

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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)

February 9, 2012

Piedmont Office Realty Trust, Inc.

(Exact Name of Registrant as Specified in Charter)

|   |                             |                                      |
|---|-----------------------------|--------------------------------------|
| Maryland  | 001-34626                   | 58-2328421                           |
| (State or Other Jurisdiction<br>of Incorporation) | (Commission<br>File Number) | (IRS Employer<br>Identification No.) |

11695 Johns Creek Parkway Ste 350, Johns Creek, Georgia 30097

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code

(770) 418-8800

(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 (*see* General Instruction A.2. below):

- 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 February 9, 2012, Piedmont Office Realty Trust, Inc. (the “Registrant”) issued a press release announcing its financial results for the fourth quarter 2011, as well as the year ended December 31, 2011, and published supplemental information for the fourth quarter 2011 and for the year ended December 31, 2011 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 February 9, 2012.  |
| 99.2               | Piedmont Office Realty Trust, Inc. Quarterly Supplemental Information for the Fourth Quarter 2011. |

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**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)

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

Date: February 9, 2012

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**EXHIBIT INDEX**

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## **Piedmont Office Realty Trust Reports Fourth Quarter and Annual Results – Provides 2012 Guidance –**

ATLANTA, February 9, 2012 — Piedmont Office Realty Trust, Inc. (“Piedmont” or the “Company”) (NYSE:PDM), an owner of primarily Class A properties located predominantly in the ten largest U.S. office markets, today announced its results for the quarter and year ended December 31, 2011.

### **Highlights for the Three Months and Year Ended December 31, 2011:**

- Completed over 900,000 square feet of leasing during the fourth quarter closing out the largest leasing year in the Company’s history with almost 4 million square feet of leasing transactions, or approximately 19% of its office portfolio;
- Achieved Funds From Operations (“FFO”) of \$0.38 and \$1.57 per diluted share for the quarter and year ended December 31, 2011, respectively;
- Completed the disposition of our 96.5% ownership interest in the 50-story, 1.1 million square foot 35 W. Wacker Building in downtown Chicago for a sales price of \$387 million, which equates to \$359 per square foot for the building;
- Advanced our portfolio repositioning strategy during 2011 by selling five assets at a gain of \$122.8 million and recycling capital into seven properties in existing markets;
- Extended, paid down, replaced, or transferred five different debt instruments during the year which resulted in a \$165 million reduction in the Company’s secured debt since mid-year, a \$50 million increase in unsecured borrowing capacity, and an approximate 10-month increase in the weighted average remaining maturity of our total debt.

Donald A. Miller, CFA, President and Chief Executive Officer stated, “It has been an extremely busy and successful year for Piedmont and we have worked diligently to continue to execute on our strategy – setting a new record for leasing while at the same time delivering solid transactional activity that should lay the groundwork for future growth. At the same time I believe we have stayed true to the core operating principles that have been in place since the inception of the REIT – low leverage; disciplined investing; high credit-quality tenants; well-located, Class A office space; and world-class service. With approximately 9% of our office lease portfolio expiring over the next twelve months, we still have more work to do in 2012, but I am very pleased with the visible strides that we made in 2011 towards our long-term goals.”

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## **Results for the Fourth Quarter ended December 31, 2011**

Piedmont's net income available to common stockholders for the fourth quarter of 2011, which includes approximately \$0.56 per diluted share of gain on sale from the disposition of the 35 W. Wacker Building and \$0.01 per diluted share of gain on early extinguishment of debt, was \$119.0 million, or \$0.69 per diluted share, as compared with \$28.7 million, or \$0.17 per diluted share, for the fourth quarter 2010. FFO totaled \$65.9 million, or \$0.38 per diluted share, for the current quarter as compared with \$67.9 million, or \$0.39 per diluted share, for the quarter ended December 31, 2010. Excluding \$0.4 million of transaction costs associated with the Company's acquisition in the quarter and \$1.0 million of gain on early extinguishment of debt, Core FFO totaled \$65.3 million, or \$0.38 per diluted share, for the current quarter, as compared to \$68.2 million, or \$0.39 per diluted share, for the quarter ended December 31, 2010.

Revenues for the quarter ended December 31, 2011 were \$137.5 million, as compared with \$135.2 million for the same period a year ago, primarily reflecting additional rental revenues and reimbursements from properties acquired during the last twelve months offset by a \$1.1 million reduction in lease termination revenue.

Property operating expenses were \$55.5 million in the fourth quarter of 2011 compared to \$53.5 million in the fourth quarter of 2010, reflecting added operating costs from the acquisition of seven additional properties during 2011.

Adjusted FFO ("AFFO") for the fourth quarter of 2011 totaled \$44.7 million, or \$0.26 per diluted share, as compared to \$42.0 million, or \$0.24 per diluted share, in the fourth quarter of 2010.

## **Results for the Year Ended December 31, 2011**

Piedmont's net income available to common stockholders was \$225.0 million, or \$1.30 per diluted share, for the year ended December 31, 2011, compared with net income of \$120.4 million, or \$0.70 per diluted share, for the comparable 2010 period as the 2011 period included gains from the sales of five assets which totaled \$122.8 million, or \$0.71 per diluted share.

FFO for the year ended December 31, 2011, totaled \$271.3 million, or \$1.57 per diluted share, as compared to FFO of \$281.3 million, or \$1.65 per diluted share, for the year ended December 31, 2010.

Core FFO, which excludes acquisition expenses and gain on early extinguishment of debt, was \$271.6 million, or \$1.57 per diluted share, for 2011, compared to \$281.9 million, or \$1.65 per diluted share, for 2010.

Revenues for the year ended December 31, 2011, totaled \$541.6 million compared to \$533.0 million in the same period in 2010. Property operating expenses were \$208.7 million in 2011 compared to \$196.9 million in 2010.

Adjusted FFO ("AFFO") for the year ended December 31, 2011, totaled \$202.6 million, or \$1.17 per diluted share, as compared to \$228.7 million, or \$1.34 per diluted share, for the same period in 2010, reflecting capital expenditures related to increased leasing activity.

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## Leasing Update

During the fourth quarter of 2011, the Company executed 939,000 square feet of office leasing throughout its markets bringing Piedmont's year to date total square footage leased to approximately 3.9 million. Of the leases signed during the quarter, 358,000 square feet, or 38%, was renewal-related and 581,000 square feet, or 62%, was with new tenants.

Upon commencement, replacement leases executed in 2011 for expiring or recently expired leases will increase rental rates by 3.6% on an accrual basis and will decrease rental rates by 1.7% on a cash basis. Further commenting specifically on the financial impact of the Company's recent leasing activity, Mr. Miller said, "In most markets, the conditions remain tenant-friendly. As a result, we have offered significant concession packages on certain large transactions; however, we are securing long-term leases with high-credit-quality tenants which we believe creates higher enterprise value." Same store net operating income (on a cash basis) for the quarter was \$70.0 million compared to \$76.6 million for the quarter ended December 31, 2010 reflecting the short-term effects of this leasing activity and a 0.8% decline in occupancy.

The Company's overall office portfolio was 86.5 % leased as of December 31, 2011, with a weighted average lease term remaining of 6.4 years. Despite the sale of the 100% leased 35 W. Wacker Building and a value-add acquisition during the quarter, the Company's overall leased percentage for the quarter remained stable. The stabilized portfolio was 89.1% leased as of December 31, 2011 as compared to 89.9% leased as of December 31, 2010. 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.

## Capital Markets, Financing and Other Activities

As previously announced, during the fourth quarter Piedmont completed the disposition of its 96.5% interest in 35 W. Wacker Drive in Chicago, IL for approximately \$387.0 million, a price that equates to a value of approximately \$401 million, or \$359 per square foot, for 100% of the property. The purchase price included the buyer's assumption of a \$120 million, 5.1% fixed rate note secured by the 35 W. Wacker Building. Also during the fourth quarter, the Company purchased 400 TownPark, a 175,674 square foot, five-story Class A office building in the Orlando sub-market of Lake Mary, FL for approximately \$23.9 million.

In addition to the buyer's assumption of the 35 W. Wacker debt mentioned above, during the fourth quarter of 2011, Piedmont also paid off a \$45.0 million mezzanine loan participation. Subsequent to year end, Piedmont paid off a \$140 million mortgage loan, which represented the last remaining debt secured by Piedmont's 500 W. Monroe Building in downtown Chicago. The mezzanine loan participation was settled at a discount resulting in a \$1.0 million gain on early extinguishment of debt which is reflected in the Company's results of operations for the

quarter ended December 31, 2011. Finally, as previously announced, during the quarter the Company obtained a \$300 million unsecured term loan and related interest rate swaps, which, combined, effectively fix the interest rate at 2.69% for the entire five year term of the loan, assuming no change in the Company's credit rating.

Piedmont's gross assets amounted to \$5.4 billion as of December 31, 2011. Total debt was approximately \$1.5 billion as of December 31, 2011 as compared to \$1.4 billion as of December 31, 2010. The Company's total debt-to-gross assets ratio was 27.5% as of December 31, 2011 as compared with 26.6% as of December 31, 2010. Net debt to annualized core EBITDA ratio was 4.0 times and the Company's fixed charge coverage ratio was 4.7 times. As of December 31, 2011, Piedmont had cash and capacity on its unsecured line of credit of approximately \$614.3 million.

During the quarter ended December 31, 2011, the Company paid a quarterly dividend in the amount of \$0.315 per share, bringing total dividends paid for the year ended December 31, 2011, to \$1.26 per share. The Company anticipates announcing its first quarter 2012 dividend following its next regularly scheduled quarterly board meeting later this month,.

With respect to Piedmont's ongoing securities litigation regarding its internalization transaction described in its most recent quarterly filings with the SEC, during the fourth quarter the Company was notified that a trial has been scheduled for the first quarter of 2012. Piedmont believes that the remaining allegation contained in the complaint is without merit and intends to continue to vigorously defend this action; however, a jury trial is imminent and it is not possible to predict the outcome of that trial, or potential subsequent appeals. The plaintiff has claimed financial damages of approximately \$159 million plus pre-judgment interest. There are a number of defendants in this case and the allocation of damages, if any, between the Company and any other defendants (including any indemnification rights or obligations of Piedmont with respect to the other defendants) is indeterminable at this time. Additionally, up to \$15 million of such potential damages may be recoverable by the Company under our insurance policies.

### Guidance for 2012

Based on management's expectations, the Company introduced its financial guidance for full-year 2012 as follows:

|                            | Low    |   | High    |         |
|----------------------------|--------|---|---------|---------|
| Core FFO                   | \$234  | — | \$ 250  | Million |
| Core FFO per diluted share | \$1.35 | — | \$ 1.45 |         |

These estimates reflect the effect of the disposition in December of the 100% leased 35 W. Wacker building in Chicago and management's view of current market conditions and incorporate certain economic and operational assumptions and projections. Actual results



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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 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 webcast for Friday, February 10, 2012 at 10:00 A.M. Eastern Time. The live audio webcast of the call may be accessed on the Company's website at [www.piedmontreit.com](http://www.piedmontreit.com) in the Investor Relations section. Dial-in numbers are 1-877-407-3982 for participants in the United States and 1-201-493-6780 for international participants. The conference identification number is 386588. A replay of the conference call will be available until February 24, 2012, and can be accessed by dialing 1-877-870-5176 or 1-858-384-5517 for international participants, followed by pass code 386588. A webcast replay will also be available after the conference call in the Investor Relations section of the Company's website. During the audio webcast and conference call, the Company's management team will review fourth quarter and annual 2011 performance, discuss recent events, and conduct a question-and-answer period.

### **Supplemental Information**

Quarterly Supplemental Information as of and for the period ended December 31, 2011 can be accessed on the Company's website under the Investor Relations section at [www.piedmontreit.com](http://www.piedmontreit.com).

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

Piedmont Office Realty Trust, Inc. (NYSE:PDM) is a fully-integrated and self-managed real estate investment trust (REIT) specializing in high-quality, Class A office properties located primarily in the ten largest U.S. office markets, including Chicago, Washington, D.C., New York, Dallas, Los Angeles and Boston. As of December 31, 2011, Piedmont's 79 wholly-owned office buildings were comprised of approximately 21 million rentable square feet. The Company 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, Piedmont has maintained a low-leverage strategy while transacting \$5.9 billion and \$1.6 billion in property acquisitions and dispositions, respectively, during its fourteen year operating history. For more information, see [www.piedmontreit.com](http://www.piedmontreit.com).

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## 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 the ability of the Company's repositioning strategy to drive growth over time; whether the concession packages granted to certain tenants will result in higher enterprise value; whether the Company will incur financial losses associated with its ongoing securities litigation; and the Company's estimated range of Core FFO and Core FFO per diluted share for the year ending December 31, 2012.

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: the Company's ability to successfully identify and consummate suitable acquisitions; current adverse market and economic conditions; 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; changes in the economies and other conditions of the office market in general and of the specific markets in which the Company operates; economic and regulatory changes; additional risks and costs associated with directly managing properties occupied by government tenants; adverse market and economic conditions and related impairments to the Company's assets, including, but not limited to, receivables, real estate assets and other intangible assets; the success of the Company's real estate strategies and investment objectives; availability of financing; costs of complying with governmental laws and regulations; uncertainties associated with environmental and other regulatory matters; the Company's ability to continue to qualify as a REIT under the Internal Revenue Code; the impact of outstanding or potential litigation; and other factors detailed in the Company's most recent Annual Report on Form 10-K for the period ended December 31, 2010, 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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Research Analysts/ Institutional Investors Contact:

Eddie Guilbert

770-418-8592

[research.analysts@piedmontreit.com](mailto:research.analysts@piedmontreit.com)

Shareholder Services/Transfer Agent Services Contact:

The Bank of New York Mellon

866-354-3485

[Investor.services@piedmontreit.com](mailto:Investor.services@piedmontreit.com)

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

|   | <u>December 31, 2011</u>   | <u>December 31, 2010</u>   |
|---|----------------------------|----------------------------|
|   | <i>(Unaudited)</i>         |                            |
| <b>Assets:</b>  |                            |                            |
| Real estate assets, at cost:  |                            |                            |
| Land  | \$ 640,196                 | \$ 647,653                 |
| Buildings and improvements  | 3,759,596                  | 3,688,751                  |
| Buildings and improvements, accumulated depreciation                                  | (792,342)                  | (744,756)                  |
| Intangible lease asset  | 198,667                    | 219,770                    |
| Intangible lease asset, accumulated amortization                                      | (119,419)                  | (145,742)                  |
| Construction in progress  | 17,353                     | 11,152                     |
| Total real estate assets  | <u>3,704,051</u>           | <u>3,676,828</u>           |
| Investment in unconsolidated joint ventures   | 38,181                     | 42,018                     |
| Cash and cash equivalents   | 139,690                    | 56,718                     |
| Tenant receivables, net of allowance for doubtful accounts                            | 24,722                     | 28,849                     |
| Straight line rent receivable   | 104,801                    | 105,157                    |
| Notes receivable  | -                          | 61,144                     |
| Due from unconsolidated joint ventures  | 788                        | 1,158                      |
| Restricted cash and escrows   | 9,039                      | 12,475                     |
| Prepaid expenses and other assets   | 9,911                      | 11,249                     |
| Goodwill  | 180,097                    | 180,097                    |
| Deferred financing costs, less accumulated amortization                               | 5,977                      | 5,306                      |
| Deferred lease costs, less accumulated amortization                                   | 230,577                    | 192,481                    |
| <b>Total assets</b>   | <b><u>\$ 4,447,834</u></b> | <b><u>\$ 4,373,480</u></b> |
| <b>Liabilities:</b>   |                            |                            |
| Line of credit and notes payable  | \$ 1,472,525               | \$ 1,402,525               |
| Accounts payable, accrued expenses, and accrued capital expenditures                  | 122,986                    | 112,648                    |
| Deferred income   | 27,321                     | 35,203                     |
| Intangible lease liabilities, less accumulated amortization                           | 49,037                     | 48,959                     |
| Interest rate swap  | 2,537                      | 691                        |
| <b>Total liabilities</b>  | <b><u>1,674,406</u></b>    | <b><u>1,600,026</u></b>    |
| <b>Stockholders' equity :</b>   |                            |                            |
| Common stock  | 1,726                      | 1,727                      |
| Additional paid in capital  | 3,660,420                  | 3,661,308                  |
| Cumulative distributions in excess of earnings  | (887,790)                  | (895,122)                  |
| Other comprehensive loss  | (2,537)                    | (691)                      |
| <b>Piedmont stockholders' equity</b>  | <b><u>2,771,819</u></b>    | <b><u>2,767,222</u></b>    |
| Non-controlling interest  | 1,609                      | 6,232                      |
| <b>Total stockholders' equity</b>   | <b><u>2,773,428</u></b>    | <b><u>2,773,454</u></b>    |
| <b>Total liabilities, redeemable common stock and stockholders' equity</b>            | <b><u>\$ 4,447,834</u></b> | <b><u>\$ 4,373,480</u></b> |
| <i>Net Debt (Debt less cash and cash equivalents and restricted cash and escrows)</i> | <i>\$ 1,323,796</i>        | <i>\$ 1,333,332</i>        |
| <i>Total Gross Assets <sup>(1)</sup></i>  | <i>\$ 5,359,595</i>        | <i>\$ 5,263,978</i>        |
| <i>Number of shares of common stock outstanding at end of period</i>                  | <i>172,630</i>             | <i>172,658</i>             |

<sup>(1)</sup> 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 |                  | Year Ended        |                   |
|--|--------------------|------------------|-------------------|-------------------|
|  | 12/31/2011         | 12/31/2010       | 12/31/2011        | 12/31/2010        |
| <b>Revenues:</b>   |                    |                  |                   |                   |
| Rental income  | \$ 107,381         | \$ 102,137       | \$ 419,141        | \$ 408,375        |
| Tenant reimbursements                                    | 29,512             | 30,694           | 115,879           | 114,795           |
| Property management fee revenue                          | 281                | 948              | 1,584             | 3,212             |
| Other rental income                                      | 319                | 1,454            | 5,038             | 6,658             |
| Total revenues   | 137,493            | 135,233          | 541,642           | 533,040           |
| <b>Operating expenses:</b>                               |                    |                  |                   |                   |
| Property operating costs                                 | 55,453             | 53,458           | 208,711           | 196,875           |
| Depreciation   | 27,070             | 25,012           | 104,818           | 97,275            |
| Amortization   | 15,492             | 9,806            | 54,903            | 38,021            |
| General and administrative                               | 6,206              | 7,598            | 24,838            | 28,388            |
| Total operating expenses                                 | 104,221            | 95,874           | 393,270           | 360,559           |
| <b>Real estate operating income</b>                      | <b>33,272</b>      | <b>39,359</b>    | <b>148,372</b>    | <b>172,481</b>    |
| <b>Other income (expense):</b>                           |                    |                  |                   |                   |
| Interest expense   | (16,179)           | (15,800)         | (65,817)          | (66,486)          |
| Interest and other income (expense)                      | (357)              | 491              | 2,774             | 3,486             |
| Equity in income of unconsolidated joint ventures        | 587                | 630              | 1,619             | 2,633             |
| Gain on consolidation of a variable interest entity      | -                  | -                | 1,532             | -                 |
| Gain on early extinguishment of debt                     | 1,039              | -                | 1,039             | -                 |
| Total other income (expense)                             | (14,910)           | (14,679)         | (58,853)          | (60,367)          |
| <b>Income from continuing operations</b>                 | <b>18,362</b>      | <b>24,680</b>    | <b>89,519</b>     | <b>112,114</b>    |
| <b>Discontinued operations :</b>                         |                    |                  |                   |                   |
| Operating income   | 4,761              | 4,841            | 12,880            | 18,684            |
| Impairment loss  | -                  | -                | -                 | (9,587)           |
| Gain on sale of real estate assets                       | 95,901             | (817)            | 122,657           | (817)             |
| <b>Income from discontinued operations</b>               | <b>100,662</b>     | <b>4,024</b>     | <b>135,537</b>    | <b>8,280</b>      |
| <b>Net income</b>  | <b>119,024</b>     | <b>28,704</b>    | <b>225,056</b>    | <b>120,394</b>    |
| Less: Net income attributable to noncontrolling interest | (4)                | (4)              | (15)              | (15)              |
| <b>Net income attributable to Piedmont</b>               | <b>\$ 119,020</b>  | <b>\$ 28,700</b> | <b>\$ 225,041</b> | <b>\$ 120,379</b> |
| Weighted average common shares outstanding - diluted     | 173,036            | 172,996          | 172,981           | 170,967           |
| <b>Per Share Information - diluted:</b>                  |                    |                  |                   |                   |
| <b>Income from continuing operations</b>                 | <b>\$ 0.11</b>     | <b>\$ 0.14</b>   | <b>\$ 0.52</b>    | <b>\$ 0.65</b>    |
| <b>Income from discontinued operations</b>               | <b>\$ 0.58</b>     | <b>\$ 0.03</b>   | <b>\$ 0.78</b>    | <b>\$ 0.05</b>    |
| <b>Net income available to common stockholders</b>       | <b>\$ 0.69</b>     | <b>\$ 0.17</b>   | <b>\$ 1.30</b>    | <b>\$ 0.70</b>    |

