and 11109 Sunset Hills Road in Reston, VA, for \$22.6 million. The sales resulted in a combined loss on sale of real estate assets of \$0.1 million that is included in the Company's results of operations for the three months ended March 31, 2014.

In addition, during the first quarter, the Company entered into a binding contract to sell 4685 Investment Drive and 1441 W. Long Lake Road in Troy, MI for approximately \$19.4 million, or \$104 per square foot. The transaction closed on April 30, 2014.

Further commenting on prospective transactional activity, Mr. Miller stated "While almost 90% of our revenue is now derived from nine markets, we continue to evaluate further acquisitions and to work towards exiting non-strategic markets. However, due to current market pricing we will only make acquisitions that strongly fit strategic concentration goals. We believe the greatest opportunity today remains in acquiring our own stock at a substantial discount to what we estimate to be our net asset value."

As previously announced, the Company also issued \$400 million in ten-year, unsecured notes during the first quarter. The proceeds were used to repay a \$350 million secured loan that opened for prepayment without penalty in March 2014 and for general corporate purposes. In conjunction with the issuance of the notes, Piedmont settled five previously outstanding forward starting swap agreements for a cash gain of approximately \$15.0 million. The effective rate of the notes before consideration of the \$15.0 million swap gain was 4.5%. The gain was recorded as accumulated other comprehensive income and will be amortized as an offset to interest expense over the term of the notes, effectively fixing the interest rate on the notes at 4.1%.

Further, during the first quarter of 2014, the Company used proceeds from a new \$300 million five-year term loan entered into during the fourth quarter of 2013 to repay \$225 million in mortgages, with the remaining \$75 million of proceeds being used to reduce the outstanding balance on the Company's line of credit. \$200 million of the \$300 million term loan has been swapped to a fixed rate of 2.79%, with the rate on the remaining \$100 million floating at LIBOR plus 1.2%. On a combined basis, the repayment of the two secured loans during the current quarter decreased the Company's secured debt position from 49% as of December 31, 2013 to 20% as of March 31, 2014 and frees 85% of the Company's net operating income from real estate assets from mortgage encumbrance.

The Company used proceeds from the sales of non-core assets as its primary funding source to purchase 3.2 million shares of its common stock, at an average price of \$16.54 per share during the three months ended March 31, 2014. As of March 31, 2014, Board-approved capacity remaining for additional repurchases under the plan approximated \$37 million.

Subsequent to Quarter End

On April 30, 2014, the board of directors of Piedmont declared dividends for the second quarter 2014 in the amount of \$0.20 per share on its common stock to stockholders of record as of the close of business on May 30, 2014. Such dividends are to be paid on June 20, 2014.

Guidance for 2014

Based on management's expectations, the Company affirms guidance for full-year 2014 as follows:

<i>(in millions, except per share data)</i>	Low	High
Net Income	\$46 - \$59	
Add: Depreciation, Amortization, and Other	180 - 181	
Core FFO	\$226 - \$240	
Core FFO per diluted share	\$1.42 - \$1.50	

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 lease commencements and expirations, the timing of repairs and maintenance, capital expenditures, capital markets activities and one-time revenue or expense events. In addition, the Company's guidance is based on information available to management as of the date of this release.

Non-GAAP Financial Measures

This release contains certain supplemental non-GAAP financial measures such as FFO, AFFO, Core FFO, Same store net operating income, and Core EBITDA. See below for definitions and reconciliations of these metrics to their most comparable GAAP metric.

Conference Call Information

Piedmont has scheduled a conference call and an audio web cast for Thursday, May 1, 2014 at 10:00 A.M. Eastern daylight time ("EDT"). The live audio web cast of the call may be accessed on the Company's website at www.piedmontreit.com in the Investor Relations section. Dial-in numbers are (877) 407-0778 for participants in the United States and Canada and (201)689-8565 for international participants. A replay of the conference call will be available through May 15, 2014, and may be accessed by dialing (877)660-6853 for participants in the United States and Canada and (201)612-7415 for international participants, followed by conference identification code 13579996. A web cast replay will also be available after the conference call in the Investor Relations section of the Company's website. During the audio web cast and conference call, the Company's management team will review first quarter 2014 performance, discuss recent events and conduct a question-and-answer period.

Supplemental Information

Quarterly Supplemental Information as of and for the period ended March 31, 2014 can be accessed on the Company's website under the Investor Relations section at www.piedmontreit.com.

About Piedmont Office Realty Trust

Piedmont Office Realty Trust, Inc. (NYSE: PDM) is a fully-integrated and self-managed real estate investment trust (REIT) specializing in the ownership and management of high-quality Class A office buildings located primarily in ten of the largest U.S. office markets, including Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, Minneapolis, New York, Central Florida and Washington, D.C.

Approximately 60% of its tenants are investment grade-rated or governmental tenants, and many others are blue chip or nationally-recognized companies. The Company is headquartered in Atlanta, GA, with local management offices in each of its major markets. Investment grade-rated by Standard & Poor's (BBB) and Moody's (Baa2), Piedmont has maintained a relatively low leverage strategy throughout its sixteen year operating history. For more information, see www.piedmontreit.com.

Forward Looking Statements

Certain statements contained in this press release constitute forward-looking statements within the meaning of 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 Company's expectations regarding leasing volume over the next several year being driven by new leases for currently vacant space; the Company's expectations regarding achievement of positive net lease absorption over the next few years; the Company's expectations regarding the benefits of acquiring its own stock; and the Company's estimated range of Net Income, Depreciation and Amortization, Insurance Recoveries, Core FFO and Core FFO per diluted share for the year ending December 31, 2014.

The following are some of the factors that could cause the Company's actual results and its expectations to differ materially from those described in the Company's forward-looking statements: market and economic conditions remain challenging and the demand for office space, rental rates and property values may continue to lag the general economic recovery causing the Company's business, results of operations, cash flows, financial condition and access to capital to be adversely affected or otherwise impact performance, including the potential recognition of impairment charges; the success of the Company's real estate strategies and investment objectives, including the Company's ability to identify and consummate suitable acquisitions; lease terminations or lease defaults, particularly by one of the Company's large lead tenants; the impact of competition on the Company's efforts to renew existing leases or re-let space on terms similar to existing leases; changes in the economies and other conditions of the office market in general and of the specific markets in which the Company operates, particularly in Chicago, Washington, D.C., and the New York metropolitan area; economic and regulatory changes, including accounting standards, that impact the real estate market generally; additional risks and costs associated with directly managing properties occupied by government tenants; adverse market and economic conditions may continue to adversely affect the Company and could cause the Company to recognize impairment charges or otherwise impact the Company's performance; availability of financing and the Company's lending banks' ability to honor existing line of credit commitments; costs of complying with governmental laws and regulations; uncertainties associated with environmental and other regulatory matters; potential changes in political environment and reduction in federal and/or state funding of the Company's governmental tenants; the Company may be subject to litigation, which could have a material adverse effect on the Company's financial condition; the Company's ability to continue to qualify as a real estate investment trust under the Internal Revenue Code; and other factors detailed in the Company's most

recent Annual Report on Form 10-K for the period ended December 31, 2013, and other documents the Company files with the Securities and Exchange Commission.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company cannot guarantee the accuracy of any such forward-looking statements contained in this press release, and the Company does not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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Piedmont Office Realty Trust, Inc.

Consolidated Balance Sheets

(in thousands)

	<u>March 31, 2014</u>	<u>December 31, 2013</u>
	<i>(unaudited)</i>	
Assets:		
Real estate assets, at cost:		
Land	\$ 682,429	\$ 686,359
Buildings and improvements	4,127,343	4,126,532
Buildings and improvements, accumulated depreciation	(997,350)	(972,531)
Intangible lease assets	139,141	144,947
Intangible lease assets, accumulated amortization	(69,997)	(71,588)
Construction in progress	28,847	24,269
Real estate assets held for sale, gross	20,529	21,630
Real estate assets held for sale, accumulated depreciation and amortization	(6,590)	(7,635)
Total real estate assets	3,924,352	3,951,983
Investments in unconsolidated joint ventures	13,855	14,388
Cash and cash equivalents	9,271	6,973
Tenant receivables, net of allowance for doubtful accounts	22,196	31,145
Straight line rent receivables	147,360	138,293
Restricted cash and escrows	751	394
Prepaid expenses and other assets	28,154	24,771
Goodwill	180,097	180,097
Interest rate swaps	464	24,176
Deferred financing costs, less accumulated amortization	8,545	8,759
Deferred lease costs, less accumulated amortization	273,709	281,790
Other assets held for sale, net	3,191	3,319
Total assets	\$ 4,611,945	\$ 4,666,088
Liabilities:		
Unsecured debt, net of discount	\$ 1,617,297	\$ 1,014,680
Secured debt	412,525	987,525
Accounts payable, accrued expenses, and accrued capital expenditures	130,530	128,818
Deferred income	23,042	22,267
Intangible lease liabilities, less accumulated amortization	45,227	47,113
Interest rate swaps	4,366	4,526
Total liabilities	2,232,987	2,204,929
Stockholders' equity :		
Common stock	1,543	1,575
Additional paid in capital	3,669,561	3,668,906
Cumulative distributions in excess of earnings	(1,305,321)	(1,231,209)
Other comprehensive income/(loss)	11,562	20,278
Piedmont stockholders' equity	2,377,345	2,459,550
Non-controlling interest	1,613	1,609
Total stockholders' equity	2,378,958	2,461,159
Total liabilities and stockholders' equity	\$ 4,611,945	\$ 4,666,088
<i>Total Gross Assets ⁽¹⁾</i>	<i>4,998,289</i>	<i>5,003,737</i>
<i>Number of shares of common stock outstanding at end of period</i>	<i>154,278</i>	<i>157,461</i>

⁽¹⁾ Total assets exclusive of accumulated depreciation and amortization related to real estate assets.

Piedmont Office Realty Trust, Inc.
Consolidated Statements of Income
Unaudited (in thousands)

	Three Months Ended	
	3/31/2014	3/31/2013
Revenues:		
Rental income	\$ 110,904	\$ 106,055
Tenant reimbursements	24,929	25,465
Property management fee revenue	487	631
Total revenues	136,320	132,151
Expenses:		
Property operating costs	58,271	52,155
Depreciation	33,644	28,825
Amortization	14,573	9,009
General and administrative	4,555	4,548
Total operating expenses	111,043	94,537
Real estate operating income	25,277	37,614
Other income (expense):		
Interest expense	(18,926)	(16,373)
Other income/(expense)	(90)	(1,277)
Net recoveries/(loss) from casualty events and litigation settlements	3,042	(161)
Equity in income/(loss) of unconsolidated joint ventures	(266)	395
Total other income (expense)	(16,240)	(17,416)
Income from continuing operations	9,037	20,198
Discontinued operations:		
Operating income	466	859
Impairment loss	—	(6,402)
Loss on sale of real estate assets	(106)	—
Income from discontinued operations	360	(5,543)
Net income	9,397	14,655
Less: Net income attributable to noncontrolling interest	(4)	(4)
Net income attributable to Piedmont	\$ 9,393	\$ 14,651
Weighted average common shares outstanding - diluted	155,025	167,810
Per Share Information – diluted:		
Income from continuing operations	\$ 0.06	\$ 0.12
Income from discontinued operations	\$ —	\$ (0.03)
Net income available to common stockholders	\$ 0.06	\$ 0.09

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	
	3/31/2014	3/31/2013
Net income attributable to Piedmont	\$ 9,393	\$ 14,651
Depreciation ⁽¹⁾⁽²⁾	33,727	29,886
Amortization ⁽¹⁾	14,804	9,220
Impairment loss ⁽¹⁾	—	6,402
Loss on sale of real estate assets ⁽¹⁾	106	—
Funds from operations*	58,030	60,159
Acquisition costs	66	1,244
Net (recoveries)/loss from casualty events and litigation settlements	(3,042)	161
Core funds from operations*	55,054	61,564
Deferred financing cost amortization	863	594
Amortization of discount on Senior Notes	34	—
Depreciation of non real estate assets	114	98
Straight-line effects of lease revenue ⁽¹⁾	(9,412)	(4,032)
Stock-based and other non-cash compensation expense	636	594
Net effect of amortization of below-market in-place lease intangibles ⁽¹⁾	(1,364)	(1,065)
Acquisition costs	(66)	(1,244)
Non-incremental capital expenditures ⁽³⁾	(13,821)	(19,920)
Adjusted funds from operations*	\$ 32,038	\$ 36,589
Weighted average common shares outstanding - diluted	155,025	167,810
Funds from operations per share (diluted)	\$ 0.37	\$ 0.36
Core funds from operations per share (diluted)	\$ 0.36	\$ 0.37
Adjusted funds from operations per share (diluted)	\$ 0.21	\$ 0.22

⁽¹⁾ Includes adjustments for consolidated properties, including discontinued operations, and for our proportionate share of amounts attributable to unconsolidated joint ventures.

⁽²⁾ Excludes depreciation of non real estate assets.

⁽³⁾ 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"): FFO is calculated 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, impairment losses, and gains or losses on consolidation, 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 may provide valuable comparisons of operating performance between periods and with other REITs. FFO is a non-GAAP financial measure and should not be viewed as an alternative measurement of our operating performance to net income. We believe that FFO is a beneficial indicator of the performance of an equity REIT. However, other REITs may not

define FFO in accordance with the NAREIT definition, or may interpret the current NAREIT definition differently than we do; therefore, our computation of FFO may not be comparable to that of such other REITs.

Core Funds From Operations ("Core FFO"): We calculate Core FFO by starting with FFO, as defined by NAREIT, and adjusting for certain non-recurring items such as gains or losses on the early extinguishment of debt, acquisition-related costs and other significant non-recurring items. Such items create significant earnings volatility. We believe Core FFO provides a meaningful measure of our operating performance and more predictability regarding future earnings potential. Core FFO is a non-GAAP financial measure and should not be viewed as an alternative measurement of our operating performance to net income; therefore, it should not be compared to other REITs' equivalent to Core FFO.

Adjusted Funds From Operations ("AFFO"): AFFO is calculated by deducting from Core FFO non-incremental capital expenditures and acquisition-related costs and adding back non-cash items including non-real estate depreciation, straight lined rents and fair value lease revenue, non-cash components of interest expense and compensation expense, and by making similar adjustments for unconsolidated partnerships and joint ventures. Although AFFO may not be comparable to that of other REITs, we believe it provides a meaningful indicator of our ability to fund cash needs and to make cash distributions to equity owners. AFFO is a non-GAAP financial measure and should not be viewed as an alternative measurement of our operating performance to net income, as an alternative to net cash flows from operating activities or as a measure of our liquidity.

Piedmont Office Realty Trust, Inc.

Core EBITDA, Property Net Operating Income, Same Store Net Operating Income

Unaudited (in thousands)

	Three Months Ended	
	3/31/2014	3/31/2013
Net income attributable to Piedmont	\$ 9,393	\$ 14,651
Net income attributable to noncontrolling interest	4	4
Interest expense	18,926	16,373
Depreciation ⁽¹⁾	33,841	29,984
Amortization ⁽¹⁾	14,804	9,220
Acquisition costs	66	1,244
Impairment loss	—	6,402
Net (recoveries)/loss from casualty events and litigation settlements	(3,042)	161
Loss/(gain) on sale of real estate assets ⁽¹⁾	106	—
Loss on consolidation	—	—
Core EBITDA*	74,098	78,039
General & administrative expenses ⁽¹⁾	4,582	4,609
Management fee revenue	(259)	(356)
Other expense/(income) ⁽¹⁾	30	21
Straight line effects of lease revenue ⁽¹⁾	(9,412)	(4,032)
Amortization of lease-related intangibles ⁽¹⁾	(1,364)	(1,065)
Property Net Operating Income (cash basis)*	67,675	77,216
Acquisitions	(5,798)	(860)
Dispositions	(364)	(1,022)
Other investments	382	(2,704)
Same Store NOI (cash basis)*	\$ 61,895	\$ 72,630
<i>Change period over period in same store NOI</i>	<i>(14.8)%</i>	<i>N/A</i>

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

***Definitions**

Core EBITDA: Core EBITDA is defined as net income before interest, taxes, depreciation and amortization and incrementally removing any impairment losses, gains or losses from sales of property, or other significant non-recurring items. We do not include impairment losses in this measure because we feel these types of losses create volatility in our earnings and make it difficult to determine the earnings generated by our ongoing business. We believe Core EBITDA is a reasonable measure of our liquidity. Core EBITDA is a non-GAAP financial measure and should not be viewed as an alternative measurement of cash flows from operating activities or other GAAP basis liquidity measures. Other REITs may calculate Core EBITDA differently and our calculation should not be compared to that of other REITs.

Property Net Operating Income ("Property NOI"): Property NOI is defined as real estate operating income with the add-back of corporate general and administrative expense, depreciation and amortization, and impairment losses and the deduction of net operating income associated with property management performed by Piedmont for other organizations. We 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 eliminated. The Company uses this measure

to assess its operating results and believes it is important in assessing operating performance. Property NOI is a non-GAAP measure which does not have any standard meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies.

Same Store Net Operating Income ("Same Store NOI"): Same Store NOI is calculated as the Property NOI attributable to the properties owned or placed in service during the entire span of the current and prior year reporting periods. Same Store NOI excludes amounts attributable to unconsolidated joint venture assets. We 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 eliminated. We believe Same Store NOI is an important measure of comparison of our properties' operating performance from one period to another. Other REITs may calculate Same Store NOI differently and our calculation should not be compared to that of other REITs.



*Quarterly Supplemental Information
March 31, 2014*

Corporate Headquarters

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Investor Relations

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

Please refer to page [48](#) 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 package might not occur.

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. When the Company sells properties, it restates historical income statements with the financial results of the sold assets presented in discontinued operations.

Piedmont Office Realty Trust, Inc.
Corporate Data

Piedmont Office Realty Trust, Inc. (also referred to herein as "Piedmont" or the "Company") (NYSE: PDM) is a fully-integrated and self-managed real estate investment trust ("REIT") specializing in the acquisition, ownership, management, development and disposition of primarily high-quality Class A office buildings located primarily in ten of the largest U.S. office markets, including Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, Minneapolis, New York, Central Florida and Washington, D.C. Approximately 60% of the Company's tenants are investment grade-rated or governmental tenants, and many others are blue chip or nationally-recognized companies not requiring investment ratings. Piedmont is headquartered in Atlanta, GA, with local management offices in each of its major markets. Investment grade-rated by Standard & Poor's and Moody's, the Company has maintained a relatively low leverage strategy throughout its fifteen year operating history.

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 March 31, 2014	As of December 31, 2013
Number of consolidated office properties ⁽¹⁾	75	78
Rentable square footage (in thousands) ⁽¹⁾	21,107	21,490
Percent leased ⁽²⁾	86.7%	87.2%
Percent leased - stabilized portfolio ⁽³⁾	88.8%	89.7%
Capitalization (in thousands):		
Total debt - principal amount outstanding	\$2,034,525	\$2,003,525
Equity market capitalization	\$2,645,866	\$2,601,254
Total market capitalization	\$4,680,391	\$4,604,779
Total debt / Total market capitalization	43.5%	43.5%
Total debt / Total gross assets	35.8%	35.0%
Common stock data		
High closing price during quarter	\$17.28	\$18.90
Low closing price during quarter	\$16.09	\$15.96
Closing price of common stock at period end	\$17.15	\$16.52
Weighted average fully diluted shares outstanding during quarter (in thousands)	155,025	160,450
Shares of common stock issued and outstanding (in thousands)	154,278	157,461
Rating / outlook		
Standard & Poor's	BBB / Stable	BBB / Stable
Moody's	Baa2 / Stable	Baa2 / Stable
Employees	120	121

(1) As of March 31, 2014, our consolidated office portfolio consisted of 75 properties (exclusive of our equity interests in two properties owned through unconsolidated joint ventures and one out of service property, 3100 Clarendon Boulevard). During the first quarter of 2014, we sold 11107 and 11109 Sunset Hills Boulevard, two office properties comprised of 142,000 square feet, located in Reston, VA. For additional detail on asset transactions, please refer to page 36.

(2) Calculated as leased square footage plus square footage associated with executed new leases for currently 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 excludes unconsolidated joint venture properties and one out of service property. Please refer to page 26 for additional analyses regarding Piedmont's leased percentage.

(3) Please refer to page 37 for information regarding value-add properties, data for which is removed from stabilized portfolio totals.

Piedmont Office Realty Trust, Inc.
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Chief Financial Officer, Executive
Vice President, and Treasurer

Laura P. Moon

Chief Accounting Officer and
Senior Vice President

Raymond L. Owens

Executive Vice President,
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Governance Committee

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William H. Keogler, Jr.

Director

Frank C. McDowell

Director, Vice Chairman of the
Board of Directors and Chairman
of Compensation Committee

Donald A. Miller, CFA

Chief Executive Officer, President
and Director

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Piedmont Office Realty Trust, Inc.
Financial Highlights
As of March 31, 2014

Financial Results ⁽¹⁾

Funds from operations (FFO) for the quarter ended March 31, 2014 was \$58.0 million, or \$0.37 per share (diluted), compared to \$60.2 million, or \$0.36 per share (diluted), for the same quarter in 2013. The decrease in dollar amount of FFO for the three months ended March 31, 2014 as compared to the same period in 2013 was principally related to the following factors: 1) decreased operating income contributions from One Independence Square in Washington, DC; 3100 Clarendon Boulevard in Arlington, VA; Aon Center in Chicago, IL; and 6021 Connection Drive in Irving, TX, related primarily to tenant transitions and lease expirations, 2) increased interest expense in 2014 related to the higher average amount of debt outstanding during the first quarter of 2014 when compared to the same period in 2013 due primarily to \$452.4 million in net property and stock acquisitions in 2013, and 3) decreased operating income attributable to properties sold since the beginning of 2013, all of which were offset somewhat by 4) operating income contributions from newly acquired properties and 5) net insurance reimbursements amounting to \$3.0 million in the first quarter of 2014 compared to net related expenses of \$0.2 million in the first quarter of 2013. The increase in per share FFO for the three months ended March 31, 2014 as compared to the same period in 2013 was related to reduced weighted average shares outstanding in 2014 as a result of the Company's stock repurchase program.

Core funds from operations (Core FFO) for the quarter ended March 31, 2014 was \$55.1 million, or \$0.36 per share (diluted), compared to \$61.6 million, or \$0.37 per share (diluted), for the same quarter in 2013. The decrease in Core FFO for the three months ended March 31, 2014 as compared to the same period in 2013 was principally related to the items described above for changes in FFO, with the exception of the net insurance reimbursements and net related expenses, which were removed from Core FFO since they are considered to be non-recurring. An additional contributor to the difference in Core FFO for the three months ended March 31, 2014 as compared to the same period in 2013 was the add back of acquisition costs in each period; acquisition costs were higher during the three months ended March 31, 2013 than during the same period in 2014 attributable to the greater amount of acquisition activity in 2013.

Adjusted funds from operations (AFFO) for the quarter ended March 31, 2014 was \$32.0 million, or \$0.21 per share (diluted), compared to \$36.6 million, or \$0.22 per share (diluted), for the same quarter in 2013. The decrease in AFFO for the three months ended March 31, 2014 as compared to the same period in 2013 was primarily related to the items described above for changes in FFO and Core FFO, offset somewhat by the net effect of reduced non-incremental capital expenditures and increased rental abatement concessions recognized in 2014 when compared to those incurred during the same time period in 2013.

Operations & Leasing

On a square footage leased basis, our total office portfolio was 86.7% leased as of March 31, 2014, as compared to 86.0% a year earlier. Please refer to page 26 for additional leased percentage information.

The weighted average remaining lease term of our portfolio was 7.3 years⁽²⁾ as of March 31, 2014 as compared to 7.1 years at December 31, 2013.

As previously disclosed, Piedmont commenced the redevelopment of its 3100 Clarendon Boulevard property, a 250,000 square foot office and retail property located in Arlington, VA, during the first quarter of 2014. The building's existing retail tenants will remain in occupancy during the redevelopment. Therefore, from an accounting standpoint, the office component of the building will be out of service and the retail portion of the building, comprised of approximately 28,000 square feet, will remain in service during the redevelopment. However, for the purposes of statistical reporting throughout this supplemental report, the entire building has been removed from Piedmont's operating portfolio. For additional information regarding the redevelopment of 3100 Clarendon Boulevard, please see the Financing and Capital Activity section below.

During the three months ended March 31, 2014, the Company completed 415,000 square feet of total leasing. Of the total leasing activity during the quarter, we signed renewal leases for 118,000 square feet and new tenant leases for 297,000 square feet. The average committed capital cost for all leases signed during the three months ended March 31, 2014 at our consolidated office properties was \$5.33 per square foot per year of lease term. Average committed capital cost per square foot per year of lease term for renewal leases signed during the three months ended March 31, 2014 was \$4.05 and average committed capital cost per square foot per year of lease term for new leases signed during the same time period was \$5.53 (see page 32).

(1) FFO, Core FFO and AFFO are supplemental non-GAAP financial measures. See page 39 for definitions of non-GAAP financial measures. See pages 14 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 March 31, 2014) is weighted based on Annualized Lease Revenue, as defined on page 39.

During the three months ended March 31, 2014, we executed six leases greater than 20,000 square feet at our consolidated office properties. Please see information on those leases listed below.

Tenant	Property	Property Location	Square Feet		Expiration	Lease Type
			Leased	Space Status	Year	
Preferred Apartment Advisors	The Medici	Atlanta, GA	62,145		2025	New
Amneal Pharmaceuticals	400 Bridgewater Crossing	Bridgewater, NJ	40,110		2024	New
Harding Loevner	400 Bridgewater Crossing	Bridgewater, NJ	39,685		2022	Renewal / Expansion
R-T Specialty	500 West Monroe Street	Chicago, IL	26,966		2029	New
Children's Hospital Los Angeles	800 North Brand Boulevard	Glendale, CA	22,638		2021	Renewal
JL Buchanan	US Bancorp Center	Minneapolis, MN	20,244		2025	New

As of March 31, 2014, there were no tenants whose leases were scheduled to expire at or during the eighteen month period following the end of the first quarter of 2014 which individually contributed greater than 1% in net Annualized Lease Revenue (ALR) expiring over the next eighteen months. Subsequent to quarter end, the lease renewal with the United States of America (National Park Service or "NPS") was executed; therefore, for the purposes of this report, that lease is no longer considered to be in holdover status and the lease expiration schedules as presented herein were adjusted to account for the signed renewal. The expiration of the majority of the renewed NPS lease is reflected in the third quarter of 2017, with the expiration of contraction space reflected in the second quarter of 2015.

Piedmont focuses its marketing efforts on large corporate office space users. The average size of lease in the Company's portfolio is approximately 30,000 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		Estimated Commencement	New / Expansion
			Leased	Space Status	Date	
Integrus Business Support	Aon Center	Chicago, IL	180,876	Vacant	Q2 2014	New
Piper Jaffray & Co.	US Bancorp Center	Minneapolis, MN	123,882	Not Vacant	Q2 2014	New
Epsilon Data Management	6021 Connection Drive	Irving, TX	221,898	Vacant ⁽¹⁾	Q3 2014	New
Preferred Apartment Advisors	The Medici	Atlanta, GA	62,145	Vacant	Q4 2014	New
Catamaran	Windy Point II	Schaumburg, IL	50,686	Vacant	Q1 2015	New

Occupancy versus NOI Analysis

Piedmont had been in a period of high lease rollover from 2010 to 2013. This rollover and the overall economic slowdown during this period have resulted in a decrease in leased percentage, some rental rate roll downs, and an even larger decrease in economic leased percentage due to the rental abatement concessions provided under many of the new leases and lease renewals. In turn, these abatements and lower rental rates have resulted in a lower cash basis Same Store NOI than might otherwise be anticipated given the overall leased percentage and the historical relationship between leased percentage and Same Store NOI. As of March 31, 2014, our overall leased percentage was 86.7% and our economic leased percentage was 74.0%. 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 space which have not commenced (amounting to approximately 757,000 square feet of leases as of March 31, 2014, or 3.6% of the office portfolio); and
2. leases which have commenced but the tenants have not commenced paying full rent due to rental abatements (amounting to 2.2 million square feet of leases as of March 31, 2014, or a 9.1% impact to leased percentage on an economic basis). Please see the chart below for a listing of major contributors to this factor.

As the executed but not commenced leases begin and the rental abatement periods expire, there will be greater Same Store NOI growth than might otherwise be expected based on changes in overall leased percentage alone during that time period.

(1) Nokia's lease for the space terminated on December 31, 2013. The replacement lease with Epsilon Data Management will commence at the beginning of the third quarter of 2014.

Due to the current economic environment, many recently negotiated leases provide for rental abatement concessions to tenants. Those rental abatements typically occur at the beginning of each new lease's term. Since 2010, Piedmont has signed approximately 12.8 million square feet of leases within its consolidated office portfolio. Due to the large number of new leases in the Company's portfolio, abatements provided under those new leases have impacted the Company's current cash net operating income and AFFO. Presented below is a schedule of leases greater than 50,000 square feet that are currently under some form of rent abatement. The leases presented below are for a total of 1.8 million square feet of the 2.2 million square feet currently in some form of rent abatement. The abatements on the remaining leases, which are of sizes less than 50,000 square feet and comprise approximately 0.4 million square feet in total, have an average abatement expiration date in the third quarter of 2014.

Tenant	Property	Property Location	Square Feet Leased	Abatement Structure	Abatement Expiration
Thoughtworks	Aon Center	Chicago, IL	52,529	Gross Rent	Q1 2014
Aon	Aon Center	Chicago, IL	382,076	Gross Rent	Q2 2014
GE Capital	500 West Monroe Street	Chicago, IL	291,935	Gross Rent	Q2 2014
Gemini	2 Gatehall Drive	Parsippany, NJ	204,515	Base Rent	Q2 2014
Miller Canfield Paddock Stone	150 West Jefferson	Detroit, MI	109,261	Base Rent	Q2 2014
General Electric Company	500 West Monroe Street	Chicago, IL	53,972	Gross Rent	Q2 2014
Federal Home Loan Bank	Aon Center	Chicago, IL	79,054	Gross Rent (on 15,652 square feet)	Q3 2014
Catamaran	Windy Point II	Schaumburg, IL	250,000	Gross Rent	Q4 2014
TMW Systems	Eastpoint I	Mayfield Heights, OH	59,804	Base Rent	Q4 2014
GE Capital	500 West Monroe Street	Chicago, IL	52,845	Gross Rent	Q4 2014
Union Bank	800 North Brand Boulevard	Glendale, CA	51,706	Base Rent	Q4 2014
Federal Home Loan Bank	Aon Center	Chicago, IL	16,051	Gross Rent	Q4 2014
Aon	Aon Center	Chicago, IL	31,702	Gross Rent	Q1 2015
DDB Needham Chicago	Aon Center	Chicago, IL	187,000	\$4.00 PSF off of Base Rent	Q2 2015
Subtotal			1,822,450		

Financing and Capital Activity

As of March 31, 2014, our ratio of debt to total gross assets was 35.8%. This debt ratio is based on total principal amount outstanding for our various loans at March 31, 2014.

On February 5, 2014, the Board of Directors of Piedmont declared dividends for the first quarter of 2014 in the amount of \$0.20 per common share outstanding to stockholders of record as of the close of business on February 28, 2014. The dividends were paid on March 21, 2014. The Company's dividend payout percentage for the three months ended March 31, 2014 was 56% of Core FFO and 96% of AFFO.

Dispositions

On March 19, 2014, Piedmont sold two buildings, 11107 Sunset Hills Road and 11109 Sunset Hills Road, for a combined \$22.6 million, or \$159 per square foot. The properties, located in Reston, VA, are comprised of 101,000 and 41,000 square feet, respectively, and were built in 1985 and 1984, respectively. At the time of sale, the buildings were 100% and 0% leased, respectively. The sale of the buildings allowed the Company to divest dated, non-core properties, consistent with its long-term strategic objectives for location and building quality. Piedmont recorded a \$0.1 million loss on the sale of the assets. The operating income for the properties is presented in discontinued operations.

On March 24, 2014, Piedmont entered into a binding contract to sell 4685 Investment Drive and 1441 West Long Lake Road, both of which are located in Troy, MI. The properties are comprised of 77,000 and 108,000 square feet, respectively, and were built in 2000 and 1999, respectively. The sale of the buildings will permit the Company to divest non-strategic properties located in a non-core market, allowing the Company to make further progress on one of its strategic objectives of narrowing the markets within which it operates. Subsequent to quarter end, Piedmont completed the sale of the properties for a combined \$19.4 million, or \$104 per square foot. For additional information, please refer to page 36.

Acquisitions

The Company did not complete any acquisitions during the first quarter of 2014. The company has made the following acquisitions since January 1, 2013:

Property	Location	Rentable Square Footage
Arlington Gateway	Arlington, VA	334,000
5 & 15 Wayside Road	Burlington, MA	271,000
Royal Lane Land	Irving, TX	N/A
5301 Maryland Way	Brentwood, TN	201,000
4685 Investment Drive	Troy, MI	77,000
2020 West 89th Street	Leawood, KS	68,000
6565 North MacArthur Boulevard	Irving, TX	260,000
One Lincoln Park	Dallas, TX	262,000
161 Corporate Center	Irving, TX	105,000

Development

During the first quarter of 2014, Piedmont commenced the redevelopment of its 3100 Clarendon Boulevard property, a 250,000 square foot office and retail property located in Arlington, VA. Until the end of 2013, the property, which is located directly above the Clarendon Metro Station and affords tenants direct building entry from the station, had been predominantly leased to the U.S. Government (Defense Intelligence Agency) for the previous 15+ years. The expiration of the U.S. Government's lease afforded Piedmont the opportunity to upgrade and reposition the property in order to attract private sector tenants and to capture the incremental value potential for the location - attributable primarily to the depth of nearby amenities desirable to tenants, including housing, retail, and transportation. The Company anticipates that the redevelopment will take the entirety of the 2014 calendar year to complete. During the redevelopment, the office component of the building will be out of service and the retail portion of the building, comprised of approximately 28,000 square feet, will remain in service. However, for the purposes of statistical reporting on the Company's assets in this supplemental report, the entire building will be removed from Piedmont's operating portfolio. It is anticipated that the costs to redevelop the building will be approximately \$25 million to \$30 million. Following the completion of the redevelopment of the asset, the Company anticipates spending approximately \$20 million in re-leasing costs.

During the fourth quarter of 2013, Piedmont announced the development of Enclave Place, a 301,000 square foot office building located in Houston, TX. The 11-story building will be constructed on Piedmont's 4.7 acre development site adjacent to its 1430 Enclave Parkway property and located within a deed-restricted and architecturally-controlled office park in Houston's Energy Corridor. Ground was broken subsequent to quarter end in April 2014, and physical construction is targeted to be completed during the third quarter of 2015. The incremental development costs are anticipated to be approximately \$80 million to \$85 million, inclusive of leasing costs. The development of Enclave Place follows Piedmont's recent success in buying the near-vacant 1200 Enclave Parkway for approximately \$124 per square foot, leasing it to stabilization, and then selling it for approximately \$326 per square foot two years after acquisition.