**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 |                  | Year Ended        |                   |
|---|--------------------|------------------|-------------------|-------------------|
|   | 12/31/2011         | 12/31/2010       | 12/31/2011        | 12/31/2010        |
| <b>Net income attributable to Piedmont</b>                          | <b>\$ 119,020</b>  | <b>\$ 28,700</b> | <b>\$ 225,041</b> | <b>\$ 120,379</b> |
| Depreciation <sup>(1)(2)</sup>                                      | 27,287             | 26,821           | 110,421           | 105,107           |
| Amortization <sup>(1)</sup>   | 15,531             | 11,623           | 60,132            | 45,334            |
| Impairment loss on real estate assets <sup>(1)</sup>                | -                  | -                | -                 | 9,640             |
| (Gain) loss on sale of properties <sup>(1)</sup>                    | (95,901)           | 792              | (122,773)         | 792               |
| Gain on consolidation of variable interest entity                   | -                  | -                | (1,532)           | -                 |
| <b>Funds from operations</b>  | <b>65,937</b>      | <b>67,936</b>    | <b>271,289</b>    | <b>281,252</b>    |
| Acquisition costs   | 372                | 242              | 1,347             | 600               |
| Gain on early extinguishment of debt                                | (1,039)            | -                | (1,039)           | -                 |
| <b>Core funds from operations</b>                                   | <b>65,270</b>      | <b>68,178</b>    | <b>271,597</b>    | <b>281,852</b>    |
| Depreciation of non real estate assets                              | 77                 | 173              | 499               | 707               |
| Stock-based and other non-cash compensation expense                 | 1,730              | 1,223            | 4,705             | 3,681             |
| Deferred financing cost amortization                                | 649                | 608              | 3,195             | 2,608             |
| Amortization of fair market adjustments on notes payable            | -                  | -                | 1,413             | -                 |
| Straight-line effects of lease revenue <sup>(1)</sup>               | (5,019)            | (3,456)          | (9,507)           | (6,088)           |
| Amortization of lease-related intangibles <sup>(1)</sup>            | (2,215)            | (1,331)          | (7,065)           | (5,793)           |
| Income from amortization of discount on purchase of mezzanine loans | -                  | (473)            | (484)             | (2,405)           |
| Acquisition costs   | (372)              | (242)            | (1,347)           | (600)             |
| Non-incremental capital expenditures <sup>(3)</sup>                 | (15,392)           | (22,634)         | (60,401)          | (45,286)          |
| <b>Adjusted funds from operations</b>                               | <b>\$ 44,728</b>   | <b>\$ 42,046</b> | <b>\$ 202,605</b> | <b>\$ 228,676</b> |
| Weighted average common shares outstanding-diluted                  | 173,036            | 172,996          | 172,981           | 170,967           |
| Funds from operations per share (diluted)                           | \$ 0.38            | \$ 0.39          | \$ 1.57           | \$ 1.65           |
| Core funds from operations per share (diluted)                      | \$ 0.38            | \$ 0.39          | \$ 1.57           | \$ 1.65           |
| Adjusted funds from operations per share (diluted)                  | \$ 0.26            | \$ 0.24          | \$ 1.17           | \$ 1.34           |

<sup>(1)</sup>Includes adjustments for wholly-owned properties, including discontinued operations, and for our proportionate ownership in unconsolidated joint ventures.

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

<sup>(3)</sup>Capital expenditures of a recurring nature related to tenant improvements and leasing commissions that do not incrementally enhance the underlying assets' income generating capacity. Tenant improvements, leasing commissions, building capital and deferred lease incentives incurred to lease space that was vacant at acquisition, leasing costs for spaces vacant for greater than one year, leasing costs for spaces at newly acquired properties for which in-place leases expire shortly after acquisition, improvements associated with the expansion of a building and renovations that change the underlying classification of a building are excluded from this measure.

**\*Definitions**

**Funds From Operations ("FFO"):** 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 and impairment losses, adding back depreciation and amortization on real estate assets, and after the same adjustments for unconsolidated partnerships and joint ventures. These adjustments can vary among owners of identical assets in similar conditions based on historical cost accounting and useful-life estimates. FFO 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 adjust for certain non-recurring items such as gains or losses on the early extinguishment of debt, acquisition-related costs, and other extraordinary 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 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, Core Net Operating Income, Same Store Net Operating Income**  
*Unaudited (in thousands)*

|  | Three Months Ended |                  | Year Ended        |                   |
|--|--------------------|------------------|-------------------|-------------------|
|  | 12/31/2011         | 12/31/2010       | 12/31/2011        | 12/31/2010        |
| <b>Net income attributable to Piedmont</b>   | <b>\$ 119,020</b>  | <b>\$ 28,700</b> | <b>\$ 225,041</b> | <b>\$ 120,379</b> |
| Net income attributable to non-controlling interest                                  | 91                 | 122              | 468               | 531               |
| Gain on early extinguishment of debt   | (1,039)            | -                | (1,039)           | -                 |
| Interest Expense   | 17,457             | 17,378           | 71,749            | 72,761            |
| Depreciation <sup>(1)</sup>  | 27,364             | 26,995           | 110,920           | 105,814           |
| Amortization <sup>(1)</sup>  | 15,531             | 11,623           | 60,132            | 45,334            |
| Impairment loss <sup>(1)</sup>   | -                  | -                | -                 | 9,640             |
| (Gain) loss on sale of properties <sup>(1)</sup>                                     | (95,901)           | 792              | (122,773)         | 792               |
| Gain on consolidation of variable interest entity                                    | -                  | -                | (1,532)           | -                 |
| <b>Core EBITDA*</b>  | <b>82,523</b>      | <b>85,610</b>    | <b>342,966</b>    | <b>355,251</b>    |
| General & administrative expenses <sup>(1)</sup>                                     | 6,241              | 7,724            | 25,085            | 28,853            |
| Management fee revenue   | (281)              | (948)            | (1,584)           | (3,212)           |
| Interest and other income  | 357                | (491)            | (2,775)           | (3,489)           |
| Lease termination income   | (319)              | (2,589)          | (5,038)           | (7,794)           |
| Lease termination expense—straight line rent & acquisition intangibles write-offs    | 185                | 461              | 924               | 1,338             |
| Straight line rent adjustment <sup>(1)</sup>   | (5,180)            | (3,791)          | (10,143)          | (7,300)           |
| Net effect of amortization of below-market in-place lease intangibles <sup>(1)</sup> | (2,239)            | (1,457)          | (7,354)           | (5,919)           |
| <b>Core Net Operating Income (cash basis)*</b>                                       | <b>81,287</b>      | <b>84,519</b>    | <b>342,081</b>    | <b>357,728</b>    |
| Acquisitions   | (4,855)            | 918              | (11,298)          | 919               |
| Dispositions   | (5,134)            | (7,341)          | (24,306)          | (33,973)          |
| Industrial properties  | (242)              | (346)            | (975)             | (782)             |
| Unconsolidated joint ventures  | (1,013)            | (1,165)          | (3,185)           | (4,835)           |
| <b>Same Store NOI*</b>   | <b>\$ 70,043</b>   | <b>\$ 76,585</b> | <b>\$ 302,317</b> | <b>\$ 319,057</b> |
| Change period over period in same store NOI  | -8.5%              |                  | -5.2%             |                   |
| Fixed Charge Coverage Ratio (Core EBITDA/ Interest Expense) <sup>(2)</sup>           | 4.7                |                  | 4.8               |                   |
| Annualized Core EBITDA (Core EBITDA x 4)   | \$ 330,092         |                  | \$ 342,966        |                   |

<sup>(1)</sup>Includes amounts attributable to wholly-owned properties, including discontinued operations, and our proportionate share of amounts attributable to unconsolidated joint ventures.

<sup>(2)</sup> Piedmont had no capitalized interest, principal amortization or preferred dividends for any of the periods presented.

**\*Definitions**

**Core EBITDA:** 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 extraordinary 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 net operating income ("Core NOI"):** Core NOI is defined as real estate operating income with the add-back of corporate general and administrative expense, depreciation and amortization, and casualty and impairment losses and the deduction of income and expense associated with lease terminations and income associated with property management performed by Piedmont for other organizations. We present this measure on a cash basis, which eliminates the effects of straight lined rents and fair value lease revenue. The company uses this measure to assess its operating results and believes it is important in assessing operating performance. Core 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 Core 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 industrial properties and unconsolidated joint venture assets. We present this measure on a cash basis, which eliminates the effects of straight lined rents and fair value lease revenue. We believe Same Store NOI is an important measure of comparison of our stabilized properties' operating performance. Other REITs may calculate Same Store NOI differently and our calculation should not be compared to that of other REITs.*



**PIEDMONT<sup>®</sup>**  
OFFICE REALTY TRUST

***Quarterly Supplemental Information***  
***December 31, 2011***

**Corporate Headquarters**

11695 Johns Creek Parkway, Suite 350  
Johns Creek, GA 30097  
Telephone: 770.418.8800

**Institutional Analyst Contact**

Telephone: 770.418.8592  
[research.analysts@piedmontreit.com](mailto:research.analysts@piedmontreit.com)

**Investor Relations**

Telephone: 866.354.3485  
[investor.services@piedmontreit.com](mailto:investor.services@piedmontreit.com)  
[www.piedmontreit.com](http://www.piedmontreit.com)

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# Piedmont Office Realty Trust, Inc.

## Quarterly Supplemental Information

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Please refer to page 42 for a discussion of important risks related to the business of Piedmont Office Realty Trust, 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 events contained in this supplemental reporting 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.

## Piedmont Office Realty Trust, Inc. Corporate Data

Piedmont Office Realty Trust, Inc. ("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 predominantly in large U.S. office markets and leased principally to high-credit-quality tenants. Approximately 82% of our Annualized Lease Revenue ("ALR")<sup>(1)</sup> is derived from our office properties located within the ten largest U.S. office markets, including Chicago, Washington, D.C., the New York metropolitan area, Boston and greater Los Angeles. Since its first acquisition in 1998, the Company has acquired \$5.9 billion of office and industrial properties (inclusive of joint ventures) through December 31, 2011. Rated as an investment-grade company by Standard & Poor's and Moody's, Piedmont has maintained a low-leverage strategy while acquiring its properties.

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.

|   | <u>As of<br/>December 31, 2011</u> | <u>As of<br/>December 31, 2010</u> |
|---|------------------------------------|------------------------------------|
| Number of properties <sup>(2)</sup>   | 79                                 | 75                                 |
| Rentable square footage (in thousands) <sup>(2)</sup>                           | 20,942                             | 20,408                             |
| Percent leased <sup>(3)</sup>   | 86.5%                              | 89.2%                              |
| Percent leased - stabilized portfolio <sup>(4)</sup>                            | 89.1%                              | 89.9%                              |
| Capitalization (in thousands):  |                                    |                                    |
| Total gross debt - principal amount outstanding                                 | \$1,472,525                        | \$1,402,525                        |
| Equity market capitalization <sup>(5)</sup>                                     | \$2,941,611                        | \$3,477,342                        |
| Total market capitalization <sup>(5)</sup>                                      | \$4,414,136                        | \$4,879,867                        |
| Total gross debt / Total market capitalization                                  | 33.4%                              | 28.7%                              |
| Total gross debt / Total gross assets   | 27.5%                              | 26.6%                              |
| Common stock data   |                                    |                                    |
| High closing price during quarter   | \$17.50                            | \$20.31                            |
| Low closing price during quarter  | \$15.42                            | \$18.25                            |
| Closing price of common stock at period end                                     | \$17.04                            | \$20.14                            |
| Weighted average fully diluted shares outstanding (in thousands) <sup>(6)</sup> | 172,981                            | 170,967                            |
| Shares of common stock issued and outstanding (in thousands)                    | 172,630                            | 172,658                            |
| Rating / outlook  |                                    |                                    |
| Standard & Poor's   | BBB/Stable                         | BBB/Stable                         |
| Moody's   | Baa2/Stable                        | Baa2/Stable                        |
| Employees <sup>(7)</sup>  | 116                                | 110                                |

<sup>(1)</sup> The definition for Annualized Lease Revenue can be found on page 35.

<sup>(2)</sup> As of December 31, 2011, our office portfolio consisted of 79 properties (exclusive of our equity interests in five properties owned through unconsolidated joint ventures and our two industrial properties). During the fourth quarter of 2011, we sold our ownership interest in 35 West Wacker Drive, a 1,118,000 square foot property located in Chicago, IL, and we purchased 400 TownPark, a 176,000 square foot property located in Lake Mary, FL. For additional detail on asset transactions during 2011, please refer to page 32.

<sup>(3)</sup> Calculated as leased square footage on December 31, 2011 plus square footage associated with executed new leases for currently vacant spaces divided by total rentable square footage, expressed as a percentage. This measure is presented for our 79 office properties and excludes industrial and unconsolidated joint venture properties. Please refer to page 23 for additional analyses regarding Piedmont's leased percentage.

<sup>(4)</sup> Please refer to page 33 for information regarding value-add properties, data for which is removed from stabilized portfolio totals.

<sup>(5)</sup> Based on a share price of \$17.04 as of December 31, 2011.

<sup>(6)</sup> Weighted average fully diluted shares outstanding are presented on a year-to-date basis for each period.

<sup>(7)</sup> During 2011, the company hired a regional manager and additional staff for its New York, NY office. The opening of this office is the primary reason for the increase in number of employees.

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**Piedmont Office Realty Trust, Inc.**  
**Investor Information**

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**Corporate**

11695 Johns Creek Parkway, Suite 350, Johns Creek, Georgia 30097  
770.418.8800  
www.piedmontreit.com

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**Executive and Senior Management**

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**Donald A. Miller, CFA**  
Chief Executive Officer, President  
and Director

**Robert E. Bowers**  
Chief Financial Officer, Executive  
Vice President, Secretary, and  
Treasurer

**Laura P. Moon**  
Chief Accounting Officer and  
Senior Vice President

**Raymond L. Owens**  
Executive Vice President - Capital  
Markets

**Carroll A. Reddic, IV**  
Executive Vice President - Real  
Estate Operations, Assistant  
Secretary

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**Board of Directors**

---

**W. Wayne Woody**  
Director, Chairman of the  
Board of Directors and Chairman  
of Audit Committee

**Donald A. Miller, CFA**  
Chief Executive Officer, President  
and Director

**Frank C. McDowell**  
Director and Vice Chairman of the  
Board of Directors

**Wesley E. Cantrell**  
Director and Chairman of  
Governance Committee

**Michael R. Buchanan**  
Director and Chairman of Capital  
Committee

**Donald S. Moss**  
Director and Chairman of  
Compensation Committee

**Jeffery L. Swope**  
Director

**Raymond G. Milnes, Jr.**  
Director

**William H. Keogler, Jr.**  
Director

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**Transfer Agent**

**Bank of New York Mellon Shareowner Services**  
P.O. Box 358010  
Pittsburgh, PA 15252-8010  
Phone: 866.354.3485

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**Corporate Counsel**

**King & Spalding**  
1180 Peachtree Street, NE  
Atlanta, GA 30309  
Phone: 404.572.4600

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## Piedmont Office Realty Trust, Inc.

### Financial Highlights

### As of December 31, 2011

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On January 22, 2010, we filed an amendment to our charter to effect a recapitalization of our common stock as described further in our Securities and Exchange Commission ("SEC") filings. The recapitalization had the effect of a one-for-three reverse stock split. All prior period per share data has been restated to give net effect to this one-for-three reverse stock split.

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

- Funds from operations (FFO) for the quarter ended December 31, 2011 was \$65.9 million, or \$0.38 per share (diluted), compared to \$67.9 million, or \$0.39 per share (diluted), for the same quarter in 2010. FFO for the twelve months ended December 31, 2011 was \$271.3 million, or \$1.57 per share (diluted), compared to \$281.3 million, or \$1.65 per share (diluted), for the same period in 2010. The decrease in FFO for the three months ended December 31, 2011 as compared to the same period in 2010 was principally related to lower termination income in the fourth quarter of 2011 and reduced tenant reimbursements due to a decrease in year-over-year leased percentage; these items were partially offset by increased rental income contributed from properties acquired during the last year and reduced general and administrative costs attributable to lower transfer agent expenses. The decrease in FFO for the twelve months ended December 31, 2011 as compared to the same period in 2010 was principally related to increased property operating costs associated with newly acquired properties and reduced termination fee income in 2011; these items were partially offset by the same transfer agent expense savings mentioned above.
- Core funds from operations (Core FFO) for the quarter ended December 31, 2011 was \$65.3 million, or \$0.38 per share (diluted), compared to \$68.2 million, or \$0.39 per share (diluted), for the same quarter in 2010. Core FFO for the twelve months ended December 31, 2011 was \$271.6 million, or \$1.57 per share (diluted), compared to \$281.9 million, or \$1.65 per share (diluted), for the same period in 2010. The decrease in Core FFO for the three and the twelve months ended December 31, 2011 as compared to the same periods in 2010 was principally related to the items described for changes in FFO above. Incremental differences relate to the add back of acquisition-related expenses and the deduction of the gain on early extinguishment of debt associated with the discounted payoff of a portion of the debt related to 500 West Monroe Street in 2011.
- Adjusted funds from operations (AFFO) for the quarter ended December 31, 2011 was \$44.7 million, or \$0.26 per share (diluted), compared to \$42.0 million, or \$0.24 per share (diluted), for the same quarter in 2010. AFFO for the twelve months ended December 31, 2011 was \$202.6 million, or \$1.17 per share (diluted), compared to \$228.7 million, or \$1.34 per share (diluted), for the same period in 2010. The increase in AFFO for the three months ended December 31, 2011 as compared to the same period in 2010 was primarily related to a decrease in non-incremental capital expenditures, offset somewhat by the items described for the negative FFO variance above. The decrease in AFFO for the twelve months ended December 31, 2011 as compared to the same period in 2010 was primarily due to increased capital expenditures in 2011 associated with increased leasing activity.
- During the quarter ended December 31, 2011, the Company paid to shareholders a quarterly dividend in the amount of \$0.315 per share for its common stock. The Company's dividend payout percentage for the twelve months ended December 31, 2011 was 80% of Core FFO and 107% of AFFO.