Stock Repurchase Program

During the first quarter of 2014, the Company repurchased approximately 3.2 million shares of common stock under its share repurchase program at an average price of \$16.54 per share. Since the stock repurchase program began in December 2011, the Company has repurchased a total of 18.9 million shares at an average price of \$16.92 per share, or approximately \$319.5 million in aggregate (before consideration of transaction costs). As of quarter end, Board-approved capacity remaining for additional repurchases totaled approximately \$37.2 million under the stock repurchase plan.

Finance

On December 18, 2013, Piedmont closed on a new \$300 million, five-year unsecured term loan with a delayed draw feature. As of the date of closing, no loan funds were drawn. On January 30, 2014, Piedmont drew the entire \$300 million available under the term loan. The proceeds were used to repay two maturing loans totaling \$225 million which were secured by Aon Center; the remainder of the proceeds were used to reduce the balance outstanding under the Company's revolving line of credit. The loan has a stated variable interest rate. In an effort to reduce the Company's exposure to changes in interest rates, during the first quarter of 2014, Piedmont entered into four five-year interest rate swaps in order to fix the interest rate for a portion of the new \$300 million term loan through the loan's maturity date of January 31, 2019. The swaps have a combined notional amount of \$200 million and a blended rate of 1.59%, resulting in an effective fixed rate of 2.79% on \$200 million of the term loan after the credit spread is added. The interest rate on the remaining \$100 million of the term loan will continue to be variable.

On March 6, 2014, Piedmont completed a ten-year bond offering for \$400 million in aggregate principal amount. The 4.45% senior unsecured notes are due March 15, 2024 and were offered at 99.791% of the principal amount. Beginning in late 2012, considering the historically low interest rate environment and the Company's plans to issue unsecured debt to replace maturing secured debt, Piedmont entered into a forward starting swap hedging program to partially protect the Company against rising interest rates and to lock a portion of the interest rate for its future replacement debt. Over the course of approximately a year and a half, the Company entered into five different forward-starting swaps. At the time of the pricing of the \$400

million in bonds, Piedmont unwound the swaps and received net proceeds from its counterparties of approximately \$15.0 million due to the higher level of interest rates. After consideration of the swap settlement proceeds, the effective cost of the financing is approximately 4.10% (excluding transaction costs). The funds received from the bond offering were primarily used to repay a maturing \$350 million mortgage debt facility secured by nine properties; the remaining proceeds were used to reduce the balance outstanding under the Company's revolving line of credit.

There are several benefits that Piedmont has realized with the completion of the two financings and debt repayments mentioned above. The benefits are:

- **Interest expense reduction:** The replacement debt is at a lower interest rate than the debt repaid; the weighted average effective interest rate on \$700 million of debt was reduced by over 0.9%;
- **Increased unsecured debt:** Piedmont replaced \$575 million of secured debt with unsecured debt; unsecured debt as a percentage of total debt increased to approximately 80% from 51%;
- **Increased unencumbered NOI:** Piedmont unencumbered the NOI from several large assets; unencumbered NOI as a percentage of total NOI increased to approximately 85% from 57%;
- **No additional 2014 maturities:** Piedmont has no additional 2014 debt maturities; the next debt maturity is a \$105 million mortgage in the second quarter of 2015;
- **Debt maturity laddering:** The maturities for the replacement debt are in 2019 and 2024, years in which the Company has no other maturing debt; and
- **Corporate credit enhancement:** Due to the increase in the amount of unencumbered NOI, we believe the corporate credit profile has been strengthened; there is more income available to support general corporate liabilities.

Subsequent Events

In April 2014, Piedmont completed a lease renewal with the National Park Service at 1201 Eye Street in Washington, D.C. The lease was extended for five years from the original lease expiration date, extending the expiration date to the third quarter of 2017 from the third quarter of 2012. The renewal consists of 219,750 square feet; however, the tenant will contract by 45,476 square feet during the second quarter of 2015.

On April 30, 2014, the Board of Directors of Piedmont declared dividends for the second quarter of 2014 in the amount of \$0.20 per common share outstanding to stockholders of record as of the close of business on May 30, 2014. The dividends are to be paid on June 20, 2014.

Guidance for 2014

The Company is adjusting its financial guidance for calendar year 2014. This guidance is based upon management's expectations at this time. The revised financial guidance is as follows:

	<u>Low</u>	<u>High</u>
Core Funds from Operations	\$226 million	\$240 million
Core Funds from Operations per diluted share	\$1.42	\$1.50

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, repairs and maintenance, capital expenditures, capital markets activities 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.
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, 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.

	Three Months Ended				
	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
Selected Operating Data					
Percent leased ⁽¹⁾	86.7%	87.2%	86.7%	86.4%	86.0%
Percent leased - stabilized portfolio ^{(1) (2)}	88.8%	89.7%	89.5%	89.3%	88.9%
Rental income	\$110,904	\$113,929	\$115,170	\$107,951	\$106,055
Total revenues	\$136,320	\$141,504	\$143,389	\$132,565	\$132,151
Total operating expenses	\$111,043	\$106,353	\$107,966	\$99,872	\$94,537
Real estate operating income	\$25,277	\$35,151	\$35,423	\$32,693	\$37,614
Core EBITDA	\$74,098	\$79,627	\$80,556	\$76,256	\$78,039
Core FFO	\$55,054	\$59,866	\$61,124	\$57,919	\$61,564
Core FFO per share - diluted	\$0.36	\$0.37	\$0.37	\$0.35	\$0.37
AFFO	\$32,038	\$12,752	\$34,046	\$33,631	\$36,589
AFFO per share - diluted	\$0.21	\$0.08	\$0.21	\$0.20	\$0.22
Gross dividends	\$30,858	\$32,158	\$32,880	\$33,540	\$33,511
Dividends per share	\$0.200	\$0.200	\$0.200	\$0.200	\$0.200
Selected Balance Sheet Data					
Total real estate assets	\$3,924,352	\$3,951,983	\$3,872,952	\$3,821,727	\$3,850,989
Total gross real estate assets	\$4,998,289	\$5,003,737	\$4,905,913	\$4,823,983	\$4,822,454
Total assets	\$4,611,945	\$4,666,088	\$4,576,553	\$4,523,302	\$4,538,661
Net debt ⁽³⁾	\$2,024,503	\$1,996,158	\$1,808,168	\$1,699,633	\$1,681,267
Total liabilities	\$2,232,987	\$2,204,929	\$2,055,870	\$1,893,342	\$1,916,041
Ratios					
Core EBITDA margin ⁽⁴⁾	53.8%	55.5%	55.3%	56.4%	57.6%
Fixed charge coverage ratio ⁽⁵⁾	3.8 x	4.0 x	4.2 x	4.2 x	4.8 x
Average net debt to Core EBITDA ⁽⁶⁾	6.9 x	5.9 x	5.4 x	5.5 x	4.7 x

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

(2) Please refer to page 37 for additional information on value-add properties, data for which is removed from stabilized portfolio totals.

(3) Net debt is calculated as the total principal amount of debt outstanding minus cash and cash equivalents and escrow deposits and restricted cash. The increase in net debt over the last year is primarily attributable to three property acquisitions completed during the fourth quarter of 2013, as well as capital expenditures and stock repurchases, all of which were largely funded with debt.

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

(5) The fixed charge coverage ratio is calculated as Core EBITDA divided by the sum of interest expense, principal amortization, capitalized interest and preferred dividends. The Company had no principal amortization or preferred dividends during any of the periods presented; the Company had capitalized interest of \$384,843 for the quarter ended March 31, 2014, and \$31,486 for the quarter ended December 31, 2013. The fixed charge coverage ratios for the second, third and fourth quarters of 2013 and the first quarter of 2014 are lower than our historical performance on this measure primarily as a result of increased interest expense related to five property acquisitions completed during 2013 as well as capital expenditures and stock repurchases, all of which were largely funded with debt.

(6) Core EBITDA is annualized for the purposes of this calculation. The average net debt to Core EBITDA ratios for the second, third and fourth quarters of 2013 and the first quarter of 2014 are higher than our historical performance on this measure primarily as a result of increased net debt attributable to five property acquisitions completed during 2013, as well as capital expenditures and stock repurchases, all of which were largely funded with debt. This measure has also been impacted by downtime associated with recent re-tenanting efforts, as well as rent roll downs. 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.

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

	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Assets:					
Real estate, at cost:					
Land assets	\$ 682,429	\$ 686,359	\$ 675,064	\$ 665,267	\$ 668,737
Buildings and improvements	4,127,343	4,126,532	4,010,691	3,990,758	3,973,593
Buildings and improvements, accumulated depreciation	(997,350)	(972,531)	(955,007)	(926,130)	(897,230)
Intangible lease asset	139,141	144,947	136,364	135,748	138,085
Intangible lease asset, accumulated amortization	(69,997)	(71,588)	(70,651)	(69,089)	(67,333)
Construction in progress	28,847	24,269	62,359	19,816	29,826
Real estate assets held for sale, gross	20,529	21,630	21,435	12,394	12,213
Real estate assets held for sale, accumulated depreciation & amortization	(6,590)	(7,635)	(7,303)	(7,037)	(6,902)
Total real estate assets	3,924,352	3,951,983	3,872,952	3,821,727	3,850,989
Investment in unconsolidated joint ventures	13,855	14,122	18,668	37,631	37,835
Cash and cash equivalents	9,271	6,973	15,972	10,500	17,575
Tenant receivables, net of allowance for doubtful accounts	22,196	31,145	31,006	28,618	29,237
Straight line rent receivable	147,360	138,293	135,555	129,853	126,374
Due from unconsolidated joint ventures	—	266	—	472	458
Escrow deposits and restricted cash	751	394	385	392	683
Prepaid expenses and other assets	28,154	24,771	28,725	26,341	21,436
Goodwill	180,097	180,097	180,097	180,097	180,097
Interest rate swap	464	24,176	19,192	19,600	1,712
Deferred financing costs, less accumulated amortization	8,545	8,759	7,990	8,624	5,908
Deferred lease costs, less accumulated amortization	273,709	281,790	263,699	258,357	265,263
Other assets held for sale	3,191	3,319	2,312	1,090	1,094
Total assets	\$ 4,611,945	\$ 4,666,088	\$ 4,576,553	\$ 4,523,302	\$ 4,538,661
Liabilities:					
Unsecured debt	\$ 1,617,297	\$ 1,014,680	\$ 835,650	\$ 721,621	\$ 712,000
Secured debt	412,525	987,525	987,525	987,525	987,525
Accounts payable, accrued expenses, and accrued capital expenditures	130,530	128,818	159,675	118,076	139,273
Deferred income	23,042	22,267	26,575	18,693	23,585
Intangible lease liabilities, less accumulated amortization	45,227	47,113	41,435	43,410	45,215
Interest rate swaps	4,366	4,526	5,010	4,017	8,443
Total liabilities	2,232,987	2,204,929	2,055,870	1,893,342	1,916,041
Stockholders' equity:					
Common stock	1,543	1,575	1,613	1,667	1,676
Additional paid in capital	3,669,561	3,668,906	3,668,424	3,667,973	3,667,614
Cumulative distributions in excess of earnings	(1,305,321)	(1,231,209)	(1,165,794)	(1,057,534)	(1,041,552)
Other comprehensive loss	11,562	20,278	14,827	16,245	(6,731)
Piedmont stockholders' equity	2,377,345	2,459,550	2,519,070	2,628,351	2,621,007
Non-controlling interest	1,613	1,609	1,613	1,609	1,613
Total stockholders' equity	2,378,958	2,461,159	2,520,683	2,629,960	2,622,620
Total liabilities, redeemable common stock and stockholders' equity	\$ 4,611,945	\$ 4,666,088	\$ 4,576,553	\$ 4,523,302	\$ 4,538,661
<i>Common stock outstanding at end of period</i>	<i>154,278</i>	<i>157,461</i>	<i>161,271</i>	<i>166,681</i>	<i>167,555</i>

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

	Three Months Ended				
	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
Revenues:					
Rental income	\$ 110,904	\$ 113,929	\$ 115,170	\$ 107,951	\$ 106,055
Tenant reimbursements	24,929	27,358	27,329	24,101	25,465
Property management fee revenue	487	217	890	513	631
	136,320	141,504	143,389	132,565	132,151
Expenses:					
Property operating costs	58,271	58,263	58,137	52,223	52,155
Depreciation	33,644	31,691	30,295	30,169	28,825
Amortization	14,573	11,195	13,685	11,201	9,009
General and administrative	4,555	5,204	5,849	6,279	4,548
	111,043	106,353	107,966	99,872	94,537
Real estate operating income	25,277	35,151	35,423	32,693	37,614
Other income / (expense):					
Interest expense	(18,926)	(19,651)	(19,331)	(18,228)	(16,373)
Other income / (expense)	(90)	(392)	(596)	(72)	(1,277)
Net recoveries / (loss) from casualty events and litigation settlements ⁽¹⁾	3,042	4,500	3,919	3,553	(161)
Equity in income of unconsolidated joint ventures ⁽²⁾	(266)	(4,280)	46	163	395
Gain / (loss) on consolidation	—	—	(898)	—	—
	(16,240)	(19,823)	(16,860)	(14,584)	(17,416)
Income from continuing operations	9,037	15,328	18,563	18,109	20,198
Discontinued operations:					
Operating income, excluding impairment loss	466	506	537	995	859
Impairment loss	—	(1,242)	—	—	(6,402)
Gain / (loss) on sale of properties	(106)	15,034	—	16,258	—
Income / (loss) from discontinued operations ⁽³⁾	360	14,298	537	17,253	(5,543)
Net income	9,397	29,626	19,100	35,362	14,655
Less: Net income attributable to noncontrolling interest	(4)	(3)	(4)	(4)	(4)
Net income attributable to Piedmont	\$ 9,393	\$ 29,623	\$ 19,096	\$ 35,358	\$ 14,651
<i>Weighted average common shares outstanding - diluted</i>	<i>155,025</i>	<i>160,450</i>	<i>164,796</i>	<i>167,714</i>	<i>167,810</i>
Net income per share available to common stockholders - diluted	\$ 0.06	\$ 0.18	\$ 0.12	\$ 0.21	\$ 0.09

(1) Presented on this line are net expenses and insurance reimbursements related to 1) two class action lawsuits settled in 2013 and 2) damage caused by Hurricane Sandy in October 2012.

(2) During the fourth quarter of 2013, Piedmont recorded an impairment charge of \$4.4 million related to its equity ownership interest in Two Park Center in Hoffman Estates, IL. Please refer to page 38 for additional information about Piedmont's unconsolidated joint venture interests.

(3) Reflects operating results for 1111 Durham Avenue in South Plainfield, NJ, which was sold on March 28, 2013; 1200 Enclave Parkway in Houston, TX, which was sold on May 1, 2013; 350 Spectrum Loop in Colorado Springs, CO, which was sold on November 1, 2013; 8700 South Price Road in Tempe, AZ, which was sold on December 30, 2013; and 11107 and 11109 Sunset Hills Road in Reston, VA, which were sold on March 19, 2014.

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

	Three Months Ended			
	3/31/2014	3/31/2013	Change (\$)	Change (%)
Revenues:				
Rental income	\$ 110,904	\$ 106,055	\$ 4,849	4.6 %
Tenant reimbursements	24,929	25,465	(536)	(2.1)%
Property management fee revenue	487	631	(144)	(22.8)%
	<u>136,320</u>	<u>132,151</u>	<u>4,169</u>	<u>3.2 %</u>
Expenses:				
Property operating costs	58,271	52,155	(6,116)	(11.7)%
Depreciation	33,644	28,825	(4,819)	(16.7)%
Amortization	14,573	9,009	(5,564)	(61.8)%
General and administrative	4,555	4,548	(7)	(0.2)%
	<u>111,043</u>	<u>94,537</u>	<u>(16,506)</u>	<u>(17.5)%</u>
Real estate operating income	25,277	37,614	(12,337)	(32.8)%
Other income / (expense):				
Interest expense	(18,926)	(16,373)	(2,553)	(15.6)%
Other income / (expense)	(90)	(1,277)	1,187	93.0 %
Net recoveries / (loss) from casualty events and litigation settlements ⁽¹⁾	3,042	(161)	3,203	1,989.4 %
Equity in income of unconsolidated joint ventures	(266)	395	(661)	(167.3)%
	<u>(16,240)</u>	<u>(17,416)</u>	<u>1,176</u>	<u>6.8 %</u>
Income from continuing operations	9,037	20,198	(11,161)	(55.3)%
Discontinued operations:				
Operating income, excluding impairment loss	466	859	(393)	(45.8)%
Impairment loss	—	(6,402)	6,402	100.0 %
Gain / (loss) on sale of properties	(106)	—	(106)	— %
Income / (loss) from discontinued operations ⁽²⁾	360	(5,543)	5,903	106.5 %
Net income	9,397	14,655	(5,258)	(35.9)%
Less: Net income attributable to noncontrolling interest	(4)	(4)	—	— %
Net income attributable to Piedmont	\$ 9,393	\$ 14,651	\$ (5,258)	(35.9)%
<i>Weighted average common shares outstanding - diluted</i>	<i>155,025</i>	<i>167,810</i>		
Net income per share available to common stockholders - diluted	\$ 0.06	\$ 0.09		

(1) Presented on this line are net expenses and insurance reimbursements related to 1) two class action lawsuits settled in 2013 and 2) damage caused by Hurricane Sandy in October 2012.

(2) Reflects operating results for 1111 Durham Avenue in South Plainfield, NJ, which was sold on March 28, 2013; 1200 Enclave Parkway in Houston, TX, which was sold on May 1, 2013; 350 Spectrum Loop in Colorado Springs, CO, which was sold on November 1, 2013; 8700 South Price Road in Tempe, AZ, which was sold on December 30, 2013; and 11107 and 11109 Sunset Hills Road in Reston, VA, which were sold on March 19, 2014.

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	
	3/31/2014	3/31/2013
Net income attributable to Piedmont	\$ 9,393	\$ 14,651
Depreciation ⁽¹⁾⁽²⁾	33,727	29,886
Amortization ⁽¹⁾	14,804	9,220
Impairment loss ⁽¹⁾	—	6,402
Loss / (gain) on sale of properties ⁽¹⁾	106	—
Funds from operations	58,030	60,159
Adjustments:		
Acquisition costs	66	1,244
Net (recoveries) / loss from casualty events and litigation settlements ⁽¹⁾	(3,042)	161
Core funds from operations	55,054	61,564
Adjustments:		
Deferred financing cost amortization	863	594
Amortization of discount on senior notes	34	—
Depreciation of non real estate assets	114	98
Straight-line effects of lease revenue ⁽¹⁾	(9,412)	(4,032)
Stock-based and other non-cash compensation expense	636	594
Amortization of lease-related intangibles ⁽¹⁾	(1,364)	(1,065)
Acquisition costs	(66)	(1,244)
Non-incremental capital expenditures ⁽³⁾	(13,821)	(19,920)
Adjusted funds from operations	\$ 32,038	\$ 36,589
Weighted average common shares outstanding - diluted	155,025	167,810
Funds from operations per share (diluted)	\$ 0.37	\$ 0.36
Core funds from operations per share (diluted)	\$ 0.36	\$ 0.37
Adjusted funds from operations per share (diluted)	\$ 0.21	\$ 0.22

(1) Includes adjustments for consolidated properties, including discontinued operations, and for our proportionate share of amounts attributable to 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	
	3/31/2014	3/31/2013
Net income attributable to Piedmont	\$ 9,393	\$ 14,651
Net income attributable to noncontrolling interest	4	4
Interest expense ⁽¹⁾	18,926	16,373
Depreciation ⁽¹⁾	33,841	29,984
Amortization ⁽¹⁾	14,804	9,220
Acquisition costs	66	1,244
Impairment loss ⁽¹⁾	—	6,402
Net (recoveries) / loss from casualty events and litigation settlements ⁽¹⁾	(3,042)	161
Loss / (gain) on sale of properties ⁽¹⁾	106	—
Core EBITDA	74,098	78,039
General & administrative expenses ⁽¹⁾	4,582	4,609
Management fee revenue ⁽²⁾	(259)	(356)
Other (income) / expense ⁽¹⁾	30	21
Straight-line effects of lease revenue ⁽¹⁾	(9,412)	(4,032)
Amortization of lease-related intangibles ⁽¹⁾	(1,364)	(1,065)
Property net operating income (cash basis)	67,675	77,216
Deduct net operating (income) / loss from:		
Acquisitions ⁽³⁾	(5,798)	(860)
Dispositions ⁽⁴⁾	(364)	(1,022)
Other investments ⁽⁵⁾	382	(2,704)
Same store net operating income (cash basis)	\$ 61,895	\$ 72,630
<i>Change period over period</i>	<i>(14.8)% *</i>	<i>N/A</i>

*** Explanation for Change in Same Store Net Operating Income**

Property	Location	Amount	Explanation
Aon Center	Chicago, IL	\$ (7,472)	Expiration of the BP lease in December 2013; income from BP recognized the entirety of the first quarter of 2013; replacement leases covering 97% of the former BP space are in rental abatement periods or have not yet commenced.
One Independence Square	Washington, D.C.	(2,975)	Expiration of the Office of the Comptroller of the Currency lease at the beginning of March 2013.
1901 Market Street	Philadelphia, PA	(2,557)	Restructuring of the Independence Blue Cross lease such that the large annual lump sum payment is no longer made during the first quarter of every year; rental installments are now paid evenly on a monthly basis throughout a lease year with annual 2.25% steps.
6021 Connection Drive	Irving, TX	(1,307)	Expiration of the Nokia lease in December 2013; income from Nokia recognized the entirety of the first quarter of 2013; replacement lease with Epsilon Data Management will commence at the beginning of the third quarter of 2014.
Subtotal		<u>\$ (14,311)</u>	

Amount of Variance Explained 133% Greater than 100% explained; difference represents net operating income growth at other assets within the portfolio.

Same Store Net Operating Income Top Seven Markets	Three Months Ended			
	3/31/2014		3/31/2013	
	\$	%	\$	%
New York	\$ 12,116	19.6	\$ 12,086	16.6
Washington, D.C. ⁽⁶⁾	11,118	18.0	16,189	22.3
Minneapolis	5,524	8.9	5,653	7.8
Boston	4,919	7.9	4,722	6.5
Chicago ⁽⁷⁾ ⁽⁸⁾	3,635	5.9	8,594	11.8
Los Angeles	3,583	5.8	3,347	4.6
Dallas ⁽⁹⁾	3,396	5.5	3,629	5.0
Other ⁽¹⁰⁾	17,604	28.4	18,410	25.4
Total	\$ 61,895	100.0	\$ 72,630	100.0

- (1) Includes amounts attributable to consolidated properties, including discontinued operations, and our proportionate share of amounts attributable to 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) Acquisitions consist of Arlington Gateway in Arlington, VA, purchased on March 4, 2013; 5 & 15 Wayside Road in Burlington, MA, purchased on March 22, 2013; Royal Lane Land in Irving, TX, purchased on August 1, 2013; 5301 Maryland Way in Brentwood, TN, 4685 Investment Drive in Troy, MI, and 2020 West 89th Street in Leawood, KS, the remaining equity interests in which were purchased on August 12, 2013; 6565 North MacArthur Boulevard in Irving, TX, purchased on December 5, 2013; One Lincoln Park in Dallas, TX, purchased on December 20, 2013; and 161 Corporate Center in Irving, TX, purchased on December 30, 2013.
- (4) Dispositions consist of 1111 Durham Avenue in South Plainfield, NJ, sold on March 28, 2013; 1200 Enclave Parkway in Houston, TX, sold on May 1, 2013; 350 Spectrum Loop in Colorado Springs, CO, sold on November 1, 2013; 8700 South Price Road in Tempe, AZ, sold on December 30, 2013; and 11107 and 11109 Sunset Hills Road in Reston, VA, sold on March 19, 2014.
- (5) Other investments consist of operating results from our investments in unconsolidated joint ventures and our redevelopment projects. Additional information on our unconsolidated joint ventures and redevelopment projects can be found on page 38. The operating results from both the office and retail portions of 3100 Clarendon Boulevard in Arlington, VA, are included in this line item, consisting of a (\$256,000) net operating loss and \$1,960,000 in net operating income, for the periods ending March 31, 2014 and March 31, 2013, respectively.
- (6) The decrease in Washington, D.C. Same Store Net Operating Income for the three months ended March 31, 2014 as compared to the same period in 2013 was primarily attributable to the expiration of the Office of the Comptroller of the Currency lease at One Independence Square in Washington, D.C., as well as the expiration of the NCS Pearson and Vangent leases at 4250 North Fairfax Drive in Arlington, VA.
- (7) The decrease in Chicago Same Store Net Operating Income for the three months ended March 31, 2014 as compared to the same period in 2013 was primarily related to tenant transitions and rental abatements at Aon Center in Chicago, IL. Specifically, several new leases replacing the expired BP lease, including those of Aon and Thoughtworks, along with a portion of that for Federal Home Loan Bank of Chicago, provide the new tenants with gross rental abatements. Additionally, there will be approximately five months of downtime between the expiration of the BP lease and the commencement of one of the replacement leases with Integrys.
- (8) The percentage contribution from Chicago to our total Same Store Net Operating Income is smaller than our geographic concentration percentage in Chicago, which is presented on an ALR basis (see page 33), primarily because of the large number of leases with gross rent abatements and a number of leases yet to commence for currently vacant spaces (the projected gross rent for which is included in our ALR calculation). As the gross rent abatements burn off and as executed but not commenced leases begin, the Same Store Net Operating Income percentage contribution from Chicago should increase and should be more closely aligned with our Chicago concentration percentage as presented on page 33.
- (9) The decrease in Dallas Same Store Net Operating Income for the three months ended March 31, 2014 as compared to the same period in 2013 was primarily related to a tenant transition at 6021 Connection Drive in Irving, TX. Specifically, the decrease in net operating income is predominantly related to the downtime between the expiration of the Nokia lease at the end of 2013 and the commencement of the Epsilon lease, which is projected to be at the beginning of the third quarter of 2014.
- (10) The decrease in Other Same Store Net Operating Income for the three months ended March 31, 2014 as compared to the same period in 2013 was primarily related to the restructured Independence Blue Cross lease at 1901 Market Street in Philadelphia, PA. Before the restructuring of the Independence Blue Cross lease, the tenant made a large lump sum payment during the first quarter of the year; under the restructured lease, rental payments have been spread evenly throughout any particular lease year.

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

	Three Months Ended	
	3/31/2014	3/31/2013
Net income attributable to Piedmont	\$ 9,393	\$ 14,651
Net income attributable to noncontrolling interest	4	4
Interest expense ⁽¹⁾	18,926	16,373
Depreciation ⁽¹⁾	33,841	29,984
Amortization ⁽¹⁾	14,804	9,220
Acquisition costs	66	1,244
Impairment loss ⁽¹⁾	—	6,402
Net (recoveries) / loss from casualty events and litigation settlements ⁽¹⁾	(3,042)	161
Loss / (gain) on sale of properties ⁽¹⁾	106	—
Core EBITDA	74,098	78,039
General & administrative expenses ⁽¹⁾	4,582	4,609
Management fee revenue ⁽²⁾	(259)	(356)
Other (income) / expense ⁽¹⁾	30	21
Property net operating income (accrual basis)	78,451	82,313
Deduct net operating (income) / loss from:		
Acquisitions ⁽³⁾	(6,682)	(911)
Dispositions ⁽⁴⁾	(355)	(1,608)
Other investments ⁽⁵⁾	372	(2,743)
Same store net operating income (accrual basis)	\$ 71,786	\$ 77,051
<i>Change period over period</i>	(6.8)% *	N/A

*** Explanation for Change in Same Store Net Operating Income**

Property	Location	Amount	Explanation
Aon Center	Chicago, IL	\$ (4,503)	Expiration of the BP lease in December 2013; income from BP recognized the entirety of the first quarter of 2013; replacement leases covering 97% of the former BP space are in operating expense recovery abatement periods or have not yet commenced.
One Independence Square	Washington, D.C.	(2,953)	Expiration of the Office of the Comptroller of the Currency lease at the beginning of March 2013.
6021 Connection Drive	Irving, TX	(1,406)	Expiration of the Nokia lease in December 2013; income from Nokia recognized the entirety of the first quarter of 2013; replacement lease with Epsilon Data Management will commence at the beginning of the third quarter of 2014.
Subtotal		\$ (8,862)	
<i>Amount of Variance Explained</i>		168%	Greater than 100% explained; difference represents net operating income growth at other assets within the portfolio.

Same Store Net Operating Income Top Seven Markets	Three Months Ended			
	3/31/2014		3/31/2013	
	\$	%	\$	%
New York	\$ 13,438	18.7	\$ 13,284	17.2
Washington, D.C. ⁽⁶⁾	11,208	15.6	16,487	21.4
Chicago ^{(7) (8)}	8,759	12.2	12,083	15.7
Minneapolis	5,971	8.3	5,987	7.8
Boston	4,957	6.9	5,006	6.5
Los Angeles ⁽⁹⁾	4,142	5.8	3,323	4.3
Dallas ⁽¹⁰⁾	3,389	4.7	3,748	4.9
Other ⁽¹¹⁾	19,922	27.8	17,133	22.2
Total	\$ 71,786	100.0	\$ 77,051	100.0

- (1) Includes amounts attributable to consolidated properties, including discontinued operations, and our proportionate share of amounts attributable to 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) Acquisitions consist of Arlington Gateway in Arlington, VA, purchased on March 4, 2013; 5 & 15 Wayside Road in Burlington, MA, purchased on March 22, 2013; Royal Lane Land in Irving, TX, purchased on August 1, 2013; 5301 Maryland Way in Brentwood, TN, 4685 Investment Drive in Troy, MI, and 2020 West 89th Street in Leawood, KS, the remaining equity interests in which were purchased on August 12, 2013; 6565 North MacArthur Boulevard in Irving, TX, purchased on December 5, 2013; One Lincoln Park in Dallas, TX, purchased on December 20, 2013; and 161 Corporate Center in Irving, TX, purchased on December 30, 2013.
- (4) Dispositions consist of 1111 Durham Avenue in South Plainfield, NJ, sold on March 28, 2013; 1200 Enclave Parkway in Houston, TX, sold on May 1, 2013; 350 Spectrum Loop in Colorado Springs, CO, sold on November 1, 2013; 8700 South Price Road in Tempe, AZ, sold on December 30, 2013; and 11107 and 11109 Sunset Hills Road in Reston, VA, sold on March 19, 2014.
- (5) Other investments consist of operating results from our investments in unconsolidated joint ventures and our redevelopment projects. Additional information on our unconsolidated joint ventures and redevelopment projects can be found on page 38. The operating results from both the office and retail portions of 3100 Clarendon Boulevard in Arlington, VA, are included in this line item, consisting of a (\$252,000) net operating loss and \$1,947,000 in net operating income, for the periods ending March 31, 2014 and March 31, 2013, respectively.
- (6) The decrease in Washington, D.C. Same Store Net Operating Income for the three months ended March 31, 2014 as compared to the same period in 2013 was primarily attributable to the expiration of the Office of the Comptroller of the Currency lease at One Independence Square in Washington, D.C., as well as the expiration of the NCS Pearson and Vangent leases at 4250 North Fairfax Drive in Arlington, VA.
- (7) The decrease in Chicago Same Store Net Operating Income for the three months ended March 31, 2014 as compared to the same period in 2013 was primarily related to tenant transitions at Aon Center in Chicago, IL. The main contributors to the decrease in net operating income contribution from Aon Center were: 1) downtime between the expiration of the BP lease and the commencement of one of the replacement leases with Integrys, 2) operating expense recovery abatements (which abatements are not included in straight line rent adjustments) associated with several of the replacement leases for the space formerly occupied by BP, and 3) rental rate roll downs associated with several new leases replacing the expired BP lease.
- (8) The percentage contribution from Chicago to our total Same Store Net Operating Income is smaller than our geographic concentration percentage in Chicago, which is presented on an ALR basis (see page 33), primarily because of the large number of leases with operating expense recovery abatements (which abatements are not included in straight line rent adjustments) and a number of leases yet to commence for currently vacant spaces (the projected gross rents for which are included in our ALR calculation). As operating expense recovery abatements burn off and as executed but not commenced leases begin, the Same Store Net Operating Income percentage contribution from Chicago should increase and should be more closely aligned with our Chicago concentration percentage as presented on page 33.
- (9) The increase in Los Angeles Same Store Net Operating Income for the three months ended March 31, 2014 as compared to the same period in 2013 was primarily related to increased rental income associated with the new lease with Guidance Software at 1055 East Colorado Boulevard in Pasadena, CA, which commenced in mid-2013, along with increased rental income associated with new leases with Union Bank and Front Porch Communities at 800 North Brand Boulevard in Glendale, CA, both of which commenced in early 2014.
- (10) The decrease in Dallas Same Store Net Operating Income for the three months ended March 31, 2014 as compared to the same period in 2013 was primarily related to a tenant transition at 6021 Connection Drive in Irving, TX. Specifically, the decrease in net operating income is predominantly related to the downtime between the expiration of the Nokia lease at the end of 2013 and the commencement of the Epsilon lease, which is projected to be at the beginning of the third quarter of 2014.
- (11) The increase in Other Same Store Net Operating Income for the three months ended March 31, 2014 as compared to the same period in 2013 was primarily related to 1) increased rental income under the restructured Independence Blue Cross lease at 1901 Market Street in Philadelphia, PA, 2) increased rental income at Glenridge Highlands Two in Atlanta, GA, attributable the several new leases commencing in 2013 and 2014, and 3) increased rental income at Eastpoint I in Mayfield Heights, OH, related to the commencement of a new lease with TMW Systems in early 2014.

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

	As of	As of
	March 31, 2014	December 31, 2013
Common stock price ⁽¹⁾	\$ 17.15	\$ 16.52
Total shares outstanding	154,278	157,461
Equity market capitalization ⁽¹⁾	\$ 2,645,866	\$ 2,601,254
Total debt - principal amount outstanding	\$ 2,034,525	\$ 2,003,525
Total market capitalization ⁽¹⁾	\$ 4,680,391	\$ 4,604,779
Total debt / Total market capitalization	43.5%	43.5%
Total gross real estate assets	\$ 4,998,289	\$ 5,003,737
Total debt / Total gross real estate assets ⁽²⁾	40.7%	40.0%
Total debt / Total gross assets ⁽³⁾	35.8%	35.0%

(1) Reflects common stock closing price as of the end of the reporting period.

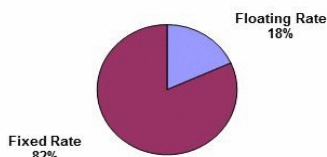
(2) Gross real estate assets is defined as total real estate assets with the add back of accumulated depreciation and accumulated amortization related to real estate assets.