#### Operations

- On a same store square footage leased basis, our portfolio was 88.3% leased as of December 31, 2011 as compared to 89.1% leased as of December 31, 2010. On a square footage leased basis, our total office portfolio was 86.5% leased as of December 31, 2011, as compared to 89.2% as of December 31, 2010. The decrease in the office portfolio leased percentage during the last several quarters is primarily related to the addition to the portfolio of several properties with significant vacancies, including 500 West Monroe Street in Chicago, IL, 1200 Enclave Parkway in Houston, TX, The Medici in Atlanta, GA, Suwanee Gateway One in Suwanee, GA, and 400 TownPark in Lake Mary, FL. Removing these value-add properties from the total portfolio statistics results in an 89.1% leased rate for our stabilized assets at December 31, 2011 as compared to an 89.9% leased rate at December 31, 2010. The primary reason for the decline in the leased rate for our stabilized assets between December 31, 2010 and December 31, 2011 is the net loss of 250,000 leased square feet associated with the Zurich American Insurance Company lease expiration at Windy Point II in Schaumburg, IL. Please refer to page 23 for additional information.
- The weighted average remaining lease term of our portfolio was 6.4 years <sup>(2)</sup> as of December 31, 2011 as compared to 5.8 years at December 31, 2010.
- During the three months ended December 31, 2011, the Company completed 939,000 square feet of leasing at our 79 consolidated office properties. We executed renewal leases for 358,000 square feet and new tenant leases for 581,000 square feet, bringing the year-to-date total office leasing activity to 3,869,000 square feet for our wholly-owned portfolio and 3,966,000 square feet including leasing activity associated with our joint venture properties. We did not execute any new leases during the year for our two industrial properties. The average committed capital cost for our wholly-owned portfolio was \$5.40 per square foot per year of lease term in 2011. Average committed capital cost per square foot per year of lease term for renewal leases signed during the twelve months ended December 31, 2011 was \$5.11 and average committed capital cost per square foot per year of lease term for new leases signed during the same time period was \$5.76. During the year, 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 would be \$2.80, consistent with our historical average.
- During the three months ended December 31, 2011, we retained <sup>(3)</sup> tenants for 67% of the square footage associated with expiring leases. During the twelve months ended December 31, 2011, we retained tenants for 70% of the square footage associated with expiring leases. This result compares to a 72% retention rate for the year ended December 31, 2010.

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<sup>(1)</sup> FFO, Core FFO and AFFO are supplemental non-GAAP financial measures. See pages 35-36 for definitions of non-GAAP financial measures. See pages 14 and 38 for reconciliations of FFO, Core FFO and AFFO to Net Income.

<sup>(2)</sup> Remaining lease term (after taking into account leases for vacant spaces which had been executed but not commenced as of December 31, 2011) is weighted based on Annualized Lease Revenue, as defined on page 35.

<sup>(3)</sup> Piedmont defines a retained tenant to include an existing tenant/occupant signing a lease for the premises it currently occupies or a tenant whose occupancy of a space is structured in a way to eliminate downtime for the space. Excluding the Zurich American Insurance Company lease expiration at Windy Point II in Schaumburg, IL, our retention rate for the twelve months ended December 31, 2011, would have been 74%.

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**Piedmont Office Realty Trust, Inc.**  
**Financial Highlights**  
**As of December 31, 2011**

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- During the three months ended December 31, 2011, we executed six office leases greater than 20,000 square feet. Please see information on those leases listed below.

| <b>Tenant Name</b>                   | <b>Property</b>          | <b>Property Location</b> | <b>Square Feet<br/>Leased</b> | <b>Expiration Year</b> | <b>Lease Type</b>  |
|--------------------------------------|--------------------------|--------------------------|-------------------------------|------------------------|--------------------|
| General Electric Capital Corporation | 500 West Monroe Street   | Chicago, IL              | 371,097                       | 2027                   | Renewal /Expansion |
| US Foods, Inc.                       | River Corporate Center   | Tempe, AZ                | 133,225                       | 2025                   | New                |
| Schlumberger Technology Corporation  | 1200 Enclave Parkway     | Houston, TX              | 105,432                       | 2024                   | New                |
| Synchronoss Technologies, Inc.       | 200 Bridgewater Crossing | Bridgewater, NJ          | 78,581                        | 2023                   | New                |
| United Healthcare Services, Inc.     | Aon Center               | Chicago, IL              | 54,634                        | 2023                   | New                |
| Crawford & Company                   | Fairway Center II        | Brea, CA                 | 23,035                        | 2017                   | New                |

**Piedmont Office Realty Trust, Inc.**  
**Financial Highlights**  
**As of December 31, 2011**

**Leasing Update**

- As of September 30, 2011, there were six tenants whose leases contributed greater than 1% to our Annualized Lease Revenue and were scheduled to expire during the fourth quarter of 2011 or the eighteen month period following the end of the fourth quarter of 2011. Information regarding the leasing status of the spaces associated with those tenants' leases is presented below.

| Tenant Name                                      | Property                 | Property Location | Square Footage <sup>(1)</sup> | Percentage of Current |                              | Expiration <sup>(2)</sup> | Current Leasing Status  |
|--|--------------------------|-------------------|-------------------------------|-----------------------|------------------------------|---------------------------|---|
|  |                          |                   |                               | Quarter               | Annualized Lease Revenue (%) |                           |   |
| Kirkland & Ellis                                 | Aon Center               | Chicago, IL       | 331,887                       |                       | 1.8%                         | Q4 2011                   | Kirkland & Ellis is vacating. KPMG has leased 69% of the space currently leased to Kirkland & Ellis beginning in August 2012. United Healthcare has leased 16% of the space currently leased to Kirkland & Ellis beginning in September 2012. The remaining 15% of the Kirkland & Ellis space is being actively marketed for lease.   |
| Marsh USA  | 500 West Monroe Street   | Chicago, IL       | 173,290                       |                       | 1.2%                         | Q4 2011                   | Piedmont acquired the property in March 2011 with the knowledge that Marsh would vacate the building at the end of their lease term. Approximately 53,000 square feet of Marsh's current space has been leased by GE; GE has the option during the first two years of the new lease term to expand up to an additional 81,000 square feet in space formerly occupied by Marsh. The Company is actively marketing the uncommitted space for lease. Please see GE discussion below. |
| Sanofi—aventis US                                | 200 Bridgewater Crossing | Bridgewater, NJ   | 221,491                       |                       | 1.6%                         | Q1 2012                   | The tenant will be vacating at lease expiration. The Company is in advanced negotiations with two tenants to lease a majority of the space currently leased by the tenant. The 221,000 square feet currently leased by the tenant is net of a partial lease termination to accommodate the 78,581 square foot lease with Synchronoss Technologies signed during the fourth quarter of 2011.   |
|  | 400 Bridgewater Crossing | Bridgewater, NJ   | 77,803                        |                       | 0.5%                         | Q1 2012                   | The tenant will be vacating at lease expiration. The Company has fully leased all space currently leased by the tenant at the building. Approximately 39,000 square feet will be taken by Futurewei Technologies ("Huawei"), while the balance will be leased by Savient Pharmaceuticals under a lease that was executed subsequent to quarter end.   |
| United States of America (National Park Service) | 1201 Eye Street          | Washington, D.C.  | 219,750                       |                       | 1.8%                         | Q3 2012                   | Preliminary discussions with the GSA have commenced. The Company is awaiting the release of an official solicitation for offers from the GSA, a key component of the Government's space acquisition process.  |
| GE   | 500 West Monroe Street   | Chicago, IL       | 311,387                       |                       | 1.9%                         | Q4 2012                   | During the fourth quarter of 2011, a 371,000 square foot lease renewal and expansion was executed. <sup>(3)</sup> The tenant has rights to expand by up to 81,000 square feet during the first two years of the new lease term.   |
| Comptroller of the Currency                      | One Independence Square  | Washington, D.C.  | 333,815                       |                       | 3.6%                         | Q2 2013                   | The tenant is expected to vacate at lease expiration. The Company is actively marketing the space for lease.  |

<sup>(1)</sup> Square footage represents the total square footage leased by the tenant at the building expiring during the expiration quarter.

<sup>(2)</sup> The lease expiration date presented is that of the majority of the space leased to the tenant at the building.

<sup>(3)</sup> Approximately 79,000 square feet of the 371,000 square feet is must-take space; approximately 53,000 square feet must be taken a year after the renewal commencement and approximately 26,000 square feet must be taken two years after the renewal commencement.



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**Piedmont Office Realty Trust, Inc.**  
**Financial Highlights**  
**As of December 31, 2011**

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**Financing and Capital Activity**

- As of December 31, 2011, our ratio of gross debt to total gross assets was 27.5%, our ratio of gross debt to gross real estate assets was 31.9%, and our ratio of gross debt to total market capitalization was 33.4%. These debt ratios are based on total principal amount outstanding for our various loans at December 31, 2011. Subsequent to quarter end, we repaid the \$140 million loan secured by 500 West Monroe Street. Our pro forma leverage ratios, after adjusting for the repayment of that debt, are: 25.5% for gross debt to total gross assets, 29.8% for gross debt to gross real estate assets, and 31.2% for gross debt to total market capitalization.
- On November 10, 2011, Piedmont completed the purchase of 400 TownPark, a 176,000 square foot, five-story office building in suburban Orlando, FL. The purchase price was \$23.9 million, or \$136 per square foot. The construction of the building was completed in 2008 with an efficient, LEED design. The building was 19% leased at acquisition and was 30% leased as of December 31, 2011. It is located within the amenity-rich, mixed-use development of TownPark, which is located adjacent to Interstate 4 in the Lake Mary suburb of Orlando. The building offers the only contiguous block of vacant space over 50,000 square feet in the market. The low cost basis and high-quality construction of the building should afford the Company a competitive advantage in securing a large corporate user as the economy recovers.
- On December 15, 2011, Piedmont completed the sale of its 96.5% ownership interest in 35 West Wacker Drive, a 1,118,000 square foot, 50-story trophy office building in Chicago, IL. The ownership interest was sold for approximately \$387.0 million, which equates to a gross value for the building of \$401.0 million, or \$359 per square foot. The operating income for the asset is presented in discontinued operations. Piedmont recorded a gain on the sale of its ownership interest in 35 West Wacker Drive of \$96.1 million. Through the sale, Piedmont was able to reduce its concentration in Chicago as well as reduce the amount of the Company's secured debt borrowings, while simultaneously securing an attractive sale price for the ownership interest.
- On November 17, 2011, Piedmont repaid a \$45 million mezzanine loan secured by an equity ownership interest in 500 West Monroe Street located in Chicago, IL. Piedmont was successful in negotiating a \$1.1 million discount to the repayment of that obligation which is recorded in gain on early extinguishment of debt in the accompanying financial statements.
- On November 22, 2011, Piedmont obtained a \$300 million, five-year unsecured term loan. The loan has a stated variable interest rate based upon LIBOR and the credit rating of the Company; however, prior to closing on the loan, Piedmont entered into interest rate swap agreements with several counterparties, effectively fixing the interest rate for the loan at 2.69% for the entire five-year term, assuming no credit rating change for the Company. Proceeds from the loan were used to replace a \$250 million unsecured term loan which was paid off in June 2011 and for general corporate purposes.
- On November 2, 2011, the Board of Directors of Piedmont authorized the repurchase of up to \$300 million of the Company's common stock over the next two years. Any repurchases of shares of common stock will depend upon market conditions, as well as other factors, and such repurchases will be made at the discretion of the Company. During the fourth quarter of 2011, the company repurchased 199,400 shares at an average price of \$16.24 per share.
- During the fourth quarter of 2011, Piedmont executed a development contract to construct a 1.4 Megawatt solar canopy at 400 Bridgewater Crossing in Bridgewater, NJ. The project, once completed, will be comprised of 5,850 solar panels. The project represents a \$7 million investment in clean energy and complements Piedmont's existing environmental responsibility initiatives, including its LEED and Energy Star certification efforts.
- On November 2, 2011, the Board of Directors of Piedmont declared dividends for the fourth quarter of 2011 in the amount of \$0.315 per common share outstanding to stockholders of record as of the close of business on December 1, 2011. The dividends were paid on December 22, 2011.

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**Piedmont Office Realty Trust, Inc.**  
**Financial Highlights**  
**As of December 31, 2011**

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**Subsequent Events**

- On January 9, 2012, Piedmont repaid a \$140 million loan secured by 500 West Monroe Street in Chicago, IL. The loan was open to prepayment without any yield maintenance requirements. The repayment of the loan allowed Piedmont to further its strategic objective of decreasing its secured debt borrowings in relation to its total borrowings. Please see Financing and Capital Activity above for pro forma leverage ratios, which take into account the repayment of this debt.

**Guidance for 2012**

- The following financial guidance for calendar year 2012 is based on management's expectations at this time:

|  | Low    | High          |
|--|--------|---------------|
| Core Funds from Operations                   | \$234  | \$250 million |
| Core Funds from Operations per diluted share | \$1.35 | \$1.45        |

These estimates reflect management's view of current market conditions and incorporate certain economic and operational assumptions and projections, including the disposition of 35 West Wacker Drive which contributed approximately \$0.13 per share of funds from operations in 2011. Actual results could differ from these estimates. Note that individual quarters may fluctuate on both a cash and an accrual basis due to 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 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 pages 35-36 and reconciliations are provided on pages 38-40.

| Selected Operating Data                                  | Three Months Ended |             |             |             |             |
|--|--------------------|-------------|-------------|-------------|-------------|
|  | 12/31/2011         | 9/30/2011   | 6/30/2011   | 3/31/2011   | 12/31/2010  |
| Percent leased <sup>(1)</sup>                            | 86.5%              | 86.4%       | 86.5%       | 87.3%       | 89.2%       |
| Percent leased - stabilized portfolio <sup>(1) (2)</sup> | 89.1%              | 88.8%       | 89.0%       | 89.4%       | 89.9%       |
| Rental income  | \$107,381          | \$105,878   | \$104,621   | \$101,261   | \$102,137   |
| Total revenues   | \$137,493          | \$134,414   | \$137,165   | \$132,569   | \$135,233   |
| Total operating expenses                                 | \$104,221          | \$97,017    | \$100,729   | \$91,301    | \$95,874    |
| Real estate operating income                             | \$33,272           | \$37,397    | \$36,436    | \$41,268    | \$39,359    |
| Core EBITDA  | \$82,523           | \$86,941    | \$84,729    | \$88,774    | \$85,610    |
| Core FFO   | \$65,270           | \$69,203    | \$65,843    | \$71,281    | \$68,178    |
| Core FFO per share - diluted                             | \$0.38             | \$0.40      | \$0.38      | \$0.41      | \$0.39      |
| AFFO   | \$44,728           | \$50,988    | \$50,578    | \$56,312    | \$42,046    |
| AFFO per share - diluted                                 | \$0.26             | \$0.29      | \$0.29      | \$0.33      | \$0.24      |
| Gross dividends  | \$54,441           | \$54,441    | \$54,440    | \$54,387    | \$54,388    |
| Dividends per share                                      | \$0.315            | \$0.315     | \$0.315     | \$0.315     | \$0.315     |
| <b>Selected Balance Sheet Data</b>                       |                    |             |             |             |             |
| Total real estate assets                                 | \$3,704,051        | \$3,926,638 | \$3,899,639 | \$3,892,087 | \$3,676,828 |
| Total gross real estate assets                           | \$4,615,812        | \$4,875,854 | \$4,828,700 | \$4,804,988 | \$4,567,326 |
| Total assets   | \$4,447,834        | \$4,613,118 | \$4,560,206 | \$4,563,272 | \$4,373,480 |
| Net debt <sup>(3)</sup>                                  | \$1,323,796        | \$1,600,650 | \$1,583,812 | \$1,529,603 | \$1,333,332 |
| Total liabilities  | \$1,674,406        | \$1,896,195 | \$1,838,983 | \$1,809,755 | \$1,600,026 |
| <b>Ratios</b>  |                    |             |             |             |             |
| Core EBITDA margin <sup>(4)</sup>                        | 55.8%              | 59.8%       | 56.1%       | 60.6%       | 56.2%       |
| Fixed charge coverage ratio <sup>(5) (6)</sup>           | 4.7 x              | 4.9 x       | 4.4 x       | 5.2 x       | 4.9 x       |
| Net debt to core EBITDA <sup>(6) (7)</sup>               | 4.0 x              | 4.6 x       | 4.7 x       | 4.3 x       | 3.9 x       |

<sup>(1)</sup> Please refer to page 23 for additional leased percentage information.

<sup>(2)</sup> Please refer to page 33 for additional information on value-add properties, data for which is removed from stabilized portfolio totals.

<sup>(3)</sup> Net debt is calculated as the total principal amount of debt outstanding minus cash and cash equivalents and escrow deposits and restricted cash. As of the first quarter of 2011, net debt includes \$185 million of secured debt associated with 500 West Monroe Street which was acquired March 31, 2011; \$45 million of that debt was repaid during the fourth quarter of 2011. Each quarter prior to the fourth quarter of 2011 includes \$120 million of debt associated with one sold asset, 35 West Wacker Drive.

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

<sup>(5)</sup> 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 capitalized interest, principal amortization or preferred dividends during any of the periods presented.

<sup>(6)</sup> The change in Piedmont's debt coverage ratios during 2011 was primarily attributable to \$185 million of additional debt assumed with the acquisition of 500 West Monroe Street in March 2011 and the related interest expense; \$45 million of this debt was repaid on November 17, 2011, and the remaining \$140 million was repaid subsequent to quarter end on January 9, 2012.

<sup>(7)</sup> Core EBITDA is annualized for the purposes of this calculation.

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

|  | <u>December 31, 2011</u> | <u>September 30, 2011</u> | <u>June 30, 2011</u> | <u>March 31, 2011</u> | <u>December 31, 2010</u> |
|--|--------------------------|---------------------------|----------------------|-----------------------|--------------------------|
| <b>Assets:</b>   |                          |                           |                      |                       |                          |
| Real estate, at cost:  |                          |                           |                      |                       |                          |
| Land assets  | \$ 640,196               | \$ 693,229                | \$ 693,962           | \$ 688,103            | \$ 647,653               |
| Buildings and improvements   | 3,759,596                | 3,930,126                 | 3,894,258            | 3,865,239             | 3,688,751                |
| Buildings and improvements, accumulated depreciation                           | (792,342)                | (807,917)                 | (792,881)            | (770,147)             | (744,756)                |
| Intangible lease asset   | 198,667                  | 232,973                   | 225,182              | 238,504               | 219,770                  |
| Intangible lease asset, accumulated amortization                               | (119,419)                | (141,299)                 | (136,180)            | (142,754)             | (145,742)                |
| Construction in progress   | 17,353                   | 19,526                    | 15,298               | 13,142                | 11,152                   |
| Total real estate assets   | 3,704,051                | 3,926,638                 | 3,899,639            | 3,892,087             | 3,676,828                |
| Investment in unconsolidated joint ventures                                    | 38,181                   | 38,391                    | 41,271               | 41,759                | 42,018                   |
| Cash and cash equivalents  | 139,690                  | 16,128                    | 21,404               | 42,151                | 56,718                   |
| Tenant receivables, net of allowance for doubtful accounts                     | 24,722                   | 32,066                    | 31,143               | 29,726                | 28,849                   |
| Straight line rent receivable  | 104,801                  | 110,818                   | 107,463              | 103,854               | 105,157                  |
| Notes receivable   | -                        | -                         | -                    | -                     | 61,144                   |
| Due from unconsolidated joint ventures   | 788                      | 643                       | 537                  | 594                   | 1,158                    |
| Escrow deposits and restricted cash  | 9,039                    | 47,747                    | 32,309               | 30,771                | 12,475                   |
| Prepaid expenses and other assets  | 9,911                    | 13,978                    | 14,577               | 11,967                | 11,249                   |
| Goodwill   | 180,097                  | 180,097                   | 180,097              | 180,097               | 180,097                  |
| Deferred financing costs, less accumulated amortization                        | 5,977                    | 4,788                     | 4,396                | 5,374                 | 5,306                    |
| Deferred lease costs, less accumulated amortization                            | 230,577                  | 241,824                   | 227,370              | 224,892               | 192,481                  |
| <b>Total assets</b>  | <b>\$ 4,447,834</b>      | <b>\$ 4,613,118</b>       | <b>\$ 4,560,206</b>  | <b>\$ 4,563,272</b>   | <b>\$ 4,373,480</b>      |
| <b>Liabilities:</b>  |                          |                           |                      |                       |                          |
| Line of credit and notes payable   | \$ 1,472,525             | \$ 1,664,525              | \$ 1,637,054         | \$ 1,601,112          | \$ 1,402,525             |
| Accounts payable, accrued expenses, and accrued capital expenditures           | 122,986                  | 143,106                   | 126,111              | 122,769               | 112,648                  |
| Deferred income  | 27,321                   | 32,514                    | 32,161               | 38,990                | 35,203                   |
| Intangible lease liabilities, less accumulated amortization                    | 49,037                   | 56,050                    | 43,657               | 46,517                | 48,959                   |
| Interest rate swap   | 2,537                    | -                         | -                    | 367                   | 691                      |
| <b>Total liabilities</b>   | <b>1,674,406</b>         | <b>1,896,195</b>          | <b>1,838,983</b>     | <b>1,809,755</b>      | <b>1,600,026</b>         |
| <b>Stockholders' equity <sup>(1)</sup>:</b>                                    |                          |                           |                      |                       |                          |
| Common stock   | 1,726                    | 1,728                     | 1,728                | 1,727                 | 1,727                    |
| Additional paid in capital   | 3,660,420                | 3,663,155                 | 3,662,522            | 3,661,570             | 3,661,308                |
| Cumulative distributions in excess of earnings                                 | (887,790)                | (952,370)                 | (948,956)            | (915,543)             | (895,122)                |
| Other comprehensive loss   | (2,537)                  | -                         | (44)                 | (465)                 | (691)                    |
| <b>Piedmont stockholders' equity</b>   | <b>2,771,819</b>         | <b>2,712,513</b>          | <b>2,715,250</b>     | <b>2,747,289</b>      | <b>2,767,222</b>         |
| Non-controlling interest   | 1,609                    | 4,410                     | 5,973                | 6,228                 | 6,232                    |
| <b>Total stockholders' equity</b>  | <b>2,773,428</b>         | <b>2,716,923</b>          | <b>2,721,223</b>     | <b>2,753,517</b>      | <b>2,773,454</b>         |
| <b>Total liabilities, redeemable common stock and stockholders' equity</b>     | <b>\$ 4,447,834</b>      | <b>\$ 4,613,118</b>       | <b>\$ 4,560,206</b>  | <b>\$ 4,563,272</b>   | <b>\$ 4,373,480</b>      |
| <i>All classes of common stock outstanding at end of period <sup>(1)</sup></i> | 172,630                  | 172,827                   | 172,827              | 172,658               | 172,658                  |

<sup>(1)</sup> On January 22, 2010, we filed an amendment to our charter to effect a recapitalization of our common stock as described further in our Securities and Exchange Commission ("SEC") filings. The recapitalization had the effect of a one-for-three reverse stock split. All prior period per share data has been restated to give net effect to this one-for-three reverse stock split.

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

|  | Three Months Ended |                  |                  |                  |                  |
|--|--------------------|------------------|------------------|------------------|------------------|
|  | 12/31/2011         | 9/30/2011        | 6/30/2011        | 3/31/2011        | 12/31/2010       |
| <b>Revenues:</b>   |                    |                  |                  |                  |                  |
| Rental income  | \$ 107,381         | \$ 105,878       | \$ 104,621       | \$ 101,261       | \$ 102,137       |
| Tenant reimbursements  | 29,512             | 28,459           | 30,834           | 27,074           | 30,694           |
| Property management fee revenue  | 281                | 110              | 363              | 830              | 948              |
| Other rental income  | 319                | (33)             | 1,347            | 3,404            | 1,454            |
| Total revenues   | 137,493            | 134,414          | 137,165          | 132,569          | 135,233          |
| <b>Operating expenses:</b>   |                    |                  |                  |                  |                  |
| Property operating costs   | 55,453             | 51,062           | 53,187           | 49,008           | 53,458           |
| Depreciation   | 27,070             | 26,375           | 26,061           | 25,312           | 25,012           |
| Amortization   | 15,492             | 14,907           | 14,137           | 10,367           | 9,806            |
| General and administrative   | 6,206              | 4,673            | 7,344            | 6,614            | 7,598            |
| Total operating expenses   | 104,221            | 97,017           | 100,729          | 91,301           | 95,874           |
| <b>Real estate operating income</b>                                    | <b>33,272</b>      | <b>37,397</b>    | <b>36,436</b>    | <b>41,268</b>    | <b>39,359</b>    |
| <b>Other income (expense):</b>   |                    |                  |                  |                  |                  |
| Interest expense   | (16,179)           | (16,236)         | (17,762)         | (15,640)         | (15,800)         |
| Interest and other income (expense)                                    | (357)              | (91)             | (238)            | 3,459            | 491              |
| Equity in income of unconsolidated joint ventures                      | 587                | 485              | 338              | 209              | 630              |
| Gain / (loss) on consolidation of variable interest entity             | -                  | -                | (388)            | 1,920            | -                |
| Gain / (loss) on extinguishment of debt                                | 1,039              | -                | -                | -                | -                |
| Total other income (expense)   | (14,910)           | (15,842)         | (18,050)         | (10,052)         | (14,679)         |
| <b>Income from continuing operations</b>                               | <b>18,362</b>      | <b>21,555</b>    | <b>18,386</b>    | <b>31,216</b>    | <b>24,680</b>    |
| <b>Discontinued operations:</b>  |                    |                  |                  |                  |                  |
| Operating income, excluding impairment loss                            | 4,761              | 2,719            | 2,645            | 2,755            | 4,841            |
| Gain / (loss) on sale of properties                                    | 95,901             | 26,756           | -                | -                | (817)            |
| <b>Income / (loss) from discontinued operations <sup>(1)</sup></b>     | <b>100,662</b>     | <b>29,475</b>    | <b>2,645</b>     | <b>2,755</b>     | <b>4,024</b>     |
| <b>Net income</b>  | <b>119,024</b>     | <b>51,030</b>    | <b>21,031</b>    | <b>33,971</b>    | <b>28,704</b>    |
| Less: Net income attributable to noncontrolling interest               | (4)                | (4)              | (4)              | (4)              | (4)              |
| <b>Net income attributable to Piedmont</b>                             | <b>\$ 119,020</b>  | <b>\$ 51,026</b> | <b>\$ 21,027</b> | <b>\$ 33,967</b> | <b>\$ 28,700</b> |
| Weighted average common shares outstanding - diluted                   | 173,036            | 173,045          | 172,986          | 172,955          | 172,996          |
| <b>Net income per share available to common stockholders - diluted</b> | <b>\$ 0.69</b>     | <b>\$ 0.29</b>   | <b>\$ 0.12</b>   | <b>\$ 0.20</b>   | <b>\$ 0.17</b>   |

<sup>(1)</sup> Reflects operating results for 111 Sylvan Avenue in Englewood Cliffs, NJ, which was sold on December 8, 2010, Eastpointe Corporate Center in Issaquah, WA, which was sold on July 1, 2011, 5000 Corporate Court in Holtsville, NY, which was sold on August 31, 2011, and 35 West Wacker Drive in Chicago, IL, which was sold on December 15, 2011.

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

|  | Three Months Ended |                  |                  |                | Twelve Months Ended |                   |                   |                |
|--|--------------------|------------------|------------------|----------------|---------------------|-------------------|-------------------|----------------|
|  | 12/31/2011         | 12/31/2010       | Change           | Change         | 12/31/2011          | 12/31/2010        | Change            | Change         |
| <b>Revenues:</b>   |                    |                  |                  |                |                     |                   |                   |                |
| Rental income  | \$ 107,381         | \$ 102,137       | \$ 5,244         | 5.1%           | \$ 419,141          | \$ 408,375        | \$ 10,766         | 2.6%           |
| Tenant reimbursements  | 29,512             | 30,694           | (1,182)          | -3.9%          | 115,879             | 114,795           | 1,084             | 0.9%           |
| Property management fee revenue  | 281                | 948              | (667)            | -70.4%         | 1,584               | 3,212             | (1,628)           | -50.7%         |
| Other rental income  | 319                | 1,454            | (1,135)          | -78.1%         | 5,038               | 6,658             | (1,620)           | -24.3%         |
| Total revenues   | 137,493            | 135,233          | 2,260            | 1.7%           | 541,642             | 533,040           | 8,602             | 1.6%           |
| <b>Operating expenses:</b>   |                    |                  |                  |                |                     |                   |                   |                |
| Property operating costs   | 55,453             | 53,458           | (1,995)          | -3.7%          | 208,711             | 196,875           | (11,836)          | -6.0%          |
| Depreciation   | 27,070             | 25,012           | (2,058)          | -8.2%          | 104,818             | 97,275            | (7,543)           | -7.8%          |
| Amortization   | 15,492             | 9,806            | (5,686)          | -58.0%         | 54,903              | 38,021            | (16,882)          | -44.4%         |
| General and administrative   | 6,206              | 7,598            | 1,392            | 18.3%          | 24,838              | 28,388            | 3,550             | 12.5%          |
| Total operating expenses   | 104,221            | 95,874           | (8,347)          | -8.7%          | 393,270             | 360,559           | (32,711)          | -9.1%          |
| <b>Real estate operating income</b>                                    | <b>33,272</b>      | <b>39,359</b>    | <b>(6,087)</b>   | <b>-15.5%</b>  | <b>148,372</b>      | <b>172,481</b>    | <b>(24,109)</b>   | <b>-14.0%</b>  |
| <b>Other income (expense):</b>   |                    |                  |                  |                |                     |                   |                   |                |
| Interest expense   | (16,179)           | (15,800)         | (379)            | -2.4%          | (65,817)            | (66,486)          | 669               | 1.0%           |
| Interest and other income (expense)                                    | (357)              | 491              | (848)            | -172.7%        | 2,774               | 3,486             | (712)             | -20.4%         |
| Equity in income of unconsolidated joint ventures                      | 587                | 630              | (43)             | -6.8%          | 1,619               | 2,633             | (1,014)           | -38.5%         |
| Gain / (loss) on consolidation of variable interest entity             | -                  | -                | -                | 0.0%           | 1,532               | -                 | 1,532             | 0.0%           |
| Gain / (loss) on extinguishment of debt                                | 1,039              | -                | 1,039            | 0.0%           | 1,039               | -                 | 1,039             | 0.0%           |
| Total other income (expense)   | (14,910)           | (14,679)         | (231)            | -1.6%          | (58,853)            | (60,367)          | 1,514             | 2.5%           |
| <b>Income from continuing operations</b>                               | <b>18,362</b>      | <b>24,680</b>    | <b>(6,318)</b>   | <b>-25.6%</b>  | <b>89,519</b>       | <b>112,114</b>    | <b>(22,595)</b>   | <b>-20.2%</b>  |
| <b>Discontinued operations:</b>  |                    |                  |                  |                |                     |                   |                   |                |
| Operating income, excluding impairment loss                            | 4,761              | 4,841            | (80)             | -1.7%          | 12,880              | 18,684            | (5,804)           | -31.1%         |
| Impairment loss  | -                  | -                | -                | 0.0%           | -                   | (9,587)           | 9,587             | 100.0%         |
| Gain / (loss) on sale of properties                                    | 95,901             | (817)            | 96,718           | 11838.2%       | 122,657             | (817)             | 123,474           | 15113.1%       |
| <b>Income / (loss) from discontinued operations <sup>(1)</sup></b>     | <b>100,662</b>     | <b>4,024</b>     | <b>96,638</b>    | <b>2401.5%</b> | <b>135,537</b>      | <b>8,280</b>      | <b>127,257</b>    | <b>1536.9%</b> |
| <b>Net income</b>  | <b>119,024</b>     | <b>28,704</b>    | <b>90,320</b>    | <b>314.7%</b>  | <b>225,056</b>      | <b>120,394</b>    | <b>104,662</b>    | <b>86.9%</b>   |
| Less: Net income attributable to noncontrolling interest               | (4)                | (4)              | -                | 0.0%           | (15)                | (15)              | -                 | 0.0%           |
| <b>Net income attributable to Piedmont</b>                             | <b>\$ 119,020</b>  | <b>\$ 28,700</b> | <b>\$ 90,320</b> | <b>314.7%</b>  | <b>\$ 225,041</b>   | <b>\$ 120,379</b> | <b>\$ 104,662</b> | <b>86.9%</b>   |
| Weighted average common shares outstanding - diluted                   | 173,036            | 172,996          |                  |                | 172,981             | 170,967           |                   |                |
| <b>Net income per share available to common stockholders - diluted</b> | <b>\$ 0.69</b>     | <b>\$ 0.17</b>   |                  |                | <b>\$ 1.30</b>      | <b>\$ 0.70</b>    |                   |                |

<sup>(1)</sup> Reflects operating results for 111 Sylvan Avenue in Englewood Cliffs, NJ, which was sold on December 8, 2010, Eastpointe Corporate Center in Issaquah, WA, which was sold on July 1, 2011, 5000 Corporate Court in Holtsville, NY, which was sold on August 31, 2011, and 35 West Wacker Drive in Chicago, IL, which was sold on December 15, 2011.

**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 |                  | Twelve Months Ended |                   |
|---|--------------------|------------------|---------------------|-------------------|
|   | 12/31/2011         | 12/31/2010       | 12/31/2011          | 12/31/2010        |
| <b>Net income attributable to Piedmont</b>                          | <b>\$ 119,020</b>  | <b>\$ 28,700</b> | <b>\$ 225,041</b>   | <b>\$ 120,379</b> |
| Depreciation <sup>(1) (2)</sup>                                     | 27,287             | 26,821           | 110,421             | 105,107           |
| Amortization <sup>(1)</sup>   | 15,531             | 11,623           | 60,132              | 45,334            |
| Impairment loss <sup>(1)</sup>                                      | -                  | -                | -                   | 9,640             |
| (Gain) / loss on sale of properties <sup>(1)</sup>                  | (95,901)           | 792              | (122,773)           | 792               |
| (Gain) / loss on consolidation of VIE                               | -                  | -                | (1,532)             | -                 |
| <b>Funds from operations</b>  | <b>65,937</b>      | <b>67,936</b>    | <b>271,289</b>      | <b>281,252</b>    |
| Acquisition costs   | 372                | 242              | 1,347               | 600               |
| (Gain) / loss on extinguishment of debt                             | (1,039)            | -                | (1,039)             | -                 |
| <b>Core funds from operations</b>                                   | <b>65,270</b>      | <b>68,178</b>    | <b>271,597</b>      | <b>281,852</b>    |
| Depreciation of non real estate assets                              | 77                 | 173              | 499                 | 707               |
| Stock-based and other non-cash compensation expense                 | 1,730              | 1,223            | 4,705               | 3,681             |
| Deferred financing cost amortization <sup>(1)</sup>                 | 649                | 608              | 3,195               | 2,608             |
| Amortization of fair market adjustments on notes payable            | -                  | -                | 1,413               | -                 |
| Straight-line effects of lease revenue <sup>(1)</sup>               | (5,019)            | (3,456)          | (9,507)             | (6,088)           |
| Amortization of lease-related intangibles <sup>(1)</sup>            | (2,215)            | (1,331)          | (7,065)             | (5,793)           |
| Income from amortization of discount on purchase of mezzanine loans | -                  | (473)            | (484)               | (2,405)           |
| Acquisition costs   | (372)              | (242)            | (1,347)             | (600)             |
| Non-incremental capital expenditures <sup>(3)</sup>                 | (15,392)           | (22,634)         | (60,401)            | (45,286)          |
| <b>Adjusted funds from operations</b>                               | <b>\$ 44,728</b>   | <b>\$ 42,046</b> | <b>\$ 202,605</b>   | <b>\$ 228,676</b> |
| Weighted average common shares outstanding - diluted                | 173,036            | 172,996          | 172,981             | 170,967           |
| Funds from operations per share (diluted)                           | \$ 0.38            | \$ 0.39          | \$ 1.57             | \$ 1.65           |
| Core funds from operations per share (diluted)                      | \$ 0.38            | \$ 0.39          | \$ 1.57             | \$ 1.65           |
| Adjusted funds from operations per share (diluted)                  | \$ 0.26            | \$ 0.24          | \$ 1.17             | \$ 1.34           |

<sup>(1)</sup>Includes adjustments for wholly-owned properties, including discontinued operations, and for our proportionate ownership in unconsolidated joint ventures.

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

<sup>(3)</sup> Non-incremental capital expenditures are defined on page 36. During the third quarter of 2011, Piedmont revised its definitions of incremental and non-incremental capital expenditures in order to conform with the more broadly accepted definitions for such terms by other office REITs. Capital expenditures have been restated for all prior periods in order to provide a consistent basis for comparison.

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

|  | Three Months Ended |                  | Twelve Months Ended |                   |
|--|--------------------|------------------|---------------------|-------------------|
|  | 12/31/2011         | 12/31/2010       | 12/31/2011          | 12/31/2010        |
| <b>Net income attributable to Piedmont</b>   | <b>\$ 119,020</b>  | <b>\$ 28,700</b> | <b>\$ 225,041</b>   | <b>\$ 120,379</b> |
| Net income attributable to noncontrolling interest   | 91                 | 122              | 468                 | 531               |
| Interest expense   | 17,457             | 17,378           | 71,749              | 72,761            |
| (Gain) / loss on extinguishment of debt  | (1,039)            | -                | (1,039)             | -                 |
| Depreciation <sup>(1)</sup>  | 27,364             | 26,995           | 110,920             | 105,814           |
| Amortization <sup>(1)</sup>  | 15,531             | 11,623           | 60,132              | 45,334            |
| Impairment loss <sup>(1)</sup>   | -                  | -                | -                   | 9,640             |
| (Gain) / loss on sale of properties <sup>(1)</sup>   | (95,901)           | 792              | (122,773)           | 792               |
| (Gain) / loss on consolidation of VIE  | -                  | -                | (1,532)             | -                 |
| <b>Core EBITDA</b>   | <b>82,523</b>      | <b>85,610</b>    | <b>342,966</b>      | <b>355,251</b>    |
| General & administrative expenses <sup>(1)</sup>   | 6,241              | 7,724            | 25,085              | 28,853            |
| Management fee revenue   | (281)              | (948)            | (1,584)             | (3,212)           |
| Interest and other income <sup>(1)</sup>   | 357                | (491)            | (2,775)             | (3,489)           |
| Lease termination income   | (319)              | (2,589)          | (5,038)             | (7,794)           |
| Lease termination expense - straight line rent & acquisition intangibles write-offs          | 185                | 461              | 924                 | 1,338             |
| Straight-line effects of lease revenue <sup>(1)</sup>  | (5,180)            | (3,791)          | (10,143)            | (7,300)           |
| Net effect of amortization of above/(below) market in-place lease intangibles <sup>(1)</sup> | (2,239)            | (1,457)          | (7,354)             | (5,919)           |
| <b>Core net operating income</b>   | <b>81,287</b>      | <b>84,519</b>    | <b>342,081</b>      | <b>357,728</b>    |
| Net operating income from:   |                    |                  |                     |                   |
| Acquisitions <sup>(2)</sup>  | (4,855)            | 918              | (11,298)            | 919               |
| Dispositions <sup>(3)</sup>  | (5,134)            | (7,341)          | (24,306)            | (33,973)          |
| Industrial properties  | (242)              | (346)            | (975)               | (782)             |
| Unconsolidated joint ventures  | (1,013)            | (1,165)          | (3,185)             | (4,835)           |
| <b>Same Store NOI</b>  | <b>\$ 70,043</b>   | <b>\$ 76,585</b> | <b>\$ 302,317</b>   | <b>\$ 319,057</b> |
| Change period over period  | -8.5%              | N/A              | -5.2%               | N/A               |

**Same Store Net Operating Income**  
**Top Seven Markets**

|                                 | Three Months Ended |              |                  |              | Twelve Months Ended |              |                   |              |
|---------------------------------|--------------------|--------------|------------------|--------------|---------------------|--------------|-------------------|--------------|
|                                 | 12/31/2011         |              | 12/31/2010       |              | 12/31/2011          |              | 12/31/2010        |              |
|                                 | \$                 | %            | \$               | %            | \$                  | %            | \$                | %            |
| Chicago <sup>(4)</sup>          | \$ 10,837          | 15.5         | \$ 11,879        | 15.5         | \$ 51,034           | 16.9         | \$ 51,552         | 16.2         |
| Washington, D.C. <sup>(5)</sup> | 17,902             | 25.6         | 18,914           | 24.7         | 71,721              | 23.7         | 74,741            | 23.4         |
| New York <sup>(6)</sup>         | 12,935             | 18.5         | 13,576           | 17.7         | 54,378              | 18.0         | 51,507            | 16.2         |
| Minneapolis <sup>(7)</sup>      | 4,494              | 6.4          | 5,115            | 6.7          | 19,001              | 6.3          | 21,158            | 6.6          |
| Los Angeles <sup>(8)</sup>      | 3,190              | 4.5          | 2,013            | 2.6          | 13,589              | 4.5          | 15,710            | 4.9          |
| Dallas                          | 3,626              | 5.2          | 4,348            | 5.7          | 14,625              | 4.8          | 16,286            | 5.1          |
| Boston <sup>(9)</sup>           | 2,627              | 3.7          | 4,163            | 5.4          | 11,592              | 3.8          | 15,709            | 4.9          |
| Other <sup>(10)</sup>           | 14,432             | 20.6         | 16,577           | 21.7         | 66,377              | 22.0         | 72,394            | 22.7         |
| <b>Total</b>                    | <b>\$ 70,043</b>   | <b>100.0</b> | <b>\$ 76,585</b> | <b>100.0</b> | <b>\$ 302,317</b>   | <b>100.0</b> | <b>\$ 319,057</b> | <b>100.0</b> |

<sup>(1)</sup> Includes amounts attributable to wholly-owned properties, including discontinued operations, and our proportionate share of amounts attributable to unconsolidated joint ventures.