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

Piedmont Office Realty Trust, Inc.
Debt Summary
As of March 31, 2014
Unaudited (\$ in thousands)

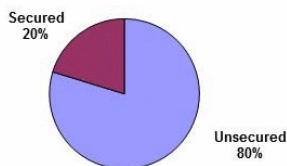
Floating Rate & Fixed Rate Debt

Debt ⁽¹⁾	Principal Amount Outstanding	Weighted Average Stated Interest Rate	Weighted Average Maturity
Floating Rate	\$372,000 ⁽²⁾	1.34%	45.4 months
Fixed Rate	1,662,525	3.99%	71.7 months
Total	\$2,034,525	3.50%	66.9 months



Unsecured & Secured Debt

Debt ⁽¹⁾	Principal Amount Outstanding	Weighted Average Stated Interest Rate	Weighted Average Maturity
Unsecured	\$1,622,000	2.98% ⁽³⁾	76.7 months
Secured	412,525	5.56%	28.5 months
Total	\$2,034,525	3.50%	66.9 months



Debt Maturities

Maturity Year	Secured Debt - Principal Amount Outstanding ⁽¹⁾	Unsecured Debt - Principal Amount Outstanding ⁽¹⁾	Weighted Average Stated Interest Rate	Percentage of Total
2014	\$—	\$—	N/A	—%
2015	105,000	—	5.29%	5.2%
2016	167,525	300,000	3.71%	23.0%
2017	140,000	272,000 ⁽⁴⁾	2.84%	20.2%
2018	—	—	N/A	—%
2019 +	—	1,050,000	3.49%	51.6%
Total	\$412,525	\$1,622,000	3.50%	100.0%

(1) All of Piedmont's outstanding debt as of March 31, 2014 was interest-only debt.

(2) Amount represents the outstanding balance as of March 31, 2014, on the \$500 million unsecured revolving credit facility and \$100 million of the \$300 million unsecured term loan that closed during the fourth quarter of 2013 that remains unhedged. Both the \$300 million unsecured term loan that closed in 2011 and the \$300 million unsecured term loan that closed in 2013 have stated variable rates; however, Piedmont entered into \$300 million in notional amount of interest rate swap agreements which effectively fix the interest rate on the 2011 unsecured term loan at 2.69% through its maturity date of November 22, 2016, assuming no credit rating change for the Company, and \$200 million in notional amount of interest rate swap agreements which effectively fix the interest rate on \$200 million of the 2013 unsecured term loan at 2.79% through its maturity date of January 31, 2019, assuming no credit rating change for the Company. The 2011 unsecured term loan and \$200 million of the 2013 unsecured term loan, therefore, are reflected as fixed rate debt.

(3) The weighted average interest rate is a weighted average rate for amounts outstanding under our \$500 million unsecured revolving credit facility, our unsecured senior notes and our unsecured term loans. As presented herein, the weighted average stated interest rate is calculated based upon the principal amounts outstanding.

(4) The initial maturity date of the \$500 million unsecured revolving credit facility is August 19, 2016; however, there are two, six-month extension options available under the facility providing for a final extended maturity date of August 21, 2017. For the purposes of this schedule, we reflect the maturity date of the facility as the final extended maturity date of August 2017.

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

Facility	Property	Stated Rate ⁽¹⁾	Maturity	Principal Amount Outstanding as of March 31, 2014
Secured				
\$105.0 Million Fixed-Rate Loan	US Bancorp Center	5.29%	5/11/2015	\$105,000
\$125.0 Million Fixed-Rate Loan	Four Property Collateralized Pool ⁽²⁾	5.50%	4/1/2016	125,000
\$42.5 Million Fixed-Rate Loan	Las Colinas Corporate Center I & II	5.70%	10/11/2016	42,525
\$140.0 Million WDC Fixed-Rate Loans	1201 & 1225 Eye Street	5.76%	11/1/2017	140,000
Subtotal / Weighted Average ⁽³⁾		5.56%		\$412,525
Unsecured				
\$500.0 Million Unsecured Line of Credit ⁽⁴⁾	N/A	1.34% ⁽⁵⁾	8/21/2017	\$272,000
\$350.0 Million Unsecured Senior Notes ⁽⁶⁾	N/A	3.40%	6/1/2023	350,000
\$400.0 Million Unsecured Senior Notes ⁽⁷⁾	N/A	4.45%	3/15/2024	400,000
\$300.0 Million Unsecured 2011 Term Loan	N/A	2.69% ⁽⁸⁾	11/22/2016	300,000
\$300.0 Million Unsecured 2013 Term Loan	N/A	2.31% ⁽⁹⁾	1/31/2019	300,000
Subtotal / Weighted Average ⁽³⁾		2.98%		\$1,622,000
Total Debt - Principal Amount Outstanding / Weighted Average Stated Rate ⁽³⁾		3.50%		\$2,034,525
GAAP Accounting Adjustments ⁽¹⁰⁾				(4,703)
Total Debt - GAAP Amount Outstanding				\$2,029,822

(1) All of Piedmont's outstanding debt as of March 31, 2014, was interest-only debt.

(2) The four property collateralized pool includes 1430 Enclave Parkway, Windy Point I and II, and 1055 East Colorado Boulevard.

(3) Weighted average is based on the total balance outstanding and interest rate at March 31, 2014.

(4) All of Piedmont's outstanding debt as of March 31, 2014, was term debt with the exception of \$272 million outstanding on our unsecured revolving credit facility. The \$500 million unsecured revolving credit facility has an initial maturity date of August 19, 2016; however, there are two, six-month extension options available under the facility providing for a total extension of up to one year to August 21, 2017. The final extended maturity date is presented on this schedule.

(5) The interest rate presented for the \$500 million unsecured revolving credit facility is the weighted average interest rate for all outstanding draws as of March 31, 2014. Piedmont may select from multiple interest rate options with each draw under this facility, including the prime rate and various length LIBOR locks. All LIBOR selections are subject to an additional spread (1.175% as of March 31, 2014) over the selected rate based on Piedmont's current credit rating.

(6) 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%.

(7) 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%.

(8) 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 2.69% through its maturity date of November 22, 2016, assuming no credit rating change for the Company.

(9) Piedmont may select from multiple interest rate options under this facility, including the prime rate and various length LIBOR locks. All LIBOR selections are subject to an additional spread (1.20% as of March 31, 2014) over the selected rate based on Piedmont's current credit rating. Piedmont entered into interest rate swap agreements which effectively fix the interest rate on \$200 million of this loan at 2.79% through its maturity date of January 31, 2019, assuming no credit rating change for the Company. The interest rate presented is the weighted average interest rate comprised of the fixed rate portion and the floating rate portion.

(10) The GAAP accounting adjustments relate to the original issue discounts and fees associated with the \$350 million unsecured senior notes and the \$400 million unsecured senior notes. The original issue discounts and fees will be amortized to interest expense over the contractual term of the related debt issuance.

Piedmont Office Realty Trust, Inc.
Debt Analysis
As of March 31, 2014
Unaudited

Bank Debt Covenant Compliance ⁽¹⁾	Required	Actual
Maximum Leverage Ratio	0.60	0.36
Minimum Fixed Charge Coverage Ratio ⁽²⁾	1.50	3.77
Maximum Secured Indebtedness Ratio	0.40	0.07
Minimum Unencumbered Leverage Ratio	1.60	2.98
Minimum Unencumbered Interest Coverage Ratio ⁽³⁾	1.75	8.92

Bond Covenant Compliance ⁽⁴⁾	Required	Actual
Total Debt to Total Assets	60% or less	40.0%
Secured Debt to Total Assets	40% or less	8.0%
Ratio of Consolidated EBITDA to Interest Expense	1.50 or greater	4.20
Unencumbered Assets to Unsecured Debt	150% or greater	328%

Other Debt Coverage Ratios	Three Months Ended March 31, 2014	Year Ended December 31, 2013
Average net debt to core EBITDA ⁽⁵⁾	6.9 x	5.4 x
Fixed charge coverage ratio ⁽⁶⁾	3.8 x	4.3 x
Interest coverage ratio ⁽⁷⁾	3.8 x	4.3 x

(1) 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), less 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) Please refer to the Indenture dated May 9, 2013 and the Indenture and the Supplemental Indenture dated March 6, 2014, for additional information on the relevant 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 is calculated as Core EBITDA divided by the sum of interest expense, principal amortization, capitalized interest and preferred dividends. The Company had no principal amortization or preferred dividends during the periods ended March 31, 2014 and December 31, 2013. The Company had capitalized interest of \$384,843 for the quarter ended March 31, 2014, and \$31,486 for the year ended December 31, 2013.

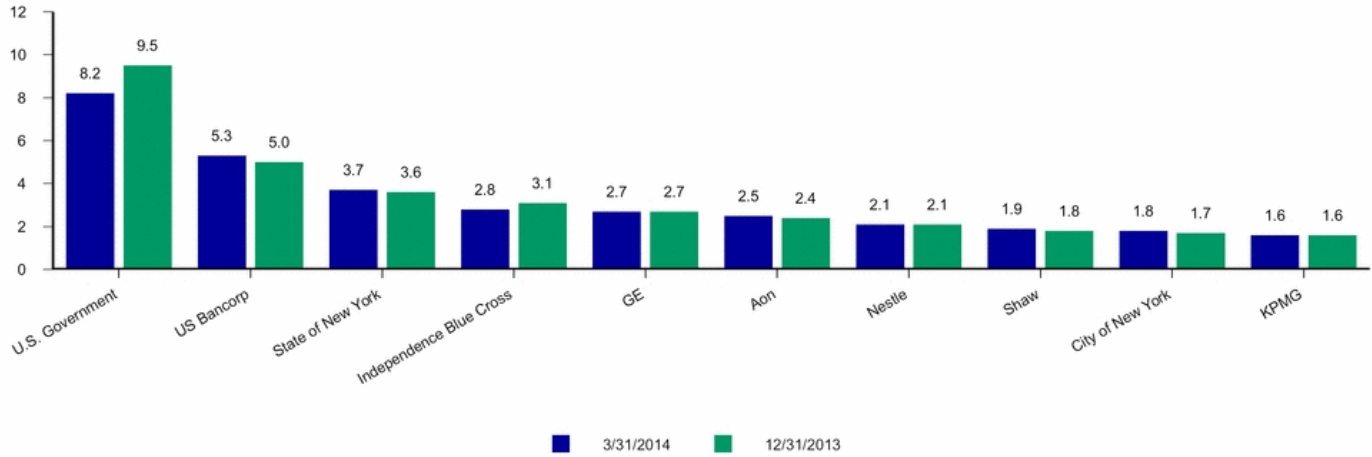
(7) Interest coverage ratio is calculated as Core EBITDA divided by the sum of interest expense and capitalized interest. The Company had capitalized interest of \$384,843 for the quarter ended March 31, 2014, and \$31,486 for the year ended December 31, 2013.

Piedmont Office Realty Trust, Inc.
Tenant Diversification ⁽¹⁾
As of March 31, 2014
(in thousands except for number of properties)

Tenant	Credit Rating ⁽²⁾	Number of Properties	Lease Expiration ⁽³⁾	Annualized Lease Revenue	Percentage of Annualized Lease Revenue (%)	Leased Square Footage	Percentage of Leased Square Footage (%)
U.S. Government	AA+ / Aaa	7	(4)	\$45,543	8.2	1,013	5.5
US Bancorp	A+ / A1	3	2014 / 2023 / 2024 ⁽⁵⁾	29,366	5.3	973	5.3
State of New York	AA / Aa2	1	2019	20,767	3.7	481	2.6
Independence Blue Cross	No rating available	1	2033	15,780	2.8	801	4.4
GE	AA+ / Aa3	2	2027	15,158	2.7	453	2.5
Aon	A- / Baa2	1	2028	13,915	2.5	428	2.3
Nestle	AA / Aa2	1	2021	11,898	2.1	401	2.2
Shaw	BBB+	1	2018	10,563	1.9	313	1.7
City of New York	AA / Aa2	1	2020	9,785	1.8	313	1.7
KPMG	No rating available	2	2027	9,039	1.6	279	1.5
Gallagher	No rating available	1	2018	8,539	1.5	307	1.7
DDB Needham	BBB+ / Baa1	1	2018	7,662	1.4	213	1.2
Caterpillar Financial	A / A2	1	2022	7,643	1.4	312	1.7
Catamaran	BB+ / Ba2	1	2025	7,394	1.3	301	1.6
Harvard University	AAA / Aaa	2	2017	7,145	1.3	110	0.6
Gemini	A / A2	1	2021	6,544	1.2	205	1.1
Edelman	No rating available	1	2024	6,489	1.2	184	1.0
KeyBank	A- / A3	2	2016	6,418	1.2	210	1.1
Harcourt	BBB+	1	2016	6,350	1.1	195	1.1
Raytheon	A- / A3	2	2019	6,271	1.1	440	2.4
Epsilon Data Management	No rating available	2	2026	6,056	1.1	250	1.4
First Data Corporation	B / B3	1	2020	6,008	1.1	195	1.1
Jones Lang LaSalle	BBB- / Baa2	1	2017	5,966	1.1	165	0.9
Ralph Lauren	A / A3	1	2019	5,805	1.0	178	1.0
Integrus	A- / Baa1	1	2029	5,768	1.0	181	1.0
Archon Group	A- / Baa1	2	2018	5,735	1.0	235	1.3
Henry M. Jackson	No rating available	2	2022	5,450	1.0	145	0.8
Towers Watson	No rating available	1	2017	5,416	1.0	123	0.7
Other			Various	258,460	46.4	8,905	48.6
Total				\$556,933	100.0	18,309	100.0

Tenant Diversification

March 31, 2014 as compared to December 31, 2013



(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.

(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 2014 to 2027.

(5) US Bank's lease at One & Two Meridian Crossings, representing approximately 337,000 square feet and \$9.8 million of Annualized Lease Revenue, expires in 2023. Of the space leased at US Bancorp Center, US Bancorp renewed on 395,000 square feet, representing \$11.3 million of Annualized Lease Revenue, through 2024; Piper Jaffray, a current subtenant, leased 124,000 square feet, representing \$3.8 million of Annualized Lease Revenue, through 2025; and two additional companies leased a total of 28,000 square feet, representing \$0.8 million of Annualized Lease Revenue. Approximately 92,000 square feet and \$3.6 million of Annualized Lease Revenue will expire in 2014.

Piedmont Office Realty Trust, Inc.
Tenant Credit Rating & Lease Distribution Information
As of March 31, 2014

Tenant Credit Rating ⁽¹⁾

	Annualized Lease Revenue (in thousands)	Percentage of Annualized Lease Revenue (%)
AAA / Aaa	\$52,549	9.5
AA / Aa	81,171	14.6
A / A	124,464	22.3
BBB / Baa	50,079	9.0
BB / Ba	32,296	5.8
B / B	24,632	4.4
Below	—	0.0
Not rated ⁽²⁾	191,742	34.4
Total	\$556,933	100.0

Lease Distribution

	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	204	31.8	\$21,484	3.9	187	1.0
2,501 - 10,000	190	29.6	32,888	5.9	1,043	5.7
10,001 - 20,000	85	13.2	34,737	6.2	1,212	6.6
20,001 - 40,000	65	10.1	55,456	9.9	1,847	10.1
40,001 - 100,000	48	7.5	83,375	15.0	2,803	15.3
Greater than 100,000	50	7.8	328,993	59.1	11,217	61.3
Total	642	100.0	\$556,933	100.0	18,309	100.0

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

(2) The classification of a tenant as "not rated" does not indicate that the tenant is of poor credit quality, but can indicate that the tenant or the tenant's debt, if any, has not been rated. Included in this category are such tenants as Independence Blue Cross, McKinsey & Company and KPMG.

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

Impact of Strategic Transactions on Leased Percentage

The Company's stated long-term growth strategy includes the recycling of capital from certain stabilized or non-core assets into office properties located in focused concentration and opportunistic markets. Some of the recently acquired properties are value-add properties which are defined as low-occupancy properties acquired at attractive bases with earnings growth and value appreciation potential achievable through leasing up such assets to a stabilized occupancy. Because the value-add properties have large vacancies, they negatively affect Piedmont's overall leased percentage. In order to identify the effect they have on Piedmont's overall leased percentage, the following information is being provided. The analysis below: 1) removes the impact of the value-add properties from Piedmont's overall office portfolio total under the heading "Stabilized Portfolio Analysis"; 2) provides a year-over-year comparison of leased percentage on the same subset of properties under the heading "Same Store Analysis"; and 3) provides a year-over-year comparison of leased percentage on the same subset of stabilized properties under the heading "Same Store Stabilized Analysis".