<sup>(2)</sup> Acquisitions consist of Suwanee Gateway One in Suwanee, GA, purchased on September 28, 2010, Meridian Crossings in Richfield, MN, purchased on October 1, 2010, 1200 Enclave Parkway in Houston, TX, purchased on March 30, 2011, 500 West Monroe Street in Chicago, IL, acquired on March 31, 2011, The Dupree in Atlanta, GA, purchased on April 29, 2011, The Medici in Atlanta, GA, purchased on June 7, 2011, 225 and 235 Presidential Way in Woburn, MA, purchased on September 13, 2011, and 400 TownPark in Lake Mary, FL purchased on November 10, 2011.

<sup>(3)</sup> Dispositions consist of 111 Sylvan Avenue in Englewood Cliffs, NJ, sold on December 8, 2010, Eastpointe Corporate Center in Issaquah, WA, sold on July 1, 2011, 5000 Corporate Court in Holtsville, NY, sold on August 31, 2011, and 35 West Wacker Drive in Chicago, IL, sold on December 15, 2011.

<sup>(4)</sup> The decrease in Chicago Same Store Net Operating Income for the three months ended December 31, 2011 as compared to the same period in 2010 was primarily related to the expiration of the Zurich American Insurance Company lease at Windy Point II in Schaumburg, IL.

<sup>(5)</sup> The decrease in Washington, D.C. Same Store Net Operating Income for the three months and the twelve months ended December 31, 2011 as compared to the same periods in 2010 was primarily related to a 46,000 square foot lease termination at the beginning of the first quarter of 2011 at 1201 Eye Street in Washington, D.C. (which space is now being used as swing space for NASA) as well as the expiration of a 41,000 square foot lease during the first quarter of 2011 at 11109 Sunset Hills Road in Reston, VA. The decrease in Washington, D.C. Same Store Net Operating Income for the three and the twelve months ended December 31, 2011 was offset somewhat by increased revenue at One Independence Square in Washington, D.C. due to an increased rental rate for Comptroller of the Currency.

<sup>(6)</sup> The increase in New York Same Store Net Operating Income for the twelve months ended December 31, 2011 as compared to the same period in 2010 was primarily related to rental rate increases (offset by rental abatement concessions in 2010) associated with the lease extension/restructure with the State of New York at 60 Broad Street in New York, NY.

<sup>(7)</sup> The decrease in Minneapolis Same Store Net Operating Income for the twelve months ended December 31, 2011 as compared to the same period in 2010 was primarily related to an 80,000 square foot partial lease termination by US Bank during the second quarter of 2011 at US Bancorp Center in Minneapolis, MN, as well as the net partial lease termination for 13,000 square feet by a tenant at Crescent Ridge II in Minnetonka, MN.

<sup>(8)</sup> The increase in Los Angeles Same Store Net Operating Income for the three months ended December 31, 2011 as compared to the same period in 2010 was primarily related to a rental abatement in 2010 associated with the Nestle lease renewal at 800 North Brand Boulevard in Glendale, CA. The decrease in Los Angeles Same Store Net Operating Income for the twelve months ended December 31, 2011 as compared to the same period in 2010 was primarily due to a rental abatement concession in 2011 associated with a long-term lease renewal with Panasonic at 26200 Enterprise Way in Lake Forest, CA, and the expiration of a lease, resulting in a net decrease in leased square footage of 58,000 square feet, at 1055 East Colorado Boulevard in Pasadena, CA.

<sup>(9)</sup> The decrease in Boston Same Store Net Operating Income for the three months and the twelve months ended December 31, 2011 as compared to the same periods in 2010 was primarily due to a rental abatement concession associated with a long-term lease renewal with State Street Bank at 1200 Crown Colony Drive in Quincy, MA.

<sup>(10)</sup> The decrease in Other Same Store Net Operating Income for the three months ended December 31, 2011 as compared to the same period in 2010 was primarily attributable to two factors: 1) a rental abatement concession in 2011 associated with a new lease with Chrysler Group, LLC and the related early termination of the previous lease at 1075 West Entrance Drive in Auburn Hills, MI, and 2) a rental abatement concession in 2011 associated with a new lease at Desert Canyon 300 in Phoenix, AZ. The decrease in Other Same Store Net Operating Income for the twelve months ended December 31, 2011 as compared to the same period in 2010 was



primarily attributable to the factors listed above, in addition to: 3) reduced rental rates achieved on new and renewal leases which commenced in late 2010 and early 2011 at 150 West Jefferson in Detroit, MI, and 4) a lease contraction of approximately 91,000 square feet effective third quarter 2010 at Chandler Forum in Chandler, AZ.

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

|   | Three Months Ended |                  | Twelve Months Ended |                   |
|---|--------------------|------------------|---------------------|-------------------|
|   | 12/31/2011         | 12/31/2010       | 12/31/2011          | 12/31/2010        |
| <b>Net income attributable to Piedmont</b>  | <b>\$ 119,020</b>  | <b>\$ 28,700</b> | <b>\$ 225,041</b>   | <b>\$ 120,379</b> |
| Net income attributable to noncontrolling interest                                | 91                 | 122              | 468                 | 531               |
| Interest expense  | 17,457             | 17,378           | 71,749              | 72,761            |
| (Gain) / loss on extinguishment of debt   | (1,039)            | -                | (1,039)             | -                 |
| Depreciation <sup>(1)</sup>   | 27,364             | 26,995           | 110,920             | 105,814           |
| Amortization <sup>(1)</sup>   | 15,531             | 11,623           | 60,132              | 45,334            |
| Impairment loss <sup>(1)</sup>  | -                  | -                | -                   | 9,640             |
| (Gain) / loss on sale of properties <sup>(1)</sup>                                | (95,901)           | 792              | (122,773)           | 792               |
| (Gain) / loss on consolidation of VIE   | -                  | -                | (1,532)             | -                 |
| <b>Core EBITDA</b>  | <b>82,523</b>      | <b>85,610</b>    | <b>342,966</b>      | <b>355,251</b>    |
| General & administrative expenses <sup>(1)</sup>                                  | 6,241              | 7,724            | 25,085              | 28,853            |
| Management fee revenue  | (281)              | (948)            | (1,584)             | (3,212)           |
| Interest and other income <sup>(1)</sup>  | 357                | (491)            | (2,775)             | (3,489)           |
| Lease termination income  | (319)              | (2,589)          | (5,038)             | (7,794)           |
| Lease termination expense—straight line rent & acquisition intangibles write-offs | 185                | 461              | 924                 | 1,338             |
| <b>Core net operating income</b>  | <b>88,706</b>      | <b>89,767</b>    | <b>359,578</b>      | <b>370,947</b>    |
| Net operating income from:  |                    |                  |                     |                   |
| Acquisitions <sup>(2)</sup>   | (6,232)            | (270)            | (16,527)            | (269)             |
| Dispositions <sup>(3)</sup>   | (5,926)            | (8,622)          | (28,581)            | (38,023)          |
| Industrial properties   | (254)              | (366)            | (1,033)             | (843)             |
| Unconsolidated joint ventures   | (962)              | (1,089)          | (3,003)             | (4,605)           |
| <b>Same Store NOI</b>   | <b>\$ 75,332</b>   | <b>\$ 79,420</b> | <b>\$ 310,434</b>   | <b>\$ 327,207</b> |
| <i>Change period over period</i>  | <i>-5.1%</i>       | <i>N/A</i>       | <i>-5.1%</i>        | <i>N/A</i>        |

**Same Store Net Operating Income**  
**Top Seven Markets**

|                            | Three Months Ended |              |                  |              | Twelve Months Ended |              |                   |              |
|----------------------------|--------------------|--------------|------------------|--------------|---------------------|--------------|-------------------|--------------|
|                            | 12/31/2011         |              | 12/31/2010       |              | 12/31/2011          |              | 12/31/2010        |              |
|                            | \$                 | %            | \$               | %            | \$                  | %            | \$                | %            |
| Chicago <sup>(4)</sup>     | \$ 10,589          | 14.0         | \$ 11,541        | 14.6         | \$ 49,634           | 16.0         | \$ 53,187         | 16.3         |
| Washington, D.C.           | 19,560             | 26.0         | 18,964           | 23.9         | 74,847              | 24.1         | 75,150            | 23.0         |
| New York <sup>(5)</sup>    | 12,666             | 16.8         | 13,835           | 17.4         | 53,260              | 17.2         | 54,350            | 16.6         |
| Minneapolis <sup>(6)</sup> | 4,582              | 6.1          | 4,939            | 6.2          | 18,616              | 6.0          | 20,460            | 6.3          |
| Los Angeles <sup>(7)</sup> | 3,275              | 4.3          | 3,915            | 4.9          | 14,206              | 4.6          | 18,822            | 5.7          |
| Dallas                     | 3,600              | 4.8          | 4,227            | 5.3          | 14,965              | 4.8          | 15,640            | 4.8          |
| Boston <sup>(8)</sup>      | 2,910              | 3.9          | 3,817            | 4.8          | 12,109              | 3.9          | 14,503            | 4.4          |
| Other <sup>(9)</sup>       | 18,150             | 24.1         | 18,182           | 22.9         | 72,797              | 23.4         | 75,095            | 22.9         |
| <b>Total</b>               | <b>\$ 75,332</b>   | <b>100.0</b> | <b>\$ 79,420</b> | <b>100.0</b> | <b>\$ 310,434</b>   | <b>100.0</b> | <b>\$ 327,207</b> | <b>100.0</b> |

<sup>(1)</sup> Includes amounts attributable to wholly-owned properties, including discontinued operations, and our proportionate share of amounts attributable to unconsolidated joint ventures.

<sup>(2)</sup> Acquisitions consist of Suwanee Gateway One in Suwanee, GA, purchased on September 28, 2010, Meridian Crossings in Richfield, MN, purchased on October 1, 2010, 1200 Enclave Parkway in Houston, TX, purchased on March 30, 2011, 500 West Monroe Street in Chicago, IL, acquired on March 31, 2011, The Dupree in Atlanta, GA, purchased on April 29, 2011, The Medici in Atlanta, GA, purchased on June 7, 2011, 225 and 235 Presidential Way in Woburn, MA, purchased on September 13, 2011, and 400 TownPark in Lake Mary, FL purchased on November 10, 2011.

<sup>(3)</sup> Dispositions consist of 111 Sylvan Avenue in Englewood Cliffs, NJ, sold on December 8, 2010, Eastpointe Corporate Center in Issaquah, WA, sold on July 1, 2011, 5000 Corporate Court in Holtsville, NY, sold on August 31, 2011, and 35 West Wacker Drive in Chicago, IL, sold on December 15, 2011.

<sup>(4)</sup> The decrease in Chicago Same Store Net Operating Income for the three months and the twelve months ended December 31, 2011 as compared to the same periods in 2010 was primarily related to the expiration of the Zurich American Insurance Company lease at Windy Point II in Schaumburg, IL.

<sup>(5)</sup> The decrease in the New York Same Store Net Operating Income for the three months and the twelve months ended December 31, 2011 as compared to the same periods in 2010 was primarily related to partial lease terminations with sanofi-aventis at 200 & 400 Bridgewater Crossing in Bridgewater, NJ in order to allow for the execution of new leases to backfill the terminated spaces in advance of the near-term sanofi-aventis lease expirations.

<sup>(6)</sup> The decrease in Minneapolis Same Store Net Operating Income for the twelve months ended December 31, 2011 as compared to the same period in 2010 was primarily related to an 80,000 square foot partial lease termination by US Bank during the second quarter of 2011 at US Bancorp Center in Minneapolis, MN, as well as the net partial lease termination for 13,000 square feet by a tenant at Crescent Ridge II in Minnetonka, MN.

<sup>(7)</sup> The decrease in Los Angeles Same Store Net Operating Income for the twelve months ended December 31, 2011 as compared to the same period in 2010 was primarily due to a space contraction associated with the Nestle lease renewal effective third quarter 2010 along with a roll down of total revenues per square foot received from that tenant at 800 North Brand Boulevard in Glendale, CA, and the expiration of a lease, resulting in a net decrease in leased square footage of 58,000 square feet, at 1055 East Colorado Boulevard in Pasadena, CA.

<sup>(8)</sup> The decrease in Boston Same Store Net Operating Income for the three months and the twelve months ended December 31, 2011 as compared to the same periods in 2010 was primarily due to a rental rate reduction associated with a long-term lease renewal with State Street Bank at 1200 Crown Colony Drive in Quincy, MA.

<sup>(9)</sup> The decrease in Other Same Store Net Operating Income for the twelve months ended December 31, 2011 as compared to the same period in 2010 was due to a number of factors, the largest four of which were: 1) a lease contraction of approximately 91,000 square feet effective third quarter 2010 at Chandler Forum in Chandler, AZ, 2) a lease expiration during late 2010 at Glenridge Highlands II in Atlanta, GA, 3) reduced rental rates achieved on new and renewal leases which commenced in late 2010 and early 2011 at 150 West Jefferson in Detroit, MI, and 4) a rental rate reduction associated with a new lease with Chrysler Group, LLC and the related early termination of the previous lease at 1075 West Entrance Drive in Auburn Hills, MI.

**Piedmont Office Realty Trust, Inc.**  
**Capitalization Analysis**  
*Unaudited (\$ and shares in thousands)*

|  | <u>As of</u><br><u>December 31, 2011</u> | <u>As of</u><br><u>December 31, 2010</u> |
|--|--|--|
| Common stock price <sup>(1)</sup>                                | \$17.04                                  | \$20.14                                  |
| Total shares outstanding   | 172,630                                  | 172,658                                  |
| Equity market capitalization <sup>(1)</sup>                      | \$2,941,611                              | \$3,477,342                              |
| Total gross debt - principal amount outstanding                  | \$1,472,525                              | \$1,402,525                              |
| Total market capitalization <sup>(1)</sup>                       | \$4,414,136                              | \$4,879,867                              |
| Total gross debt / Total market capitalization                   | 33.4%                                    | 28.7%                                    |
| Total gross real estate assets                                   | \$4,615,812                              | \$4,567,326                              |
| Total gross debt / Total gross real estate assets <sup>(2)</sup> | 31.9%                                    | 30.7%                                    |
| Total gross debt / Total gross assets <sup>(2) (3)</sup>         | 27.5%                                    | 26.6%                                    |

<sup>(1)</sup> Reflects common stock closing price as of the end of the reporting period.

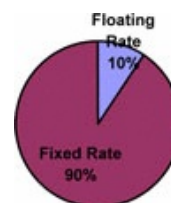
<sup>(2)</sup> Total gross debt to total gross real estate assets ratio is defined as total gross debt divided by gross real estate assets. Gross real estate assets is defined as total real estate assets with the add back of accumulated depreciation and accumulated amortization related to real estate assets.

<sup>(3)</sup> Total gross debt to total gross assets ratio is defined as total gross debt divided by gross assets. 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 December 31, 2011**  
*Unaudited (\$ in thousands)*

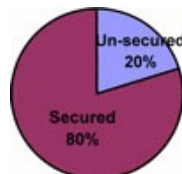
**Floating Rate & Fixed Rate Debt**

| Debt <sup>(1)</sup> | Principal Amount Outstanding | Weighted Average Stated Interest Rate | Weighted Average Maturity |
|---------------------|------------------------------|---------------------------------------|---------------------------|
| Floating Rate       | \$140,000 <sup>(2)</sup>     | 1.29% <sup>(3)</sup>                  | 7.3 months                |
| Fixed Rate          | 1,332,525                    | 4.61%                                 | 43.0 months               |
| <b>Total</b>        | <b>\$1,472,525</b>           | <b>4.29%</b>                          | <b>39.6 months</b>        |



**Unsecured & Secured Debt**

| Debt <sup>(1)</sup> | Principal Amount Outstanding | Weighted Average Stated Interest Rate | Weighted Average Maturity |
|---------------------|------------------------------|---------------------------------------|---------------------------|
| Unsecured           | \$300,000                    | 2.69% <sup>(4)</sup>                  | 58.8 months               |
| Secured             | 1,172,525                    | 4.70%                                 | 34.7 months               |
| <b>Total</b>        | <b>\$1,472,525</b>           | <b>4.29%</b>                          | <b>39.6 months</b>        |



**Debt Maturities**

| Maturity Year | Secured Debt - Principal Amount Outstanding <sup>(1)</sup> | Unsecured Debt - Principal Amount Outstanding <sup>(1)</sup> | Weighted Average Stated Interest Rate | Percentage of Total |
|---------------|--|--|---------------------------------------|---------------------|
| 2012          | \$185,000  | \$0  | 2.24%                                 | 12.6%               |
| 2013          | 0  | 0  | N/A                                   | 0.0%                |
| 2014          | 575,000  | 0  | 4.89%                                 | 39.0%               |
| 2015          | 105,000  | 0  | 5.29%                                 | 7.1%                |
| 2016          | 167,525  | 300,000  | 5.55%                                 | 31.8%               |
| 2017          | 140,000  | 0  | 5.76%                                 | 9.5%                |
| <b>Total</b>  | <b>\$1,172,525</b>   | <b>\$300,000</b>   | <b>4.29%</b>                          | <b>100.0%</b>       |

<sup>(1)</sup> All of Piedmont's outstanding debt as of December 31, 2011 was interest-only debt.

<sup>(2)</sup> Amount represents the outstanding balance as of December 31, 2011 on a first mortgage loan secured by 500 West Monroe Street. As of December 31, 2011, there was no balance outstanding on our \$500 million unsecured line of credit.

<sup>(3)</sup> The weighted average interest rate was the interest rate in effect for the loan totaling \$140 million related to 500 West Monroe Street. As of December 31, 2011, there was no balance outstanding on our \$500 million unsecured line of credit.