	Three Months Ended			Three Months Ended		
	March 31, 2014			March 31, 2013		
	Leased Square Footage	Rentable Square Footage	Percent Leased ⁽¹⁾	Leased Square Footage	Rentable Square Footage	Percent Leased ⁽¹⁾
As of December 31, 20xx	18,737	21,490	87.2%	17,935	20,500	87.5%
New leases	1,007			517		
Expired leases	(1,088)			(943)		
Other ⁽²⁾	(246)	(241)		1	(4)	
Subtotal	18,410	21,249	86.6%	17,510	20,496	85.4%
Acquisitions during period	—	—		578	594	
Dispositions during period	(101)	(142)		(145)	(237)	
As of March 31, 20xx ^{(3) (4)}	18,309	21,107	86.7%	17,943	20,853	86.0%

Stabilized Portfolio Analysis						
Less value-add properties ⁽⁵⁾	(1,016)	(1,639)	62.0%	(689)	(1,436)	48.0%
Stabilized Total ^{(3) (4)}	17,293	19,468	88.8%	17,254	19,417	88.9%

Same Store Analysis						
Less acquisitions / dispositions after March 31, 2013 ^{(5) (6)}	(896)	(973)	92.1%	(539)	(580)	92.9%
Same Store Total ^{(3) (4) (7)}	17,413	20,134	86.5%	17,404	20,273	85.8%
Same Store Stabilized Analysis						
Less value-add same store properties ⁽⁵⁾	(815)	(1,438)	56.7%	(689)	(1,436)	48.0%
Same Store Stabilized Total ^{(3) (4)}	16,598	18,696	88.8%	16,715	18,837	88.7%

(1) Calculated as leased square footage 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) Effective January 1, 2014, 3100 Clarendon Boulevard was taken out of service due to the redevelopment of the property. The adjustments to square footage presented on this line in 2014 primarily relate to the removal of 3100 Clarendon Boulevard from our operating portfolio. For additional information regarding the redevelopment of 3100 Clarendon Boulevard, please refer to the Financing and Capital Activity section of Financial Highlights.

(3) The square footage associated with leases with end of period expiration dates is included in the end of the period leased square footage.

(4) End of period leased square footage for 2013 and 2014 includes short-term space leased on behalf of NASA in accordance with requirements stipulated under its lease to allow it to restructure its space at Two Independence Square in Washington, D.C. As of March 31, 2014, the total short-term space amounts to approximately 63,000 square feet and it will be occupied until an estimated date of July 31, 2014.

(5) For additional information on acquisitions and dispositions completed during the last year and value-add properties, please refer to pages 36 and 37, respectively.

(6) 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.

(7) Excluding executed but not commenced leases for currently vacant spaces, comprising approximately 746,000 square feet for same store properties for the current period and 384,000 square feet for same store properties for the prior period, Piedmont's same store commenced leased percentage was 82.8% and 84.0% for the current and prior periods, respectively.

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

	Three Months Ended				
	March 31, 2014				
Square Feet	% of Total Signed During Period	% of Rentable Square Footage	% Change Cash Rents ⁽²⁾	% Change Accrual Rents ⁽³⁾ ₍₄₎	
Leases executed for spaces vacant one year or less	211	50.9%	1.0%	(6.4)%	(1.2)%
Leases executed for spaces excluded from analysis ⁽⁵⁾	204	49.1%			

(1) The population analyzed consists of consolidated office leases executed during the period with lease terms greater than one year. Retail leases, as well as leases associated with storage spaces, management offices, and unconsolidated joint venture assets, were excluded from this analysis.

(2) For the purposes of this analysis, the cash rents last in effect for the previous leases were compared to the initial cash rents of the new leases in order to calculate the percentage change.

(3) For the purposes of this analysis, the accrual basis rents for the previous leases were 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 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 the historical tenant improvement allowance usage patterns of 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 greater than one year.

Piedmont Office Realty Trust, Inc.
Lease Expiration Schedule
As of March 31, 2014
(in thousands)

	OFFICE PORTFOLIO				GOVERNMENTAL ENTITIES		
	Annualized Lease Revenue ⁽¹⁾	Percentage of Annualized Lease Revenue (%)	Rentable Square Footage	Percentage of Rentable Square Footage (%)	Annualized Lease Revenue ⁽¹⁾	Percentage of Annualized Lease Revenue (%)	Percentage of Current Year Total Annualized Lease Revenue Expiring (%)
Vacant	\$—	—	2,797	13.2	\$—	—	N/A
2014 ⁽²⁾	18,641	3.3	539	2.6	3,589	0.6	19.3
2015 ⁽³⁾	25,302	4.5	882	4.2	1,816	0.3	7.2
2016	31,127	5.6	1,114	5.3	1,453	0.3	4.7
2017 ⁽⁴⁾	62,873	11.3	1,546	7.3	9,999	1.8	15.9
2018	57,591	10.3	1,925	9.1	—	—	—
2019	63,206	11.4	2,309	10.9	20,767	3.7	32.9
2020	38,338	6.9	1,412	6.7	9,785	1.8	25.5
2021	32,047	5.8	1,056	5.0	—	—	—
2022	26,136	4.7	853	4.0	—	—	—
2023	30,448	5.5	1,131	5.4	—	—	—
2024	45,756	8.2	1,512	7.2	—	—	—
2025	20,869	3.7	787	3.7	—	—	—
2026	12,682	2.3	507	2.4	—	—	—
2027	52,517	9.4	1,240	5.9	29,032	5.2	55.3
Thereafter	39,400	7.1	1,497	7.1	—	—	—
Total / Weighted Average	\$556,933	100.0	21,107	100.0	\$76,441	13.7	

Average Lease Term Remaining	
3/31/2014	7.3 years
12/31/2013	7.1 years



- (1) Annualized rental income associated with newly executed leases for currently occupied space is incorporated herein only at the expiration date for the current lease. Annualized rental income associated with such new leases 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 March 31, 2014 aggregating 39,000 square feet and Annualized Lease Revenue of \$1.2 million.
- (3) Leases and other revenue-producing agreements on a month-to-month basis, aggregating 7,000 square feet and Annualized Lease Revenue of \$0.3 million, are assigned a lease expiration date of a year and a day beyond the period end date. Includes an approximate 45,000 square foot contraction of the National Park Service lease at 1201 Eye Street in Washington, D.C., the renewal of which was signed subsequent to the end of the first quarter of 2014.
- (4) Includes the expiration of the National Park Service lease, net of the contraction noted in footnote (3) above, at 1201 Eye Street in Washington, D.C. The lease renewal was signed subsequent to the end of the first quarter of 2014.

Piedmont Office Realty Trust, Inc.
Lease Expirations by Quarter
As of March 31, 2014
(in thousands)

	Q2 2014 ⁽¹⁾		Q3 2014		Q4 2014		Q1 2015	
	Expiring Square Footage	Expiring Lease Revenue ⁽²⁾	Expiring Square Footage	Expiring Lease Revenue ⁽²⁾	Expiring Square Footage	Expiring Lease Revenue ⁽²⁾	Expiring Square Footage	Expiring Lease Revenue ⁽²⁾
Atlanta	—	\$57	—	\$—	—	\$—	29	\$535
Austin	—	—	—	—	—	—	—	—
Boston	—	—	—	—	—	50	2	117
Central & South Florida	—	—	—	—	—	—	19	451
Chicago	19	490	—	—	19	305	15	365
Dallas	11	310	4	97	3	65	35	930
Detroit	—	—	6	136	2	12	—	—
Houston	—	—	—	—	—	—	—	—
Los Angeles	—	840	—	—	—	—	—	—
Minneapolis	92	3,352	—	11	18	502	2	102
Nashville	—	—	—	—	—	—	—	—
New York	50	1,721	—	27	36	1,851	2	101
Philadelphia	—	—	—	—	—	—	—	—
Phoenix	—	—	—	—	—	—	—	—
Washington, D.C.	69	3,651	187	4,263	20	995	8	349
Other	3	41	—	1	—	—	—	—
Total / Weighted Average ⁽³⁾	244	\$10,462	197	\$4,535	98	\$3,780	112	\$2,950

(1) Includes leases with an expiration date of March 31, 2014 aggregating 39,000 square feet and expiring lease revenue of \$1.4 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 March 31, 2014
(in thousands)

	12/31/2014 ⁽¹⁾		12/31/2015		12/31/2016		12/31/2017		12/31/2018	
	Expiring Square Footage	Expiring Lease Revenue ⁽²⁾	Expiring Square Footage	Expiring Lease Revenue ⁽²⁾	Expiring Square Footage	Expiring Lease Revenue ⁽²⁾	Expiring Square Footage	Expiring Lease Revenue ⁽²⁾	Expiring Square Footage	Expiring Lease Revenue ⁽²⁾
Atlanta	—	\$57	29	\$535	18	\$368	45	\$1,077	107	\$2,220
Austin	—	—	—	—	195	6,355	—	1	—	—
Boston	—	50	128	2,610	3	193	66	5,325	145	6,180
Central & South Florida	—	—	30	719	71	1,821	161	3,931	40	977
Chicago	38	794	196	5,709	82	2,501	296	16,410	623	20,206
Dallas	18	472	98	2,509	61	1,480	228	5,670	379	9,138
Detroit	7	149	61	442	28	682	78	1,533	29	543
Houston	—	—	—	—	—	—	—	2	313	10,581
Los Angeles	—	840	21	686	91	2,870	46	1,631	15	366
Minneapolis	110	3,865	84	3,126	33	1,105	48	1,607	35	1,167
Nashville	—	—	—	—	201	2,579	—	—	—	—
New York	87	3,598	68	2,551	280	9,111	70	2,283	91	2,264
Philadelphia	—	—	—	—	—	—	—	—	—	—
Phoenix	—	—	—	—	—	—	—	—	63	1,517
Washington, D.C. ⁽³⁾	276	8,911	151	6,920	38	1,763	494	23,965	26	1,228
Other	3	41	16	240	13	300	14	352	59	1,197
Total / Weighted Average ⁽⁴⁾	539	\$18,777	882	\$26,047	1,114	\$31,128	1,546	\$63,787	1,925	\$57,584

(1) Includes leases with an expiration date of March 31, 2014 aggregating 39,000 square feet and expiring lease revenue of \$1.4 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) The lease renewal with the National Park Service at 1201 Eye Street in Washington, D.C., was signed subsequent to the end of the first quarter of 2014. The expiration of the lease is reflected in 2015 and 2017. The expiration in 2015 consists of an approximate 45,000 square foot contraction; the remaining approximately 174,000 square feet are reflected as an expiration in 2017.

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

Piedmont Office Realty Trust, Inc.
Capital Expenditures & Commitments
For the quarter ended March 31, 2014
Unaudited (in thousands)

	For the Three Months Ended				
	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
Non-incremental					
Building / construction / development	\$ 720	\$ 11,372	\$ 1,465	\$ 2,056	\$ 930
Tenant improvements	11,531	24,798	11,854	11,292	13,744
Leasing costs	1,570	6,815	8,386	5,019	5,246
Total non-incremental	13,821	42,985	21,705	18,367	19,920
Incremental					
Building / construction / development	6,776	8,418	4,826	8,291	6,712
Tenant improvements	7,627	10,181	9,780	29,262	14,068
Leasing costs	2,386	2,747	2,043	1,119	1,642
Total incremental	16,789	21,346	16,649	38,672	22,422
Total capital expenditures	\$ 30,610	\$ 64,331	\$ 38,354	\$ 57,039	\$ 42,342

Non-incremental tenant improvement commitments ⁽¹⁾	
Non-incremental tenant improvement commitments outstanding as of December 31, 2013	\$85,140
New non-incremental tenant improvement commitments related to leases executed during period	3,627
Non-incremental tenant improvement expenditures	(11,531)
Less: Tenant improvement expenditures fulfilled through accrued liabilities already presented on Piedmont's balance sheet, expired commitments or other adjustments	(5,235)
Non-incremental tenant improvement commitments fulfilled, expired or other adjustments	(16,766)
Total as of March 31, 2014	\$72,001

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 and have not otherwise been presented on Piedmont's financial statements. The four largest commitments total approximately \$34.0 million, or 47% of the total outstanding commitments.

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

	For the Three Months Ended March 31, 2014	For the Year Ended		
		2013	2012	2011
Renewal Leases				
Number of leases	16	56	45	48
Square feet	117,634	2,376,177	1,150,934	2,280,329
Tenant improvements per square foot ⁽¹⁾	\$9.40	\$14.24	\$19.12	\$33.29
Leasing commissions per square foot	\$5.82	\$4.66	\$6.64	\$9.97
Total per square foot	\$15.22	\$18.90	\$25.76	\$43.26
Tenant improvements per square foot per year of lease term	\$2.50	\$1.88	\$2.90	\$3.93
Leasing commissions per square foot per year of lease term	\$1.55	\$0.62	\$1.01	\$1.18
Total per square foot per year of lease term	\$4.05	\$2.50	\$3.91 ⁽²⁾	\$5.11 ⁽²⁾
New Leases ⁽³⁾				
Number of leases	29	87	92	76
Square feet	295,646	1,050,428	1,765,510	1,588,271
Tenant improvements per square foot ⁽¹⁾	\$37.21	\$35.74	\$47.64	\$41.21
Leasing commissions per square foot	\$16.42	\$12.94	\$18.49	\$15.38
Total per square foot	\$53.63	\$48.68	\$66.13	\$56.59
Tenant improvements per square foot per year of lease term	\$3.84	\$4.17	\$4.30	\$4.19
Leasing commissions per square foot per year of lease term	\$1.69	\$1.51	\$1.67	\$1.57
Total per square foot per year of lease term	\$5.53	\$5.68	\$5.97	\$5.76
Total				
Number of leases	45	143	137	124
Square feet	413,280	3,426,605	2,916,444	3,868,600
Tenant improvements per square foot ⁽¹⁾	\$29.29	\$20.83	\$36.39	\$36.54
Leasing commissions per square foot	\$13.40	\$7.20	\$13.81	\$12.19
Total per square foot	\$42.69	\$28.03	\$50.20	\$48.73
Tenant improvements per square foot per year of lease term	\$3.66	\$2.64	\$3.91	\$4.05
Leasing commissions per square foot per year of lease term	\$1.67	\$0.91	\$1.48	\$1.35
Total per square foot per year of lease term	\$5.33	\$3.55	\$5.39	\$5.40

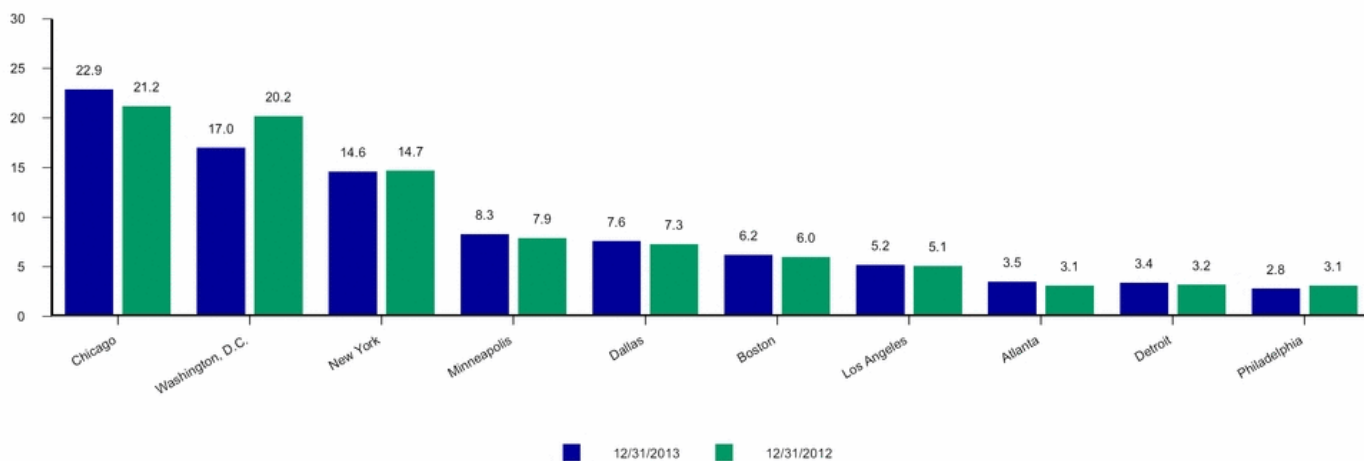
NOTE: This information is presented for our consolidated office assets only and excludes activity associated with storage and licensed spaces.

- (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 the historical tenant improvement allowance usage patterns of the Company's tenants.
- (2) During 2011, we completed two large, 15-year lease renewals with significant capital commitments: NASA at Two Independence Square in Washington, D.C. and GE at 500 West Monroe Street in Chicago, IL. If the costs associated with these 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 in 2011 would be \$2.80. During 2012, we completed one large, long-term lease renewal with an above-average capital commitment with US Bancorp at US Bancorp Center in Minneapolis, MN. If the costs associated with this renewal 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 in 2012 would be \$2.73.
- (3) Since 2010, Piedmont has selectively employed a value-add strategy for new property acquisitions. Piedmont defines value-add properties as those acquired with low occupancies at attractive bases with earnings growth and value appreciation potential achievable through leasing up such assets to stabilized occupancies. Because the value-add properties have large vacancies, many of which have not previously been leased (first generation spaces), the leasing of those vacancies negatively affects Piedmont's contractual tenant improvements on a per foot and a per foot per year basis for new leases.

Piedmont Office Realty Trust, Inc.
Geographic Diversification
As of March 31, 2014
(\$ 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 (%)
Chicago	6	\$127,562	22.9	4,821	22.8	3,814	79.1
Washington, D.C.	12	94,388	17.0	2,989	14.2	2,137	71.5
New York	6	81,076	14.6	2,432	11.5	2,387	98.1
Minneapolis	4	46,450	8.3	1,613	7.6	1,485	92.1
Dallas	10	42,516	7.6	1,906	9.0	1,832	96.1
Boston	7	34,504	6.2	1,294	6.1	1,294	100.0
Los Angeles	4	29,074	5.2	1,010	4.8	966	95.6
Atlanta	6	19,419	3.5	1,066	5.1	786	73.7
Detroit	5	19,026	3.4	1,008	4.8	863	85.6
Philadelphia	1	15,780	2.8	801	3.8	801	100.0
Houston	1	10,583	1.9	313	1.5	313	100.0
Nashville	2	10,222	1.8	513	2.4	513	100.0
Central & South Florida	4	8,894	1.6	476	2.3	376	79.0
Phoenix	3	7,130	1.3	432	2.1	345	79.9
Austin	1	6,355	1.2	195	0.9	195	100.0
Other	3	3,954	0.7	238	1.1	202	84.9

Total / Weighted Average	75	\$556,933	100.0	21,107	100.0	18,309	86.7
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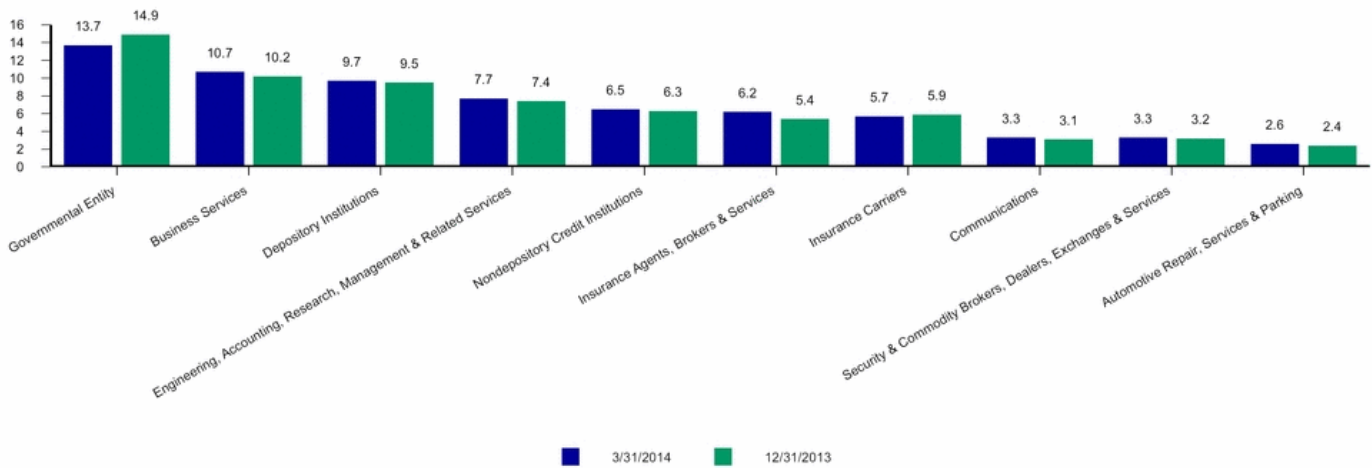


Piedmont Office Realty Trust, Inc.
Geographic Diversification by Location Type
As of March 31, 2014
(square footage in thousands)

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 (%)
Chicago	IL	2	18.1	3,695	17.5	4	4.8	1,126	5.3	6	22.9	4,821	22.8
Washington, D.C.	DC, VA, MD	9	15.9	2,650	12.6	3	1.1	339	1.6	12	17.0	2,989	14.2
New York	NY, NJ	1	7.3	1,027	4.9	5	7.3	1,405	6.6	6	14.6	2,432	11.5
Minneapolis	MN	1	5.2	928	4.4	3	3.1	685	3.2	4	8.3	1,613	7.6
Dallas	TX	1	1.0	262	1.2	9	6.6	1,644	7.8	10	7.6	1,906	9.0
Boston	MA	2	2.3	173	0.8	5	3.9	1,121	5.3	7	6.2	1,294	6.1
Los Angeles	CA	3	4.5	876	4.2	1	0.7	134	0.6	4	5.2	1,010	4.8
Atlanta	GA	2	2.4	581	2.8	4	1.1	485	2.3	6	3.5	1,066	5.1
Detroit	MI	1	1.8	493	2.3	4	1.6	515	2.5	5	3.4	1,008	4.8
Philadelphia	PA	1	2.8	801	3.8	—	—	—	—	1	2.8	801	3.8
Houston	TX	—	—	—	—	1	1.9	313	1.5	1	1.9	313	1.5
Nashville	TN	1	1.3	312	1.4	1	0.5	201	1.0	2	1.8	513	2.4
Central & South Florida	FL	—	—	—	—	4	1.6	476	2.3	4	1.6	476	2.3
Phoenix	AZ	—	—	—	—	3	1.3	432	2.1	3	1.3	432	2.1
Austin	TX	—	—	—	—	1	1.2	195	0.9	1	1.2	195	0.9
Other		—	—	—	—	3	0.7	238	1.1	3	0.7	238	1.1
Total / Weighted Average		24	62.6	11,798	55.9	51	37.4	9,309	44.1	75	100.0	21,107	100.0

Piedmont Office Realty Trust, Inc.
Industry Diversification
As of March 31, 2014
(\$ and square footage in thousands)

Industry	Number of Tenants	Percentage of Total Tenants (%)	Percentage of		Leased Square Footage	Percentage of Leased Square Footage (%)
			Annualized Lease Revenue	Annualized Lease Revenue (%)		
Governmental Entity	5	1.0	\$76,441	13.7	1,816	9.9
Business Services	86	16.9	60,427	10.7	2,277	12.4
Depository Institutions	17	3.3	54,135	9.7	1,858	10.2
Engineering, Accounting, Research, Management & Related Services	38	7.4	42,643	7.7	1,191	6.5
Nondepository Credit Institutions	16	3.1	36,103	6.5	1,226	6.7
Insurance Agents, Brokers & Services	15	2.9	34,342	6.2	1,202	6.6
Insurance Carriers	27	5.3	31,715	5.7	1,367	7.5
Communications	33	6.5	18,428	3.3	574	3.1
Security & Commodity Brokers, Dealers, Exchanges & Services	30	5.9	18,199	3.3	655	3.6
Automotive Repair, Services & Parking	6	1.2	14,265	2.6	49	0.3
Fabricated Metal Products, Except Machinery & Transportation Equipment	4	0.8	13,234	2.4	423	2.3
Real Estate	18	3.5	12,559	2.3	404	2.2
Educational Services	7	1.4	12,206	2.2	320	1.7
Food & Kindred Products	3	0.6	12,124	2.2	408	2.2
Electronic & Other Electrical Equipment & Components, Except Computer	10	2.0	11,904	2.1	428	2.3
Other	195	38.2	108,208	19.4	4,111	22.5
Total	510	100.0	\$556,933	100.0	18,309	100.0



Piedmont Office Realty Trust, Inc.
Property Investment Activity
As of March 31, 2014
(\$ 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 (%)
Glenridge Highlands III Land	Atlanta, GA	10/15/2012	100	N/A	\$1,725	N/A	N/A
Arlington Gateway ⁽¹⁾	Arlington, VA	3/4/2013	100	2005	175,552	334	99
5 & 15 Wayside Road	Burlington, MA	3/22/2013	100	1999 / 2001	69,321	271	95
Royal Lane Land	Irving, TX	8/1/2013	100	N/A	2,600	N/A	N/A
5301 Maryland Way ⁽²⁾	Brentwood, TN	8/12/2013	100	1989	18,500	201	100
4685 Investment Drive ⁽²⁾	Troy, MI	8/12/2013	100	2000	10,000	77	100
2020 West 89th Street ⁽²⁾	Leawood, KS	8/12/2013	100	1992	4,250	68	85
6565 North MacArthur Boulevard	Irving, TX	12/5/2013	100	1998	46,600	260	93
One Lincoln Park	Dallas, TX	12/20/2013	100	1999	56,654	262	79
161 Corporate Center	Irving, TX	12/30/2013	100	1998	16,000	105	91
					\$401,202	1,578	93

Dispositions Over Previous Eighteen Months

Property	Location	Disposition Date	Percent Ownership (%)	Year Built	Sale Price	Rentable Square Footage	Percent Leased at Disposition (%)
1111 Durham Avenue ⁽³⁾	South Plainfield, NJ	3/28/2013	100	1975	\$4,000	N/A	N/A
1200 Enclave Parkway	Houston, TX	5/1/2013	100	1999	48,750	150	100
350 Spectrum Loop	Colorado Springs, CO	11/1/2013	100	2001	30,050	156	100
8700 South Price Road	Tempe, AZ	12/30/2013	100	2000	21,500	132	100
11107 Sunset Hills Road	Reston, VA	3/19/2014	100	1985	20,000	101	100
11109 Sunset Hills Road	Reston, VA	3/19/2014	100	1984	2,600	41	0
					\$126,900	580	93

Dispositions Subsequent to Quarter End

Property	Location	Disposition Date	Percent Ownership (%)	Year Built	Sale Price	Rentable Square Footage	Percent Leased at Disposition (%)
1441 West Long Lake Road	Troy, MI	4/30/2014	100	1999	\$7,850	108	88
4685 Investment Drive	Troy, MI	4/30/2014	100	2000	11,500	77	100

(1) The property consists of approximately 334,000 square feet; however, due to the square footages referenced in several leases, the rentable square footage is currently 323,000 square feet. As the existing leases expire, the affected spaces will be re-leased to the correct square footages.

(2) Piedmont purchased its joint venture partner's equity interest in the asset. The gross value of the asset agreed upon by the partners for the buyout is presented on this schedule as the purchase price. The additional capital invested across the three assets included in the buyout transaction amounted to \$14.7 million.

(3) The lease for the building expired at the beginning of 2013. The building was outdated; the property was, therefore, sold for land value shortly after the expiration of the lease.

Piedmont Office Realty Trust, Inc.
Value-Add Activity
As of March 31, 2014
(\$ and square footage in thousands)

Presented below are properties that were acquired employing a value-add strategy. Once a property acquired under a value-add strategy reaches 80% leased, it is deemed stabilized for the purposes of supplemental reporting and will be removed from the value-add classification.

Value-Add Properties

Property	Location	Acquisition Date	Percent Ownership (%)	Year Built	Purchase Price	Rentable Square Footage	Current Percent Leased (%)	Percent Leased at Acquisition (%)	Real Estate Gross Book Value	Estimated Cost to Stabilize (per VACANT square foot)
Suwanee Gateway One	Suwanee, GA	9/28/2010	100	2008	\$7,875	142	—	—	\$7,953	\$40 - 60
500 West Monroe Street	⁽¹⁾ Chicago, IL	3/31/2011	100	1991	227,500	966	64	49	228,575	\$60 - 90
The Medici	⁽²⁾ Atlanta, GA	6/7/2011	100	2008	13,210	154	75	12	13,952	\$35 - 60
400 TownPark	Lake Mary, FL	11/10/2011	100	2008	23,865	176	49	19	23,748	\$35 - 50
5301 Maryland Way	⁽³⁾ Brentwood, TN	8/12/2013	100	1989	18,500	201	100	100	15,457	\$50 - 75
					\$290,950	1,639	62	44	\$289,685	

(1) The investment in this property was converted from a structured finance investment to an owned real estate asset through a UCC foreclosure of an equity ownership interest on March 31, 2011. The purchase price presented represents the estimated fair value of the real estate assets comprising the property as of the date of the transaction. The percent leased at acquisition reflects the space leased by Marsh USA as vacant, as the tenant had already announced plans to vacate prior to Piedmont's assumption of ownership of the asset.

(2) The percent leased at acquisition reflects the space leased by BV Card Assets as vacant, as the tenant had already announced plans to vacate prior to Piedmont's acquisition of the property.

(3) While the property was 100% leased at acquisition, it is anticipated that the single-tenant building will become vacant at the end of the current lease term and the building will have to be re-leased on a multi-tenant basis. For this reason, the building was acquired as a value-add property. Piedmont purchased its joint venture partner's equity interest in the asset. The gross value of the asset agreed upon by the partners for the buyout is presented on this schedule as the purchase price.

Piedmont Office Realty Trust, Inc.
Other Investments
As of March 31, 2014
(\$ and square footage in thousands)

Unconsolidated Joint Venture Properties

Property	Location	Percent Ownership (%)	Year Built	Piedmont Share of Real Estate Net Book Value	Real Estate Net Book Value	Rentable Square Footage	Percent Leased (%)
8560 Upland Drive	Parker, CO	72	2001	\$7,348	\$10,222	148.2	63
Two Park Center	Hoffman Estates, IL	72	1999	6,214	8,644	193.7	—
				\$13,562	\$18,866	341.9	27

Land Parcels

Property	Location	Adjacent Piedmont Property	Acres	Approximate Current Value
Gavitello	Atlanta, GA	The Medici	2.0	\$2,500
Glenridge Highlands III	Atlanta, GA	Glenridge Highlands Two	3.0	1,725
State Highway 161	Irving, TX	Las Colinas Corporate Center II	4.5	1,200
Royal Lane	Irving, TX	6011, 6021 and 6031 Connection Drive	10.6	2,600
			20.1	\$8,025

Development and Redevelopment

Property	Location	Adjacent Piedmont Property	Construction Type	Targeted Completion Date	Anticipated Stabilization Date	Percent Leased (%)	Square Feet	Current Basis	Estimated Additional Capital Required
Enclave Place	Houston, TX	1430 Enclave Parkway	Development	Q3 2015	Q2 2016	N/A	300.9	\$3,254	\$80 to 85 million
3100 Clarendon Boulevard ⁽¹⁾	Arlington, VA	Not Applicable	Redevelopment	Q4 2014	Q1 2016	10	249.5	56,457	\$45 to 50 million
							550.4	\$59,711	\$125 to 135 million

(1) The Current Basis presented is that of the office portion of the property only. The retail portion of the property remains in service and retail tenants will remain in occupancy during the redevelopment.

Piedmont Office Realty Trust, Inc.

Supplemental Definitions

Included in this section are management's statements regarding certain non-GAAP financial measures provided in this supplemental report and reasons why management believes that these measures provide useful information to investors about the Company's financial condition and results of operations. Reconciliations of these non-GAAP measures are included beginning on page 41.

Adjusted Funds From Operations ("AFFO"): AFFO is calculated by deducting from Core FFO non-incremental capital expenditures and acquisition-related costs and adding back non-cash items including non-real estate depreciation, straight lined rents and fair value lease revenue, non-cash components of interest expense and compensation expense, and by making similar adjustments for unconsolidated partnerships and joint ventures. Although AFFO may not be comparable to that of other REITs, we believe it provides a meaningful indicator of our ability to fund cash needs and to make cash distributions to equity owners. AFFO is a non-GAAP financial measure and should not be viewed as an alternative measurement of our operating performance to net income, as an alternative to net cash flows from operating activities or as a measure of our liquidity.

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 our unconsolidated joint venture interests.

Core EBITDA: Core EBITDA is defined as net income before interest, taxes, depreciation and amortization and incrementally removing any impairment losses, gains or losses from sales of property, or other significant non-recurring items. We do not include impairment losses in this measure because we feel these types of losses create volatility in our earnings and make it difficult to determine the earnings generated by our ongoing business. We believe Core EBITDA is a reasonable measure of our liquidity. Core EBITDA is a non-GAAP financial measure and should not be viewed as an alternative measurement of cash flows from operating activities or other GAAP basis liquidity measures. Other REITs may calculate Core EBITDA differently and our calculation should not be compared to that of other REITs.

Core Funds From Operations ("Core FFO"): We calculate Core FFO by starting with FFO, as defined by NAREIT, and adjusting for certain non-recurring items such as gains or losses on the early extinguishment of debt, acquisition-related costs and other significant non-recurring items. Such items create significant earnings volatility. We believe Core FFO provides a meaningful measure of our operating performance and more predictability regarding future earnings potential. Core FFO is a non-GAAP financial measure and should not be viewed as an alternative measurement of our operating performance to net income; therefore, it should not be compared to other REITs' equivalent to Core FFO.

EBITDA: EBITDA is defined as net income before interest, taxes, depreciation and amortization. We believe EBITDA is an appropriate measure of our ability to incur and service debt. EBITDA should not be considered as an alternative to cash flows from operating activities, as a measure of our liquidity or as an alternative to net income as an indicator of our operating activities. Other REITs may calculate EBITDA differently and our calculation should not be compared to that of other REITs.

Funds From Operations ("FFO"): FFO is calculated 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, impairment losses, and gains or losses on consolidation, 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 may provide valuable comparisons of operating performance between periods and with other REITs. FFO is a non-GAAP financial measure and should not be viewed as an alternative measurement of our operating performance to net income. We believe that FFO is a beneficial indicator of the performance of an equity REIT. However, other REITs may not define FFO in accordance with the NAREIT definition, or may interpret the current NAREIT definition differently than we do; therefore, our 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 and renovations that change the underlying classification of a building 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"): Property NOI is defined as real estate operating income with the add-back of corporate general and administrative expense, depreciation and amortization, and impairment losses and the deduction of net operating income associated with property management performed by Piedmont for other organizations. We 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 eliminated. The Company uses this measure to assess its operating results and believes it is important in assessing operating performance. Property NOI is a non-GAAP measure which does not have any standard meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies.

Same Store Net Operating Income ("Same Store NOI"): Same Store NOI is calculated as the Property NOI attributable to the properties owned or placed in service during the entire span of the current and prior year reporting periods. Same Store NOI excludes amounts attributable to unconsolidated joint venture assets. We 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 eliminated. We believe Same Store NOI is an important measure of comparison of our properties' operating performance from one period to another. Other REITs may calculate Same Store NOI differently and our calculation should not be compared to that of other REITs.

Same Store Properties: Same Store Properties is defined as properties owned or placed in service during the entire span of the current and prior year reporting periods. Same Store Properties excludes unconsolidated joint venture assets. We believe Same Store Properties is an important measure of comparison of our stabilized portfolio performance.