<sup>(4)</sup> The weighted average interest rate was the interest rate in effect for the \$300 million unsecured term loan. The \$300 million unsecured term loan has a stated variable rate; however, Piedmont entered into interest rate swap agreements which effectively fix the interest rate on this loan through its maturity date of November 22, 2016, assuming no credit rating change for the Company. As of December 31, 2011, there was no balance outstanding on our \$500 million unsecured line of credit.

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

| Facility   | Property   | Rate <sup>(1)</sup>          | Maturity   | Principal Amount Outstanding as of December 31, 2011 |
|--|--|------------------------------|------------|--|
| <b>Secured</b>   |  |                              |            |  |
| \$140.0 Million Floating-Rate Loan <sup>(2)</sup>  | 500 West Monroe Street                           | LIBOR + 1.01% <sup>(3)</sup> | 8/9/2012   | \$140,000  |
| \$45.0 Million Fixed-Rate Loan   | 4250 North Fairfax                               | 5.20%                        | 6/1/2012   | 45,000   |
| \$200.0 Million Fixed-Rate Loan  | Aon Center                                       | 4.87%                        | 5/1/2014   | 200,000  |
| \$25.0 Million Fixed-Rate Loan   | Aon Center                                       | 5.70%                        | 5/1/2014   | 25,000   |
| \$350.0 Million Secured Pooled Facility  | Nine Property Collateralized Pool <sup>(4)</sup> | 4.84%                        | 6/7/2014   | 350,000  |
| \$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 <sup>(5)</sup> | 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  |
| <b>Subtotal / Weighted Average <sup>(6)</sup></b>  |  | <b>4.70%</b>                 |            | <b>\$1,172,525</b>                                   |
| <b>Unsecured</b>   |  |                              |            |  |
| \$500 Million Unsecured Facility <sup>(7) (8)</sup>  | N/A  | N/A                          | 8/30/2012  | \$0  |
| \$300 Million Unsecured Term Loan <sup>(9)</sup>   | N/A  | 2.69% <sup>(9)</sup>         | 11/22/2016 | 300,000  |
| <b>Subtotal / Weighted Average <sup>(6)</sup></b>  |  | <b>2.69%</b>                 |            | <b>\$300,000</b>                                     |
| <b>Total Gross Debt - Principal Amount Outstanding / Weighted Average Stated Rate <sup>(6)</sup></b> |  | <b>4.29%</b>                 |            | <b>\$1,472,525</b>                                   |

<sup>(1)</sup> All of Piedmont's outstanding debt as of December 31, 2011 was interest-only debt.

<sup>(2)</sup> On January 9, 2012, the loan was repaid in full.

<sup>(3)</sup> The LIBOR rate effective under this loan on December 31, 2011 was 0.279%. There is an interest rate cap agreement in place through August 2012 that limits Piedmont's LIBOR exposure to 2.19%. Any increases in LIBOR above 2.19% are the responsibility of the counterparty.

<sup>(4)</sup> The nine property collateralized pool includes 1200 Crown Colony Drive, Braker Pointe III, 2 Gatehall Drive, One and Two Independence Square, 2120 West End Avenue, 200 and 400 Bridgewater Crossing, and Fairway Center II.

<sup>(5)</sup> The four property collateralized pool includes 1430 Enclave Parkway, Windy Point I and II, and 1055 East Colorado Boulevard.

<sup>(6)</sup> Weighted average is based on the total balance outstanding and interest rate at December 31, 2011.

<sup>(7)</sup> All of Piedmont's outstanding debt as of December 31, 2011 was term debt with the exception of the \$500 million unsecured line of credit.

<sup>(8)</sup> As of December 31, 2011, there was no balance outstanding on this facility. 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 (0.475% as of December 31, 2011) over the selected rate based on Piedmont's current credit rating.

<sup>(9)</sup> On November 22, 2011, Piedmont obtained a \$300 million, five-year unsecured term loan. The \$300 million unsecured term loan 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.

**Piedmont Office Realty Trust, Inc.**  
**Debt Analysis**  
**As of December 31, 2011**  
**Unaudited**

| <b>Debt Covenant Compliance <sup>(1)</sup></b>              | <b>Required</b> | <b>Actual</b> |
|---|-----------------|---------------|
| Maximum Leverage Ratio                                      | 0.60            | 0.34          |
| Minimum Fixed Charge Coverage Ratio <sup>(2)</sup>          | 1.50            | 4.83          |
| Maximum Secured Indebtedness Ratio                          | 0.40            | 0.27          |
| Minimum Unencumbered Leverage Ratio                         | 1.60            | 6.90          |
| Minimum Unencumbered Interest Coverage Ratio <sup>(3)</sup> | 1.75            | 24.57         |
| Maximum Certain Permitted Investments Ratio <sup>(4)</sup>  | 0.35            | 0.01          |

<sup>(1)</sup> Debt covenant compliance calculations relate to specific calculations detailed in our line of credit agreement.

<sup>(2)</sup> 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 line of credit agreement is different from the fixed charge coverage ratio definition employed elsewhere within this report.

<sup>(3)</sup> Defined as net operating income for the trailing four quarters for unencumbered assets (including the company's share of net operating income from unconsolidated interests that are 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.

<sup>(4)</sup> Permitted investments are defined as unconsolidated interests, debt investments, unimproved land, and development projects. Investments in permitted investments shall not exceed 35% of total asset value.

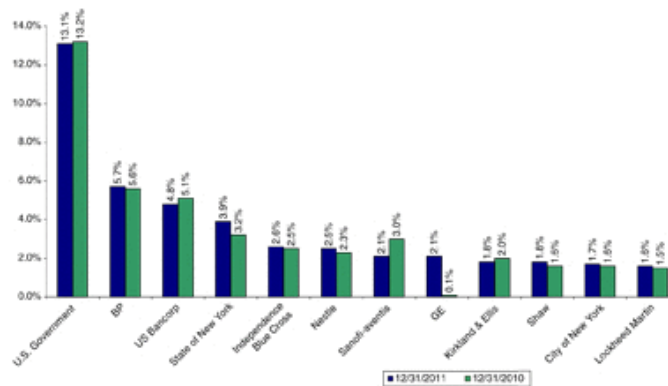
| <b>Other Debt Coverage Ratios</b>          | <b>Three months ended<br/>December 31, 2011</b> | <b>Twelve months ended<br/>December 31, 2011</b> | <b>Year ended<br/>December 31, 2010</b> |
|--|---|--|---|
| Net debt to core EBITDA                    | 4.0 x   | 3.9 x  | 3.8 x                                   |
| Fixed charge coverage ratio <sup>(6)</sup> | 4.7 x   | 4.8 x  | 4.9 x                                   |
| Interest coverage ratio <sup>(7)</sup>     | 4.7 x   | 4.8 x  | 4.9 x                                   |

<sup>(6)</sup> Fixed charge coverage is calculated as Core EBITDA divided by the sum of interest expense, principal amortization, capitalized interest and preferred dividends. We had no capitalized interest, principal amortization or preferred dividends during the periods ended December 31, 2011 and December 31, 2010.

<sup>(7)</sup> Interest coverage ratio is calculated as Core EBITDA divided by the sum of interest expense and capitalized interest. We had no capitalized interest during the periods ended December 31, 2011 and December 31, 2010.

**Piedmont Office Realty Trust, Inc.**  
**Tenant Diversification** <sup>(1)</sup>  
**As of December 31, 2011**  
*(in thousands except for number of properties)*

|                         | Credit Rating <sup>(2)</sup>       | Number of Properties | Lease Expiration(s) <sup>(3)</sup> | Annualized Lease Revenue | Percentage of Annualized Lease Revenue (%) | Leased Square Footage | Percentage of Leased Square Footage (%) |
|-------------------------|------------------------------------|----------------------|------------------------------------|--------------------------|--|-----------------------|---|
| U.S. Government         | AA+ / Aaa                          | 9                    | <sup>(4)</sup>                     | \$73,081                 | 13.1                                       | 1,598                 | 8.8                                     |
| BP <sup>(5)</sup>       | A / A2                             | 1                    | 2013                               | 31,863                   | 5.7  | 776                   | 4.3                                     |
| US Bancorp              | A / Aa3                            | 3                    | 2014 / 2023 <sup>(6)</sup>         | 26,811                   | 4.8  | 973                   | 5.4                                     |
| State of New York       | AA / Aa2                           | 1                    | 2019                               | 21,568                   | 3.9  | 481                   | 2.6                                     |
| Independence Blue Cross | No rating available                | 1                    | 2023                               | 14,571                   | 2.6  | 761                   | 4.2                                     |
| Nestle                  | AA / Aa1                           | 1                    | 2015                               | 14,132                   | 2.5  | 392                   | 2.2                                     |
| Sanofi-aventis          | AA- / A2                           | 2                    | 2012                               | 11,857                   | 2.1  | 299                   | 1.6                                     |
| GE                      | AA+ / Aa2                          | 2                    | 2027                               | 11,453                   | 2.1  | 340                   | 1.9                                     |
| Kirkland & Ellis        | No rating available <sup>(7)</sup> | 1                    | 2011                               | 10,212                   | 1.8  | 332                   | 1.8                                     |
| Shaw                    | BBB- / Ba1                         | 1                    | 2018                               | 9,782                    | 1.8  | 313                   | 1.7                                     |
| City of New York        | AA / Aa2                           | 1                    | 2020                               | 9,447                    | 1.7  | 313                   | 1.7                                     |
| Lockheed Martin         | A- / Baa1                          | 3                    | 2014                               | 9,159                    | 1.6  | 283                   | 1.6                                     |
| DDB Needham             | BBB+ / Baa1                        | 1                    | 2018                               | 8,874                    | 1.6  | 246                   | 1.4                                     |
| Gallagher               | No rating available                | 1                    | 2018                               | 7,969                    | 1.4  | 307                   | 1.7                                     |
| Gemini                  | A+ / Aa3                           | 1                    | 2021                               | 7,320                    | 1.3  | 205                   | 1.1                                     |
| Caterpillar Financial   | A / A2                             | 1                    | 2022                               | 7,125                    | 1.3  | 312                   | 1.7                                     |
| Marsh USA               | BBB- / Baa2                        | 1                    | 2011                               | 6,819                    | 1.2  | 173                   | 0.9                                     |
| Harvard University      | AAA / Aaa                          | 2                    | 2017                               | 6,600                    | 1.2  | 105                   | 0.6                                     |
| KeyBank                 | A- / A3                            | 2                    | 2016                               | 6,398                    | 1.1  | 210                   | 1.2                                     |
| Edelman                 | No rating available                | 1                    | 2024                               | 6,063                    | 1.1  | 178                   | 1.0                                     |
| Raytheon                | A- / A3                            | 2                    | 2019                               | 5,939                    | 1.1  | 440                   | 2.4                                     |
| Harcourt                | BBB+                               | 1                    | 2016                               | 5,841                    | 1.1  | 195                   | 1.1                                     |
| Jones Lang LaSalle      | BBB- / Baa2                        | 1                    | 2017                               | 5,641                    | 1.0  | 165                   | 0.9                                     |
| Other                   |                                    |                      | Various                            | 239,378                  | 42.9                                       | 8,727                 | 48.2                                    |
| <b>Total</b>            |                                    |                      |                                    | <b>\$557,903</b>         | <b>100.0</b>                               | <b>18,124</b>         | <b>100.0</b>                            |



- (1) This schedule presents all tenants contributing 1.0% or more to Annualized Lease Revenue.
- (2) Credit rating may reflect the credit rating of the parent or a guarantor. When available, both the Standard & Poor's credit rating and the Moody's credit rating are provided.
- (3) 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 2012 to 2027.
- (5) Majority of the space is subleased to Aon Corporation.
- (6) US Bank's lease at One & Two Meridian Crossings, representing approximately 337,000 square feet and \$8.1 million of Annualized Lease Revenue, expires in 2023. US Bancorp's lease at US Bancorp Center for 635,000 square feet, representing \$18.7 million of Annualized Lease Revenue, expires in 2014.
- (7) While no rating is available for Kirkland & Ellis, this tenant is ranked #6 in the 2011 AmLaw 100 ranking (based on 2010 financial data), a publication of The American Lawyer Magazine, which annually ranks the top-grossing and most profitable law firms.

**Piedmont Office Realty Trust, Inc.**  
**Tenant Credit Rating & Lease Distribution Information**  
**As of December 31, 2011**

| <b>Tenant Credit Rating <sup>(1)</sup></b> | <b>Annualized Lease Revenue (\$'s in thousands)</b> | <b>Percentage of Annualized Lease Revenue (%)</b> |
|--|---|---|
| AAA / Aaa                                  | \$10,013  | 1.8   |
| AA / Aa                                    | 196,872   | 35.3  |
| A / A                                      | 105,896   | 19.0  |
| BBB / Baa                                  | 78,786  | 14.1  |
| BB / Ba                                    | 8,924   | 1.6   |
| B / B                                      | 20,922  | 3.7   |
| Below                                      | 0   | 0.0   |
| Not rated <sup>(2)</sup>                   | 136,490   | 24.5  |
| <b>Total</b>                               | <b>\$557,903</b>                                    | <b>100.0</b>                                      |

**Lease Distribution**  
**As of December 31, 2011**

|                      | <b>Number of Leases</b> | <b>Percentage of Leases (%)</b> | <b>Annualized Lease Revenue (in thousands)</b> | <b>Percentage of Annualized Lease Revenue (%)</b> | <b>Leased Square Footage (in thousands)</b> | <b>Percentage of Leased Square Footage (%)</b> |
|----------------------|-------------------------|---------------------------------|--|---|---|--|
| 2,500 or Less        | 172                     | 33.1                            | \$15,932                                       | 2.9   | 134   | 0.7  |
| 2,501 - 10,000       | 137                     | 26.3                            | 24,344   | 4.4   | 743   | 4.1  |
| 10,001 - 20,000      | 69                      | 13.3                            | 30,233   | 5.4   | 1,001                                       | 5.5  |
| 20,001 - 40,000      | 53                      | 10.2                            | 48,455   | 8.7   | 1,548                                       | 8.6  |
| 40,001 - 100,000     | 35                      | 6.7                             | 63,863   | 11.4  | 2,179                                       | 12.0   |
| Greater than 100,000 | 54                      | 10.4                            | 375,076  | 67.2  | 12,519                                      | 69.1   |
| <b>Total</b>         | <b>520</b>              | <b>100.0</b>                    | <b>\$557,903</b>                               | <b>100.0</b>                                      | <b>18,124</b>                               | <b>100.0</b>                                   |

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

(2) The classification of a tenant as "not rated" 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 capital 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"; and 2) provides a year-over-year comparison of leased percentage on the same subset of properties under the heading "Same Store Analysis".

|   | Three Months Ended December 31, 2011 |                         |                               | Three Months Ended December 31, 2010 |                         |                               |
|---|--------------------------------------|-------------------------|-------------------------------|--------------------------------------|-------------------------|-------------------------------|
|   | Leased Square Footage                | Rentable Square Footage | Percent Leased <sup>(1)</sup> | Leased Square Footage                | Rentable Square Footage | Percent Leased <sup>(1)</sup> |
| <b>As of September 30, 20xx</b>                       | <b>18,869</b>                        | <b>21,839</b>           | <b>86.4%</b>                  | <b>18,192</b>                        | <b>20,429</b>           | <b>89.0%</b>                  |
| New leases  | 690                                  |                         |                               | 825                                  |                         |                               |
| Expired leases  | (391)                                |                         |                               | (764)                                |                         |                               |
| Other   | -                                    | 6                       |                               | 2                                    | 4                       |                               |
| Subtotal  | 19,168                               | 21,845                  | 87.7%                         | 18,255                               | 20,433                  | 89.3%                         |
| Acquisitions during period                            | 34                                   | 176                     |                               | 368                                  | 384                     |                               |
| Dispositions during period                            | (1,078)                              | (1,079)                 |                               | (409)                                | (409)                   |                               |
| <b>As of December 31, 20xx <sup>(2) (3) (4)</sup></b> | <b>18,124</b>                        | <b>20,942</b>           | <b>86.5%</b>                  | <b>18,214</b>                        | <b>20,408</b>           | <b>89.2%</b>                  |

|   | Twelve Months Ended December 31, 2011 |                         |                               | Twelve Months Ended December 31, 2010 |                         |                               |
|---|---------------------------------------|-------------------------|-------------------------------|---------------------------------------|-------------------------|-------------------------------|
|   | Leased Square Footage                 | Rentable Square Footage | Percent Leased <sup>(1)</sup> | Leased Square Footage                 | Rentable Square Footage | Percent Leased <sup>(1)</sup> |
| <b>As of December 31, 20xx</b>                        | <b>18,214</b>                         | <b>20,408</b>           | <b>89.2%</b>                  | <b>18,221</b>                         | <b>20,229</b>           | <b>90.1%</b>                  |
| New leases  | 3,274                                 |                         |                               | 2,762                                 |                         |                               |
| Expired leases  | (3,294)                               |                         |                               | (2,729)                               |                         |                               |
| Other   | 1                                     | 15                      |                               | 1                                     | 62                      |                               |
| Subtotal  | 18,195                                | 20,423                  | 89.1%                         | 18,255                                | 20,291                  | 90.0%                         |
| Acquisitions during period                            | 1,289                                 | 2,018                   |                               | 368                                   | 526                     |                               |
| Dispositions during period                            | (1,360)                               | (1,499)                 |                               | (409)                                 | (409)                   |                               |
| <b>As of December 31, 20xx <sup>(2) (3) (4)</sup></b> | <b>18,124</b>                         | <b>20,942</b>           | <b>86.5%</b>                  | <b>18,214</b>                         | <b>20,408</b>           | <b>89.2%</b>                  |

**Same Store Analysis**

|   |               |               |              |               |               |              |
|---|---------------|---------------|--------------|---------------|---------------|--------------|
| Less acquisitions/dispositions after December 31, 2010 <sup>(5) (6)</sup> | (1,421)       | (2,018)       | 70.4%        | (1,360)       | (1,499)       | 90.7%        |
| <b>Same Store Total</b>   | <b>16,703</b> | <b>18,924</b> | <b>88.3%</b> | <b>16,854</b> | <b>18,909</b> | <b>89.1%</b> |

**Stabilized Portfolio Analysis**

|  |               |               |              |               |               |              |
|--|---------------|---------------|--------------|---------------|---------------|--------------|
| Less value-add properties <sup>(6)</sup> | (867)         | (1,582)       | 54.8%        | -             | (142)         | 0.0%         |
| <b>Stabilized Total</b>                  | <b>17,257</b> | <b>19,360</b> | <b>89.1%</b> | <b>18,214</b> | <b>20,266</b> | <b>89.9%</b> |

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

(3) End of period leased square footage for 2011 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, DC. As of December 31, 2011, the total short-term space amounts to approximately 63,000 square feet and it will be occupied until an estimated date of June 30, 2013.

(4) Excluding executed but not commenced leases for currently vacant spaces, comprising approximately 705,000 square feet, Piedmont's economic occupancy (including tenants in free rent periods) as of December 31, 2011 was 83.2%.

(5) 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.

(6) For additional information on acquisitions/dispositions completed during the last year and value-add properties, please refer to pages 32 and 33, respectively.

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

| <b>Three Months Ended December 31, 2011</b>                      |                    |  |   |   |  |
|--|--------------------|--|---|---|--|
|  | <b>Square Feet</b> | <b>% of Total Signed<br/>During Period</b> | <b>% of Rentable Square<br/>Footage</b> | <b>% Change Cash<br/>Rents <sup>(2)</sup></b> | <b>% Change Accrual<br/>Rents <sup>(3) (4)</sup></b> |
| Leases executed for spaces vacant less than one year             | 573                | 61%  | 2.7%                                    | (7.1%)  | 1.0%   |
| Leases executed for spaces excluded from analysis <sup>(5)</sup> | 366                | 39%  |   |   |  |
| <b>Twelve Months Ended December 31, 2011</b>                     |                    |  |   |   |  |
|  | <b>Square Feet</b> | <b>% of Total Signed<br/>During Period</b> | <b>% of Rentable<br/>Square Footage</b> | <b>% Change Cash<br/>Rents <sup>(2)</sup></b> | <b>% Change Accrual<br/>Rents <sup>(3) (4)</sup></b> |
| Leases executed for spaces vacant less than one year             | 3,168              | 82%  | 15.1%                                   | (1.7%)  | 3.6%   |
| Leases executed for spaces excluded from analysis <sup>(5)</sup> | 701                | 18%  |   |   |  |

<sup>(1)</sup> The population analyzed consists of office leases executed during the period (retail leases, as well as leases associated with storage spaces, management offices, industrial properties and unconsolidated joint venture assets, were excluded from this analysis). Spaces that had been vacant for greater than one year were excluded from this analysis.

<sup>(2)</sup> 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.

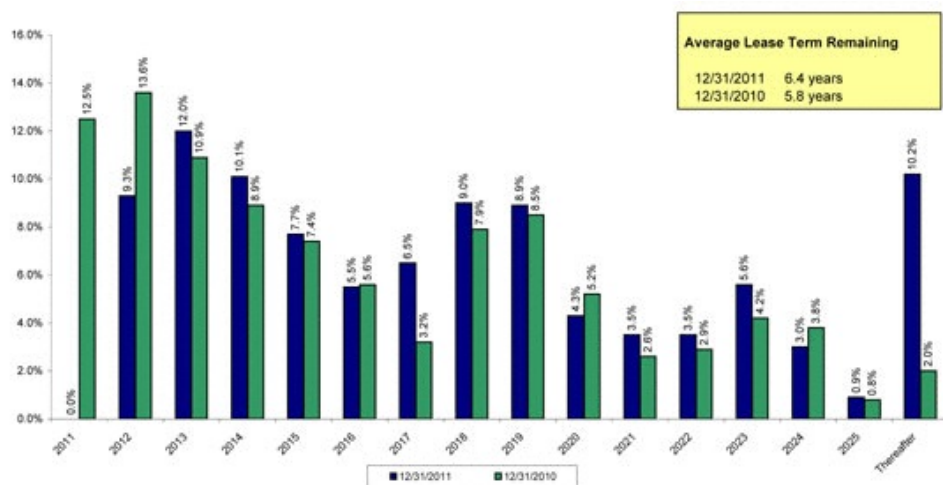
<sup>(3)</sup> For the purposes of this analysis, the accrual basis rents for the previous leases were compared to the accrual basis rents of the new leases in order to calculate the percentage change. For newly signed leases which have variations in accrual basis rents, whether because of known future 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.

<sup>(4)</sup> 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. This assumption is made based upon the historical tenant improvement allowance usage patterns of the Company's tenants.

<sup>(5)</sup> 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. Leases signed with Piedmont entities are excluded from the analysis.

**Piedmont Office Realty Trust, Inc.**  
**Lease Expiration Schedule**  
**As of December 31, 2011**  
*(in thousands)*

|                                 | OFFICE PORTFOLIO                        |  |                         |   | GOVERNMENTAL ENTITIES                   |  |  |
|---------------------------------|---|--|-------------------------|---|---|--|--|
|                                 | Annualized Lease Revenue <sup>(1)</sup> | Percentage of Annualized Lease Revenue (%) | Rentable Square Footage | Percentage of Rentable Square Footage (%) | Annualized Lease Revenue <sup>(1)</sup> | Percentage of Annualized Lease Revenue (%) | Percentage of Current Year Total Annualized Lease Revenue Expiring (%) |
| Vacant                          | \$0                                     | 0.0  | 2,818                   | 13.5                                      | \$0                                     | 0.0  | 0.0  |
| 2012 <sup>(2)</sup>             | 52,008                                  | 9.3  | 1,615                   | 7.7                                       | 7,865                                   | 1.4  | 15.1   |
| 2013                            | 66,983                                  | 12.0                                       | 1,583                   | 7.6                                       | 21,628                                  | 3.9  | 32.3   |
| 2014                            | 56,039                                  | 10.1                                       | 1,691                   | 8.1                                       | 3,556                                   | 0.6  | 6.3  |
| 2015                            | 43,153                                  | 7.7  | 1,536                   | 7.3                                       | 32                                      | 0.0  | 0.1  |
| 2016                            | 30,806                                  | 5.5  | 1,081                   | 5.2                                       | 1,440                                   | 0.3  | 4.7  |
| 2017                            | 36,134                                  | 6.5  | 1,209                   | 5.8                                       | 1,244                                   | 0.2  | 3.4  |
| 2018                            | 50,337                                  | 9.0  | 1,686                   | 8.0                                       | 8,733                                   | 1.6  | 17.3   |
| 2019                            | 49,378                                  | 8.9  | 1,789                   | 8.5                                       | 21,568                                  | 3.9  | 43.7   |
| 2020                            | 23,835                                  | 4.3  | 928                     | 4.4                                       | 9,446                                   | 1.7  | 39.6   |
| 2021                            | 19,674                                  | 3.5  | 735                     | 3.5                                       | 0                                       | 0.0  | 0.0  |
| 2022                            | 19,311                                  | 3.5  | 738                     | 3.5                                       | 0                                       | 0.0  | 0.0  |
| 2023                            | 31,318                                  | 5.6  | 1,398                   | 6.7                                       | 0                                       | 0.0  | 0.0  |
| 2024                            | 16,931                                  | 3.0  | 443                     | 2.1                                       | 0                                       | 0.0  | 0.0  |
| 2025                            | 4,951                                   | 0.9  | 171                     | 0.8                                       | 0                                       | 0.0  | 0.0  |
| Thereafter                      | 57,045                                  | 10.2                                       | 1,521                   | 7.3                                       | 28,953                                  | 5.1  | 50.8   |
| <b>Total / Weighted Average</b> | <b>\$557,903</b>                        | <b>100.0</b>                               | <b>20,942</b>           | <b>100.0</b>                              | <b>\$104,465</b>                        | <b>18.7</b>                                |  |



<sup>(1)</sup> 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.

<sup>(2)</sup> Leases and other revenue-producing agreements on a month-to-month basis, aggregating 9,876 square feet and Annualized Lease Revenue of \$459,015, are assigned a lease expiration date of a year and a day beyond the period end date. Includes leases with an expiration date of December 31, 2011 aggregating 288,177 square feet and Annualized Lease Revenue of \$12,131,414.

**Piedmont Office Realty Trust, Inc.**  
**Annual Lease Expirations**  
**As of December 31, 2011**  
*(in thousands)*

|   | 12/31/2012 <sup>(1)</sup> |                                       | 12/31/2013              |                                       | 12/31/2014              |                                       | 12/31/2015              |                                       | 12/31/2016              |                                       |
|---|---------------------------|---------------------------------------|-------------------------|---------------------------------------|-------------------------|---------------------------------------|-------------------------|---------------------------------------|-------------------------|---------------------------------------|
|   | Expiring Square Footage   | Expiring Lease Revenue <sup>(2)</sup> | Expiring Square Footage | Expiring Lease Revenue <sup>(2)</sup> | Expiring Square Footage | Expiring Lease Revenue <sup>(2)</sup> | Expiring Square Footage | Expiring Lease Revenue <sup>(2)</sup> | Expiring Square Footage | Expiring Lease Revenue <sup>(2)</sup> |
| Atlanta                                       | 77                        | \$1,531                               | 19                      | \$571                                 | 28                      | \$586                                 | 29                      | \$508                                 | 18                      | \$187                                 |
| Austin  | 0                         | 0                                     | 0                       | 0                                     | 0                       | 0                                     | 0                       | 0                                     | 195                     | 5,846                                 |
| Boston  | 7                         | 341                                   | 0                       | 31                                    | 27                      | 1,885                                 | 133                     | 2,657                                 | 3                       | 184                                   |
| Central & South Florida                       | 4                         | 137                                   | 22                      | 568                                   | 18                      | 452                                   | 14                      | 325                                   | 115                     | 3,290                                 |
| Chicago                                       | 280                       | 11,384                                | 648                     | 25,939                                | 30                      | 3,587                                 | 198                     | 5,459                                 | 89                      | 2,503                                 |
| Cleveland                                     | 112                       | 1,813                                 | 17                      | 367                                   | 0                       | 0                                     | 0                       | 0                                     | 13                      | 294                                   |
| Dallas  | 103                       | 2,588                                 | 16                      | 475                                   | 41                      | 990                                   | 284                     | 6,149                                 | 7                       | 151                                   |
| Denver  | 0                         | 0                                     | 0                       | 0                                     | 0                       | 0                                     | 0                       | 0                                     | 156                     | 2,935                                 |
| Detroit                                       | 38                        | 983                                   | 86                      | 738                                   | 6                       | 123                                   | 132                     | 3,854                                 | 31                      | 662                                   |
| Houston                                       | 11                        | 352                                   | 0                       | 1                                     | 0                       | 0                                     | 0                       | 0                                     | 0                       | 17                                    |
| Los Angeles                                   | 34                        | 1,247                                 | 74                      | 2,639                                 | 5                       | 1,546                                 | 424                     | 15,125                                | 88                      | 2,628                                 |
| Minneapolis                                   | 93                        | 3,001                                 | 48                      | 1,562                                 | 807                     | 22,705                                | 98                      | 3,403                                 | 33                      | 1,016                                 |
| Nashville                                     | 0                         | 0                                     | 0                       | 0                                     | 0                       | 0                                     | 0                       | 0                                     | 0                       | 0                                     |
| New York                                      | 422                       | 14,052                                | 24                      | 1,104                                 | 102                     | 4,301                                 | 66                      | 2,425                                 | 280                     | 9,034                                 |
| Philadelphia                                  | 0                         | 0                                     | 0                       | 0                                     | 0                       | 0                                     | 0                       | 0                                     | 0                       | 0                                     |
| Phoenix                                       | 0                         | 0                                     | 0                       | 0                                     | 0                       | 0                                     | 132                     | 1,948                                 | 0                       | 0                                     |
| Portland                                      | 147                       | 2,185                                 | 0                       | 0                                     | 74                      | 1,111                                 | 0                       | 0                                     | 0                       | 0                                     |
| Washington, D.C.                              | 287                       | 13,363                                | 629                     | 30,464                                | 553                     | 18,855                                | 26                      | 1,094                                 | 53                      | 2,336                                 |
| <b>Total / Weighted Average<sup>(3)</sup></b> | <b>1,615</b>              | <b>\$52,977</b>                       | <b>1,583</b>            | <b>\$64,459</b>                       | <b>1,691</b>            | <b>\$56,141</b>                       | <b>1,536</b>            | <b>\$42,947</b>                       | <b>1,081</b>            | <b>\$31,083</b>                       |

<sup>(1)</sup> Includes leases with an expiration date of December 31, 2011 aggregating 288,177 square feet and Annualized Lease Revenue of \$12,131,414. No such adjustments are made to other periods presented.

<sup>(2)</sup> Expiring lease revenue is calculated as expiring square footage multiplied by the gross rent per square foot of the tenant currently leasing the space.

<sup>(3)</sup> 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.**  
**Capital Expenditures & Commitments**  
**For the quarter ended December 31, 2011**  
*Unaudited (\$ in thousands)*

|                                   | For the Three Months Ended |                 |                 |                 |                 |
|-----------------------------------|----------------------------|-----------------|-----------------|-----------------|-----------------|
|                                   | 12/31/2011                 | 9/30/2011       | 6/30/2011       | 3/31/2011       | 12/31/2010      |
| <b>Non-incremental</b>            |                            |                 |                 |                 |                 |
| Bldg / construction / dev         | \$3,650                    | \$1,063         | \$1,315         | \$1,484         | \$2,439         |
| Tenant improvements               | 8,463                      | 4,748           | 7,367           | 7,567           | 15,614          |
| Leasing costs                     | 3,279                      | 8,718           | 4,667           | 8,080           | 4,581           |
| <b>Total non-incremental</b>      | <b>15,392</b>              | <b>14,529</b>   | <b>13,349</b>   | <b>17,131</b>   | <b>22,634</b>   |
| <b>Incremental</b>                |                            |                 |                 |                 |                 |
| Bldg / construction / dev         | 2,040                      | 1,646           | 983             | 1,173           | 1,816           |
| Tenant improvements               | 10,862                     | 7,154           | 4,770           | 3,749           | 1,589           |
| Leasing costs                     | 12,791                     | 1,464           | 1,372           | 1,467           | 4,265           |
| <b>Total incremental</b>          | <b>25,693</b>              | <b>10,264</b>   | <b>7,125</b>    | <b>6,389</b>    | <b>7,670</b>    |
| <b>Total capital expenditures</b> | <b>\$41,085</b>            | <b>\$24,793</b> | <b>\$20,474</b> | <b>\$23,520</b> | <b>\$30,304</b> |

|   |                         |
|---|-------------------------|
| <b>Tenant improvement commitments <sup>(1)</sup></b>  |                         |
| Tenant improvement commitments outstanding as of September 30, 2011   | \$145,287               |
| New tenant improvement commitments related to leases executed during period   | 51,033                  |
| Tenant improvement expenditures   | (19,325)                |
| Less: Tenant improvement expenditures fulfilled through accrued liabilities already presented on Piedmont's balance sheet, expired commitments or other adjustments | (33,181)                |
| Tenant improvement commitments fulfilled, expired or other adjustments  | (52,506) <sup>(2)</sup> |
| <b>Total as of December 31, 2011</b>  | <b>\$143,814</b>        |
| Tenant improvement commitments - Incremental capital when fulfilled   | \$52,944                |
| Tenant improvement commitments - Non-incremental capital when fulfilled   | 90,870                  |
| <b>Total as of December 31, 2011</b>  | <b>\$143,814</b>        |

NOTE: The information presented on this page is for all consolidated assets, inclusive of our industrial properties. During the third quarter of 2011, Piedmont revised its definitions of incremental and non-incremental capital expenditures in order to conform with the more broadly accepted definitions for such terms by other office REITs. Our revised definitions of these measures can be found on pages 35 and 36. Capital expenditures have been restated for all prior periods in order to provide a consistent basis for comparison.

<sup>(1)</sup> Commitments are unexpired contractual 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 \$75.8 million, or 53% of total outstanding commitments.

<sup>(2)</sup> On December 15, 2011, Piedmont completed the sale of its 96.5% ownership interest in 35 West Wacker Drive. A total of \$34.6 million of tenant improvement commitments associated with 35 West Wacker Drive has been deducted from total tenant improvement commitments outstanding as of December 31, 2011.

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

|   | For the Three Months Ended<br>December 31, 2011 | For the Twelve Months Ended<br>December 31, 2011 | For the Year Ended |           |           |
|---|---|--|--------------------|-----------|-----------|
|   |   |  | 2010               | 2009      | 2008      |
| <b>Renewal Leases</b>                                       |   |  |                    |           |           |
| Number of leases  | 10  | 48   | 37                 | 34        | 34        |
| Square feet   | 358,381   | 2,280,329  | 1,241,481          | 1,568,895 | 967,959   |
| Tenant improvements per square foot <sup>(1)</sup>          | \$72.75   | \$33.29  | \$14.40            | \$12.01   | \$8.28    |
| Leasing commissions per square foot                         | \$21.94   | \$9.97   | \$8.40             | \$5.51    | \$7.17    |
| Total per square foot                                       | \$94.69   | \$43.26  | \$22.80            | \$17.52   | \$15.45   |
| Tenant improvements per square foot per year of lease term  | \$5.32  | \$3.93   | \$1.74             | \$1.44    | \$1.39    |
| Leasing commissions per square foot per year of lease term  | \$1.60  | \$1.18   | \$1.02             | \$0.66    | \$1.20    |
| Total per square foot per year of lease term <sup>(2)</sup> | \$6.92  | \$5.11   | \$2.76             | \$2.10    | \$2.59    |
| <b>New Leases</b>   |   |  |                    |           |           |
| Number of leases  | 23  | 76   | 56                 | 28        | 37        |
| Square feet   | 580,646   | 1,588,271  | 866,212            | 700,295   | 747,919   |
| Tenant improvements per square foot <sup>(1)</sup>          | \$43.04   | \$41.21  | \$32.65            | \$45.04   | \$30.59   |
| Leasing commissions per square foot                         | \$16.50   | \$15.38  | \$11.28            | \$17.12   | \$15.95   |
| Total per square foot                                       | \$59.54   | \$56.59  | \$43.93            | \$62.16   | \$46.54   |
| Tenant improvements per square foot per year of lease term  | \$4.00  | \$4.19   | \$4.16             | \$4.05    | \$3.24    |
| Leasing commissions per square foot per year of lease term  | \$1.53  | \$1.57   | \$1.44             | \$1.54    | \$1.69    |
| Total per square foot per year of lease term                | \$5.53  | \$5.76   | \$5.60             | \$5.59    | \$4.93    |
| <b>Total</b>  |   |  |                    |           |           |
| Number of leases  | 33  | 124  | 93                 | 62        | 71        |
| Square feet   | 939,027   | 3,868,600  | 2,107,693          | 2,269,190 | 1,715,878 |
| Tenant improvements per square foot <sup>(1)</sup>          | \$54.38   | \$36.54  | \$21.90            | \$22.21   | \$18.01   |
| Leasing commissions per square foot                         | \$18.58   | \$12.19  | \$9.59             | \$9.09    | \$11.00   |
| Total per square foot                                       | \$72.96   | \$48.73  | \$31.49            | \$31.30   | \$29.01   |
| Tenant improvements per square foot per year of lease term  | \$4.58  | \$4.05   | \$2.70             | \$2.42    | \$2.41    |
| Leasing commissions per square foot per year of lease term  | \$1.56  | \$1.35   | \$1.18             | \$0.99    | \$1.47    |
| Total per square foot per year of lease term                | \$6.14  | \$5.40   | \$3.88             | \$3.41    | \$3.88    |

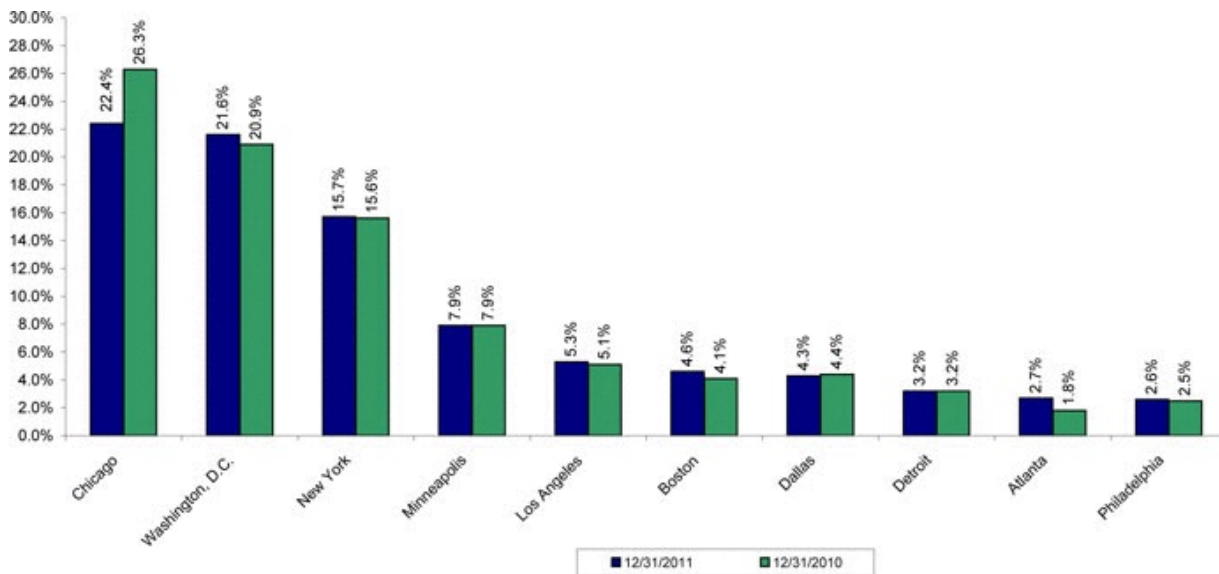
NOTE: This information is presented for our consolidated office assets only. Short-term leases (leases for a term of less than one year) are excluded from this information.