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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				
	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
Net income attributable to Piedmont	\$ 9,393	\$ 29,623	\$ 19,096	\$ 35,358	\$ 14,651
Depreciation	33,727	32,233	31,050	30,969	29,886
Amortization	14,804	11,511	13,939	11,350	9,220
Impairment loss	—	5,644	—	—	6,402
Loss / (gain) on sale of properties	106	(15,034)	—	(16,258)	—
Loss / (gain) on consolidation	—	—	898	—	—
Funds from operations	58,030	63,977	64,983	61,419	60,159
Adjustments:					
Acquisition costs	66	389	60	70	1,244
Net (recoveries) / loss from casualty events and litigation settlements	(3,042)	(4,500)	(3,919)	(3,570)	161
Core funds from operations	55,054	59,866	61,124	57,919	61,564
Adjustments:					
Deferred financing cost amortization	863	676	674	643	594
Amortization of discount on senior notes	34	30	30	17	—
Depreciation of non real estate assets	114	106	97	105	98
Straight-line effects of lease revenue	(9,412)	(3,442)	(5,076)	(5,547)	(4,032)
Stock-based and other non-cash compensation expense	636	101	719	176	594
Amortization of lease-related intangibles	(1,364)	(1,211)	(1,757)	(1,245)	(1,065)
Acquisition costs	(66)	(389)	(60)	(70)	(1,244)
Non-incremental capital expenditures	(13,821)	(42,985)	(21,705)	(18,367)	(19,920)
Adjusted funds from operations	\$ 32,038	\$ 12,752	\$ 34,046	\$ 33,631	\$ 36,589

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

	Three Months Ended				
	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
Net income attributable to Piedmont	\$ 9,393	\$ 29,623	\$ 19,096	\$ 35,358	\$ 14,651
Net income attributable to noncontrolling interest	4	3	4	4	4
Interest expense	18,926	19,651	19,331	18,228	16,373
Depreciation	33,841	32,340	31,147	31,074	29,984
Amortization	14,804	11,511	13,939	11,350	9,220
Acquisition costs	66	389	60	70	1,244
Impairment loss	—	5,644	—	—	6,402
Net (recoveries) / loss from casualty events and litigation settlements	(3,042)	(4,500)	(3,919)	(3,570)	161
Loss / (gain) on sale of properties	106	(15,034)	—	(16,258)	—
Loss / (gain) on consolidation	—	—	898	—	—
Core EBITDA	74,098	79,627	80,556	76,256	78,039
General & administrative expenses	4,582	5,076	5,921	6,410	4,609
Management fee revenue	(259)	17	(636)	(256)	(356)
Other (income) / expense	30	3	550	(12)	21
Straight-line effects of lease revenue	(9,412)	(3,442)	(5,076)	(5,547)	(4,032)
Amortization of lease-related intangibles	(1,364)	(1,211)	(1,757)	(1,245)	(1,065)
Property net operating income (cash basis)	67,675	80,070	79,558	75,606	77,216
Deduct net operating (income) / loss from:					
Acquisitions	(5,798)	(4,321)	(6,176)	(3,705)	(860)
Dispositions	(364)	(879)	(1,053)	(1,282)	(1,022)
Other investments	382	(2,251)	(2,328)	(2,507)	(2,704)
Same store net operating income (cash basis)	\$ 61,895	\$ 72,619	\$ 70,001	\$ 68,112	\$ 72,630

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

	Three Months Ended				
	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
Equity in income of unconsolidated joint ventures	\$ (266)	\$ (4,280)	\$ 46	\$ 163	\$ 395
Interest expense	—	—	—	—	—
Depreciation	114	150	220	309	300
Amortization	8	34	40	45	41
Impairment loss	—	4,402	—	—	—
Loss / (gain) on sale of properties	—	—	—	—	—
Core EBITDA	(144)	306	306	517	736
General and administrative expenses	24	(128)	79	120	60
Other (income) / expense	—	—	—	—	—
Property net operating income (accrual basis)	(120)	178	385	637	796
Straight-line effects of lease revenue	(6)	(3)	(9)	(40)	(52)
Amortization of lease-related intangibles	—	—	—	—	—
Property net operating income (cash basis)	\$ (126)	\$ 175	\$ 376	\$ 597	\$ 744

Piedmont Office Realty Trust, Inc.
Discontinued Operations
Unaudited (in thousands)

	Three Months Ended				
	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
Revenues:					
Rental income	\$ 1,174	\$ 1,888	\$ 2,155	\$ 2,289	\$ 2,928
Tenant reimbursements	112	146	181	308	434
Other rental income	—	—	—	—	—
	<u>1,286</u>	<u>2,034</u>	<u>2,336</u>	<u>2,597</u>	<u>3,362</u>
Expenses:					
Property operating costs	505	748	945	921	1,486
Depreciation	83	498	632	596	859
Amortization	223	281	215	105	169
General and administrative	3	1	(8)	10	1
	<u>814</u>	<u>1,528</u>	<u>1,784</u>	<u>1,632</u>	<u>2,515</u>
Other income / (expense):					
Interest expense	—	—	—	—	—
Other income / (expense)	(6)	—	(15)	13	12
Net recoveries / (loss) from casualty events and litigation settlements	—	—	—	17	—
Net income attributable to noncontrolling interest	—	—	—	—	—
	<u>(6)</u>	<u>—</u>	<u>(15)</u>	<u>30</u>	<u>12</u>
Operating income, excluding impairment loss and gain / (loss) on sale	466	506	537	995	859
Impairment loss	—	(1,242)	—	—	(6,402)
Gain / (loss) on sale of properties	(106)	15,034	—	16,258	—
Income from discontinued operations	\$ 360	\$ 14,298	\$ 537	\$ 17,253	\$ (5,543)

Piedmont Office Realty Trust, Inc.
Property Detail
As of March 31, 2014
(in thousands)

Property	City	State	Percent Ownership	Year Built	Rentable Square Footage Owned	Leased Percentage	Commenced Leased Percentage	Economic Leased Percentage ⁽¹⁾
Atlanta								
11695 Johns Creek Parkway	Johns Creek	GA	100.0%	2001	101	85.1%	85.1%	66.3%
3750 Brookside Parkway	Alpharetta	GA	100.0%	2001	104	80.8%	80.8%	59.6%
Glenridge Highlands Two	Atlanta	GA	100.0%	2000	427	86.2%	86.2%	79.6%
Suwanee Gateway One	Suwanee	GA	100.0%	2008	142	0.0%	0.0%	0.0%
The Dupree	Atlanta	GA	100.0%	1997	138	95.7%	95.7%	82.6%
The Medici	Atlanta	GA	100.0%	2008	154	75.3%	31.8%	31.8%
Metropolitan Area Subtotal / Weighted Average					1,066	73.7%	67.4%	59.3%
Austin								
Braker Pointe III	Austin	TX	100.0%	2001	195	100.0%	100.0%	100.0%
Metropolitan Area Subtotal / Weighted Average					195	100.0%	100.0%	100.0%
Boston								
1200 Crown Colony Drive	Quincy	MA	100.0%	1990	235	100.0%	100.0%	100.0%
90 Central Street	Boxborough	MA	100.0%	2001	175	100.0%	94.9%	94.9%
1414 Massachusetts Avenue	Cambridge	MA	100.0%	1873	78	100.0%	100.0%	100.0%
One Brattle Square	Cambridge	MA	100.0%	1991	95	100.0%	100.0%	94.7%
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	271	100.0%	100.0%	98.2%
Metropolitan Area Subtotal / Weighted Average					1,294	100.0%	99.3%	98.5%
Chicago								
Windy Point I	Schaumburg	IL	100.0%	1999	187	100.0%	100.0%	100.0%
Windy Point II	Schaumburg	IL	100.0%	2001	301	100.0%	83.1%	—%
Aon Center	Chicago	IL	100.0%	1972	2,729	79.3%	72.6%	52.1%
Two Pierce Place	Itasca	IL	100.0%	1991	486	88.5%	84.4%	80.0%
2300 Cabot Drive	Lisle	IL	100.0%	1998	152	78.9%	72.4%	69.7%
500 West Monroe Street	Chicago	IL	100.0%	1991	966	63.5%	56.2%	11.0%
Metropolitan Area Subtotal / Weighted Average					4,821	79.1%	72.2%	45.9%
Cleveland								
Eastpoint I	Mayfield Heights	OH	100.0%	2000	85	70.6%	70.6%	1.2%
Eastpoint II	Mayfield Heights	OH	100.0%	2000	85	95.3%	95.3%	95.3%
Metropolitan Area Subtotal / Weighted Average					170	82.9%	82.9%	48.2%

Property	City	State	Percent Ownership	Year Built	Rentable Square Footage Owned	Leased Percentage	Commenced Leased Percentage	Economic Leased Percentage ⁽¹⁾
Dallas								
3900 Dallas Parkway	Plano	TX	100.0%	1999	120	100.0%	100.0%	93.3%
5601 Headquarters Drive	Plano	TX	100.0%	2001	166	100.0%	100.0%	100.0%
6031 Connection Drive	Irving	TX	100.0%	1999	232	100.0%	100.0%	100.0%
6021 Connection Drive	Irving	TX	100.0%	2000	222	100.0%	—%	—%
6011 Connection Drive	Irving	TX	100.0%	1999	152	100.0%	100.0%	100.0%
Las Colinas Corporate Center I	Irving	TX	100.0%	1998	159	99.4%	99.4%	99.4%
Las Colinas Corporate Center II	Irving	TX	100.0%	1998	228	98.7%	96.9%	74.1%
6565 North MacArthur Boulevard	Irving	TX	100.0%	1998	260	93.5%	93.5%	86.9%
One Lincoln Park	Dallas	TX	100.0%	1999	262	80.2%	79.4%	73.7%
161 Corporate Center	Irving	TX	100.0%	1998	105	99.0%	90.5%	90.5%
Metropolitan Area Subtotal / Weighted Average					1,906	96.1%	83.7%	78.9%
Detroit								
1441 West Long Lake Road	Troy	MI	100.0%	1999	108	88.0%	88.0%	84.3%
150 West Jefferson	Detroit	MI	100.0%	1989	493	73.2%	69.4%	56.4%
Auburn Hills Corporate Center	Auburn Hills	MI	100.0%	2001	120	100.0%	100.0%	100.0%
1075 West Entrance Drive	Auburn Hills	MI	100.0%	2001	210	100.0%	100.0%	100.0%
4685 Investment Drive	Troy	MI	100.0%	2000	77	100.0%	100.0%	100.0%
Metropolitan Area Subtotal / Weighted Average					1,008	85.6%	83.7%	77.0%
Central & South Florida								
Sarasota Commerce Center II	Sarasota	FL	100.0%	1999	152	93.4%	93.4%	93.4%
5601 Hiatus Road	Tamarac	FL	100.0%	2001	100	100.0%	100.0%	100.0%
2001 NW 64th Street	Ft. Lauderdale	FL	100.0%	2001	48	100.0%	100.0%	100.0%
400 TownPark	Lake Mary	FL	100.0%	2008	176	48.9%	48.9%	45.5%
Metropolitan Area Subtotal / Weighted Average					476	79.0%	79.0%	77.7%
Houston								
1430 Enclave Parkway	Houston	TX	100.0%	1994	313	100.0%	100.0%	100.0%
Metropolitan Area Subtotal / Weighted Average					313	100.0%	100.0%	100.0%
Kansas City								
2020 West 89th Street	Leawood	KS	100.0%	1992	68	89.7%	89.7%	89.7%
Metropolitan Area Subtotal / Weighted Average					68	89.7%	89.7%	89.7%
Los Angeles								
800 North Brand Boulevard	Glendale	CA	100.0%	1990	527	95.4%	95.4%	80.6%
1055 East Colorado Boulevard	Pasadena	CA	100.0%	2001	176	96.0%	96.0%	96.0%
Fairway Center II	Brea	CA	100.0%	2002	134	100.0%	97.8%	97.8%
1901 Main Street	Irvine	CA	100.0%	2001	173	92.5%	92.5%	92.5%
Metropolitan Area Subtotal / Weighted Average					1,010	95.6%	95.3%	87.6%
Minneapolis								
Crescent Ridge II	Minnetonka	MN	100.0%	2000	301	76.4%	75.7%	68.8%
US Bancorp Center	Minneapolis	MN	100.0%	2000	928	95.2%	94.5%	92.8%
One Meridian Crossings	Richfield	MN	100.0%	1997	195	100.0%	100.0%	100.0%
Two Meridian Crossings	Richfield	MN	100.0%	1998	189	93.7%	92.6%	91.0%
Metropolitan Area Subtotal / Weighted Average					1,613	92.1%	91.4%	89.0%

Property	City	State	Percent Ownership	Year Built	Rentable Square Footage Owned	Leased Percentage	Commenced Leased Percentage	Economic Leased Percentage ⁽¹⁾
Nashville								
2120 West End Avenue	Nashville	TN	100.0%	2000	312	100.0%	100.0%	100.0%
5301 Maryland Way	Brentwood	TN	100.0%	1989	201	100.0%	100.0%	100.0%
Metropolitan Area Subtotal / Weighted Average					513	100.0%	100.0%	100.0%
New York								
2 Gatehall Drive	Parsippany	NJ	100.0%	1985	405	100.0%	100.0%	49.4%
200 Bridgewater Crossing	Bridgewater	NJ	100.0%	2002	309	93.9%	88.0%	88.0%
Copper Ridge Center	Lyndhurst	NJ	100.0%	1989	268	94.4%	94.4%	94.4%
60 Broad Street	New York	NY	100.0%	1962	1,027	98.9%	96.9%	96.9%
600 Corporate Drive	Lebanon	NJ	100.0%	2005	125	100.0%	100.0%	100.0%
400 Bridgewater Crossing	Bridgewater	NJ	100.0%	2002	298	100.0%	86.6%	86.6%
Metropolitan Area Subtotal / Weighted Average					2,432	98.1%	94.9%	86.5%
Philadelphia								
1901 Market Street	Philadelphia	PA	100.0%	1987	801	100.0%	100.0%	100.0%
Metropolitan Area Subtotal / Weighted Average					801	100.0%	100.0%	100.0%
Phoenix								
River Corporate Center	Tempe	AZ	100.0%	1998	133	100.0%	100.0%	100.0%
Desert Canyon 300	Phoenix	AZ	100.0%	2001	149	100.0%	100.0%	100.0%
Chandler Forum	Chandler	AZ	100.0%	2003	150	42.0%	42.0%	42.0%
Metropolitan Area Subtotal / Weighted Average					432	79.9%	79.9%	79.9%
Washington, D.C.								
1201 Eye Street	Washington	DC	49.5% ⁽²⁾	2001	269	100.0%	100.0%	100.0%
1225 Eye Street	Washington	DC	49.5% ⁽²⁾	1986	225	77.8%	76.4%	75.6%
400 Virginia Avenue	Washington	DC	100.0%	1985	224	87.1%	87.1%	84.8%
4250 North Fairfax Drive	Arlington	VA	100.0%	1998	305	54.8%	54.8%	54.8%
9211 Corporate Boulevard	Rockville	MD	100.0%	1989	115	—%	—%	—%
9221 Corporate Boulevard	Rockville	MD	100.0%	1989	115	100.0%	100.0%	100.0%
One Independence Square	Washington	DC	100.0%	1991	334	0.3%	0.3%	0.3%
9200 Corporate Boulevard	Rockville	MD	100.0%	1982	109	100.0%	100.0%	100.0%
Two Independence Square	Washington	DC	100.0%	1991	561	100.0%	100.0%	100.0%
Piedmont Pointe I	Bethesda	MD	100.0%	2007	186	68.8%	68.8%	68.8%
Piedmont Pointe II	Bethesda	MD	100.0%	2008	223	54.7%	54.7%	51.6%
Arlington Gateway ⁽³⁾	Arlington	VA	100.0%	2005	323	91.3%	91.3%	91.3%
Metropolitan Area Subtotal / Weighted Average					2,989	71.5%	71.4%	70.9%
Grand Total					21,107	86.7%	83.1%	74.0%

(1) 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).

(2) Although Piedmont owns 49.5% of the asset, it is entitled to 100% of the cash flows under the terms of the property ownership entity's joint venture agreement.

(3) The property consists of approximately 334,000 square feet; however, due to the square footages referenced in several leases, the rentable square footage is currently 323,000 square feet. As the existing leases expire, the affected spaces will be re-leased to the correct square footages.

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

Certain statements contained in this supplemental package constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We intend for all such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act, as applicable. Such information is subject to certain risks and uncertainties, as well as known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of our performance in future periods. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "believe," "continue" or similar words or phrases that are predictions of future events or trends and which do not relate solely to historical matters.

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: market and economic conditions remain challenging in some markets we operate in and the demand for office space, rental rates and property values may continue to lag the general economic recovery causing our business, results of operations, cash flows, financial condition and access to capital to be adversely affected or otherwise impact performance, including the potential recognition of impairment charges; the success of our real estate strategies and investment objectives, including our ability to identify and consummate suitable acquisitions; acquisitions of properties may have unknown risks and other liabilities at the time of acquisition; lease terminations or lease defaults, particularly by one of 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 of the office market in general and of the specific markets in which we operate; economic and regulatory changes, including accounting standards, that impact the real estate market generally; additional risks and costs associated with directly managing properties occupied by government tenants; adverse market and economic conditions may continue to adversely affect us and could cause us to recognize impairment charges or otherwise impact our performance; availability of financing and our lending banks' ability to honor existing line of credit commitments; we have significant indebtedness and may not be able to meet our debt service obligations; costs of complying with governmental laws and regulations; uncertainties associated with environmental and other regulatory matters; potential changes in political environment and reduction in federal and/or state funding of our governmental tenants; we may be subject to litigation, which could have a material adverse effect on our financial condition; changes in tax laws impacting real estate investment trusts and real estate in general, as well as our ability to continue to qualify as a real estate investment trust under the Internal Revenue Code; 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.