<sup>(1)</sup> 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. This assumption is made based upon the historical tenant improvement allowance usage patterns of the Company's tenants.

<sup>(2)</sup> 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 would be \$2.80.

**Piedmont Office Realty Trust, Inc.**  
**Geographic Diversification**  
**As of December 31, 2011**

| Location                        | Number of Properties | Annualized Lease Revenue (\$'s in thousands) | Percentage of Annualized Lease Revenue (%) | Rentable Square Footage (in Thousands) | Percentage of Rentable Square Footage (%) | Leased Square Footage (in thousands) | Percent Leased (%) |
|---------------------------------|----------------------|--|--|--|---|--------------------------------------|--------------------|
| Chicago                         | 6                    | \$125,084                                    | 22.4                                       | 4,772                                  | 22.8                                      | 3,598                                | 75.4               |
| Washington, D.C.                | 14                   | 120,352                                      | 21.6                                       | 3,055                                  | 14.6                                      | 2,787                                | 91.2               |
| New York                        | 7                    | 87,403                                       | 15.7                                       | 2,659                                  | 12.7                                      | 2,540                                | 95.5               |
| Minneapolis                     | 4                    | 44,120                                       | 7.9  | 1,612                                  | 7.7                                       | 1,536                                | 95.3               |
| Los Angeles                     | 5                    | 29,627                                       | 5.3  | 1,144                                  | 5.5                                       | 945                                  | 82.6               |
| Boston                          | 6                    | 25,939                                       | 4.6  | 1,023                                  | 4.9                                       | 1,012                                | 98.9               |
| Dallas                          | 7                    | 24,138                                       | 4.3  | 1,276                                  | 6.1                                       | 1,133                                | 88.8               |
| Detroit                         | 4                    | 17,850                                       | 3.2  | 930                                    | 4.4                                       | 812                                  | 87.3               |
| Atlanta                         | 6                    | 14,855                                       | 2.7  | 1,042                                  | 5.0                                       | 633                                  | 60.7               |
| Philadelphia                    | 1                    | 14,571                                       | 2.6  | 761                                    | 3.6                                       | 761                                  | 100.0              |
| Houston                         | 2                    | 13,499                                       | 2.4  | 463                                    | 2.2                                       | 431                                  | 93.1               |
| Phoenix                         | 4                    | 9,203  | 1.7  | 554                                    | 2.6                                       | 467                                  | 84.3               |
| Central & South Florida         | 4                    | 7,564  | 1.4  | 476                                    | 2.3                                       | 303                                  | 63.7               |
| Nashville                       | 1                    | 7,125  | 1.3  | 312                                    | 1.5                                       | 312                                  | 100.0              |
| Austin                          | 1                    | 5,846  | 1.0  | 195                                    | 0.9                                       | 195                                  | 100.0              |
| Portland                        | 4                    | 4,599  | 0.8  | 325                                    | 1.6                                       | 325                                  | 100.0              |
| Cleveland                       | 2                    | 3,193  | 0.6  | 187                                    | 0.9                                       | 178                                  | 95.2               |
| Denver                          | 1                    | 2,935  | 0.5  | 156                                    | 0.7                                       | 156                                  | 100.0              |
| <b>Total / Weighted Average</b> | <b>79</b>            | <b>\$557,903</b>                             | <b>100.0</b>                               | <b>20,942</b>                          | <b>100.0</b>                              | <b>18,124</b>                        | <b>86.5</b>        |



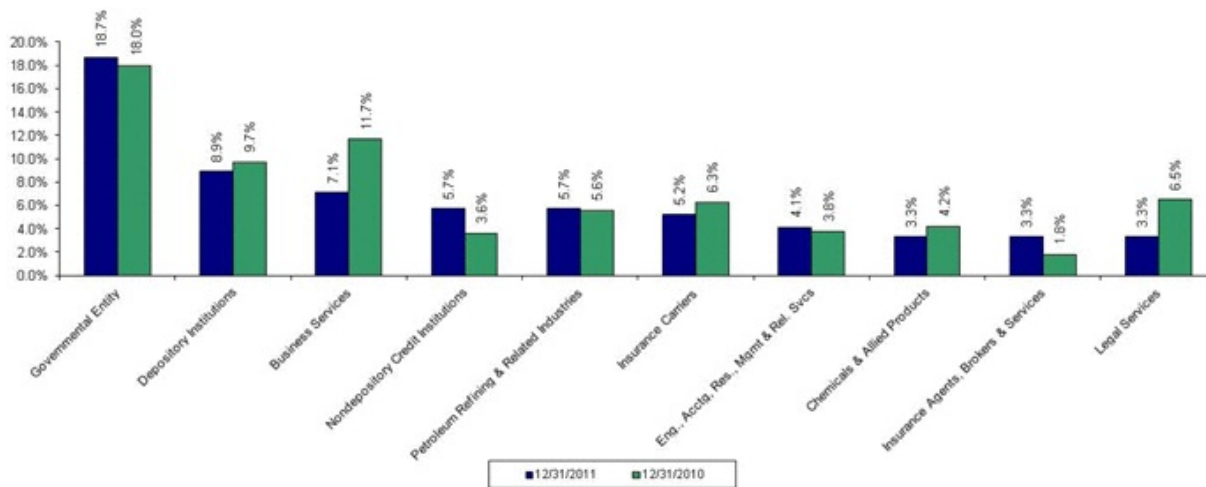
**Piedmont Office Realty Trust, Inc.**  
**Geographic Diversification by Location Type**  
**As of December 31, 2011**

| Location                       | State      | CBD / URBAN INFILL   |  |  | SUBURBAN             |  |  |                      | TOTAL                                      |  |               |              |
|--------------------------------|------------|----------------------|--|--|----------------------|--|--|----------------------|--|--|---------------|--------------|
|                                |            | Number of Properties | Percentage of Annualized Lease Revenue (%) | Percentage of Rentable Square Footage (in Thousands) (%) | Number of Properties | Percentage of Annualized Lease Revenue (%) | Percentage of Rentable Square Footage (in Thousands) (%) | Number of Properties | Percentage of Annualized Lease Revenue (%) | Percentage of Rentable Square Footage (in Thousands) (%) |               |              |
| Chicago                        | IL         | 2                    | 19.1                                       | 3,647  | 4                    | 3.3  | 1,125  | 5.4                  | 6  | 22.4   | 4,772         | 22.8         |
| Washington, D.C.               | DC, VA, MD | 9                    | 19.3                                       | 2,574  | 5                    | 2.3  | 481  | 2.3                  | 14   | 21.6   | 3,055         | 14.6         |
| New York                       | NY, NJ     | 1                    | 7.4  | 1,027  | 6                    | 8.3  | 1,632  | 7.8                  | 7  | 15.7   | 2,659         | 12.7         |
| Minneapolis                    | M N        | 1                    | 4.9  | 927  | 3                    | 3.0  | 685  | 3.3                  | 4  | 7.9  | 1,612         | 7.7          |
| Los Angeles                    | CA         | 3                    | 4.3  | 865  | 2                    | 1.0  | 279  | 1.3                  | 5  | 5.3  | 1,144         | 5.5          |
| Boston                         | MA         | 2                    | 2.1  | 173  | 4                    | 2.5  | 850  | 4.1                  | 6  | 4.6  | 1,023         | 4.9          |
| Dallas                         | TX         | 0                    | 0.0  | 0  | 7                    | 4.3  | 1,276  | 6.1                  | 7  | 4.3  | 1,276         | 6.1          |
| Detroit                        | M I        | 1                    | 1.8  | 493  | 3                    | 1.4  | 437  | 2.1                  | 4  | 3.2  | 930           | 4.4          |
| Atlanta                        | GA         | 2                    | 1.6  | 558  | 4                    | 1.1  | 484  | 2.3                  | 6  | 2.7  | 1,042         | 5.0          |
| Philadelphia                   | PA         | 1                    | 2.6  | 761  | 0                    | 0.0  | 0  | 0.0                  | 1  | 2.6  | 761           | 3.6          |
| Houston                        | TX         | 0                    | 0.0  | 0  | 2                    | 2.4  | 463  | 2.2                  | 2  | 2.4  | 463           | 2.2          |
| Phoenix                        | AZ         | 0                    | 0.1  | 0  | 4                    | 1.6  | 554  | 2.6                  | 4  | 1.7  | 554           | 2.6          |
| Central & South Florida        | FL         | 0                    | 0.0  | 0  | 4                    | 1.4  | 476  | 2.3                  | 4  | 1.4  | 476           | 2.3          |
| Nashville                      | TN         | 1                    | 1.3  | 312  | 0                    | 0.0  | 0  | 0.0                  | 1  | 1.3  | 312           | 1.5          |
| Austin                         | TX         | 0                    | 0.0  | 0  | 1                    | 1.0  | 195  | 0.9                  | 1  | 1.0  | 195           | 0.9          |
| Portland                       | OR         | 0                    | 0.0  | 0  | 4                    | 0.8  | 325  | 1.6                  | 4  | 0.8  | 325           | 1.6          |
| Cleveland                      | OH         | 0                    | 0.0  | 0  | 2                    | 0.6  | 187  | 0.9                  | 2  | 0.6  | 187           | 0.9          |
| Denver                         | CO         | 0                    | 0.0  | 0  | 1                    | 0.5  | 156  | 0.7                  | 1  | 0.5  | 156           | 0.7          |
| <b>Total /Weighted Average</b> |            | <b>23</b>            | <b>64.5</b>                                | <b>11,337</b>  | <b>56</b>            | <b>35.5</b>                                | <b>9,605</b>   | <b>45.9</b>          | <b>79</b>                                  | <b>100.0</b>   | <b>20,942</b> | <b>100.0</b> |



**Piedmont Office Realty Trust, Inc.**  
**Industry Diversification**  
**As of December 31, 2011**

| <b>Industry Diversification</b>                                  | <b>Number of Tenants</b> | <b>Percentage of Total Tenants (%)</b> | <b>Annualized Lease Revenue (\$'s in thousands)</b> | <b>Percentage of Annualized Lease Revenue (%)</b> | <b>Leased Square Footage (in thousands)</b> | <b>Percentage of Leased Square Footage (%)</b> |
|--|--------------------------|--|---|---|---|--|
| Governmental Entity  | 8                        | 1.9                                    | \$104,465   | 18.7  | 2,400                                       | 13.2   |
| Depository Institutions  | 13                       | 3.0                                    | 49,474  | 8.9   | 1,726                                       | 9.5  |
| Business Services  | 63                       | 14.5                                   | 39,582  | 7.1   | 1,393                                       | 7.7  |
| Nondepository Credit Institutions                                | 14                       | 3.2                                    | 31,996  | 5.7   | 1,120                                       | 6.2  |
| Petroleum Refining & Related Industries                          | 1                        | 0.2                                    | 31,863  | 5.7   | 776   | 4.3  |
| Insurance Carriers   | 22                       | 5.1                                    | 28,887  | 5.2   | 1,324                                       | 7.3  |
| Engineering, Accounting, Research, Management & Related Services | 29                       | 6.7                                    | 22,654  | 4.1   | 703   | 3.9  |
| Chemicals & Allied Products                                      | 9                        | 2.1                                    | 18,465  | 3.3   | 563   | 3.1  |
| Insurance Agents, Brokers & Services                             | 9                        | 2.1                                    | 18,330  | 3.3   | 604   | 3.3  |
| Legal Services   | 10                       | 2.3                                    | 18,252  | 3.3   | 609   | 3.3  |
| Communications   | 34                       | 7.8                                    | 17,991  | 3.2   | 610   | 3.4  |
| Security & Commodity Brokers, Dealers, Exchanges & Services      | 24                       | 5.5                                    | 16,838  | 3.0   | 607   | 3.3  |
| Educational Services   | 9                        | 2.1                                    | 15,534  | 2.8   | 434   | 2.4  |
| Food & Kindred Products  | 6                        | 1.4                                    | 15,070  | 2.7   | 428   | 2.4  |
| Transportation Equipment   | 4                        | 0.9                                    | 13,659  | 2.4   | 518   | 2.9  |
| Other  | 179                      | 41.2                                   | 114,843   | 20.6  | 4,309                                       | 23.8   |
| <b>Total</b>   | <b>434</b>               | <b>100.0</b>                           | <b>\$557,903</b>                                    | <b>100.0</b>                                      | <b>18,124</b>                               | <b>100.0</b>                                   |



**Piedmont Office Realty Trust, Inc.**  
**Property Investment Activity**  
**As of December 31, 2011**

**Acquisitions**

| Property Name                         | Location      | Acquisition Date | Percent Ownership (%) | Year Built | Purchase Price (\$'s in thousands) | Rentable Square Footage (in thousands) | Percent Leased at Acquisition (%) |
|---------------------------------------|---------------|------------------|-----------------------|------------|------------------------------------|--|-----------------------------------|
| Suwanee Gateway One                   | Suwanee, GA   | 9/28/2010        | 100                   | 2008       | \$7,875                            | 142                                    | 0                                 |
| Meridian Crossings                    | Richfield, MN | 10/1/2010        | 100                   | 1997-1998  | 65,611                             | 384                                    | 96                                |
| 1200 Enclave Parkway                  | Houston, TX   | 3/30/2011        | 100                   | 1999       | 18,500                             | 150                                    | 18                                |
| 500 West Monroe Street <sup>(1)</sup> | Chicago, IL   | 3/31/2011        | 100                   | 1991       | 227,500                            | 962                                    | 67                                |
| The Dupree                            | Atlanta, GA   | 4/29/2011        | 100                   | 1997       | 20,450                             | 138                                    | 83                                |
| The Medici                            | Atlanta, GA   | 6/7/2011         | 100                   | 2008       | 13,210                             | 152                                    | 22                                |
| 225 and 235 Presidential Way          | Woburn, MA    | 9/13/2011        | 100                   | 2000-2001  | 85,300                             | 440                                    | 100                               |
| 400 TownPark                          | Lake Mary, FL | 11/10/2011       | 100                   | 2008       | 23,865                             | 176                                    | 19                                |
|                                       |               |                  |                       |            | <b>\$462,311</b>                   | <b>2,544</b>                           | <b>65</b>                         |

**Dispositions**

| Property Name                       | Location             | Disposition Date | Percent Ownership (%) | Year Built | Sale Price (\$'s in thousands) | Rentable Square Footage (in thousands) | Percent Leased at Disposition (%) |
|-------------------------------------|----------------------|------------------|-----------------------|------------|--------------------------------|--|-----------------------------------|
| 111 Sylvan Avenue                   | Englewood Cliffs, NJ | 12/8/2010        | 100                   | 1953-1967  | \$55,000                       | 410                                    | 100                               |
| 14400 Hertz Quail Springs Parkway   | Oklahoma City, OK    | 10/15/2010       | 4                     | 1997       | 5,300                          | 57                                     | 100                               |
| 360 Interlocken Boulevard           | Broomfield, CO       | 6/2/2011         | 4                     | 1996       | 9,150                          | 52                                     | 100                               |
| Eastpointe Corporate Center         | Issaquah, WA         | 7/1/2011         | 100                   | 2001       | 32,000                         | 156                                    | 19                                |
| 47300 Kato Road                     | Fremont, CA          | 8/25/2011        | 78                    | 1982       | 3,825                          | 58                                     | 0                                 |
| 5000 Corporate Court                | Holtsville, NY       | 8/31/2011        | 100                   | 2000       | 39,250                         | 264                                    | 82                                |
| 35 West Wacker Drive <sup>(2)</sup> | Chicago, IL          | 12/15/2011       | 96.5                  | 1989       | 401,000                        | 1,118                                  | 100                               |
|                                     |                      |                  |                       |            | <b>\$545,525</b>               | <b>2,115</b>                           | <b>89</b>                         |

<sup>(1)</sup> 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 equates to the book basis for the real estate assets comprising the property.

<sup>(2)</sup> Sale price and rentable square footage are gross figures and have not been adjusted for Piedmont's ownership percentage.

**Piedmont Office Realty Trust, Inc.**  
**Value-Add Activity**  
**As of December 31, 2011**

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**

| <b>Property Name</b>                  | <b>Location</b> | <b>Acquisition Date</b> | <b>Percent Ownership (%)</b> | <b>Year Built</b> | <b>Purchase Price (\$'s in thousands)</b> | <b>Rentable Square Footage (in thousands)</b> | <b>Current Percent Leased (%)</b> | <b>Percent Leased at Acquisition (%)</b> |
|---------------------------------------|-----------------|-------------------------|------------------------------|-------------------|---|---|-----------------------------------|--|
| Suwanee Gateway One                   | Suwanee, GA     | 9/28/2010               | 100                          | 2008              | \$7,875                                   | 142   | 0                                 | 0  |
| 1200 Enclave Parkway                  | Houston, TX     | 3/30/2011               | 100                          | 1999              | 18,500                                    | 150   | 79                                | 18                                       |
| 500 West Monroe Street <sup>(1)</sup> | Chicago, IL     | 3/31/2011               | 100                          | 1991              | 227,500                                   | 962   | 68                                | 67                                       |
| The Medici                            | Atlanta, GA     | 6/7/2011                | 100                          | 2008              | 13,210                                    | 152   | 30                                | 22                                       |
| 400 TownPark                          | Lake Mary, FL   | 11/10/2011              | 100                          | 2008              | 23,865                                    | 176   | 30                                | 19                                       |
|                                       |                 |                         |                              |                   | <b>\$290,950</b>                          | <b>1,582</b>                                  | <b>55</b>                         | <b>46</b>                                |

<sup>(1)</sup> Property was acquired through the foreclosure of an equity ownership interest. While 67% leased at acquisition, the asset had near-term lease expirations comprising approximately 50% of the building's rentable square footage.

**Piedmont Office Realty Trust, Inc.**  
**Other Investments**  
**As of December 31, 2011**

| <b>Industrial Properties</b> | <b>Location</b> | <b>Percent Ownership (%)</b> | <b>Year Built</b> | <b>Real Estate Net Book Value (\$'s in thousands)</b> | <b>Rentable Square Footage (in thousands)</b> | <b>Percent Leased (%)</b> |
|------------------------------|-----------------|------------------------------|-------------------|---|---|---------------------------|
| 112 Hidden Lake Circle       | Duncan, SC      | 100                          | 1987              | \$9,602   | 313.4   | 100                       |
| 110 Hidden Lake Circle       | Duncan, SC      | 100                          | 1987              | 13,925  | 473.4   | 37                        |
|                              |                 |                              |                   | <b>\$23,527</b>                                       | <b>786.8</b>                                  | <b>62</b>                 |

| <b>Unconsolidated Joint Venture Properties</b> | <b>Location</b>     | <b>Percent Ownership (%)</b> | <b>Year Built</b> | <b>Piedmont Share of Real Estate Net Book Value (\$'s in thousands)</b> | <b>Real Estate Net Book Value (\$'s in thousands)</b> | <b>Rentable Square Footage (in thousands)</b> | <b>Percent Leased (%)</b> |
|--|---------------------|------------------------------|-------------------|---|---|---|---------------------------|
| 20/20 Building                                 | Leawood, KS         | 57                           | 1992              | \$2,602   | \$4,583   | 68.3  | 91                        |
| 4685 Investment Drive                          | Troy, MI            | 55                           | 2000              | 5,106   | 9,282   | 77.1  | 100                       |
| 5301 Maryland Way                              | Brentwood, TN       | 55                           | 1989              | 10,809  | 19,649  | 201.2   | 100                       |
| 8560 Upland Drive                              | Parker, CO          | 72                           | 2001              | 7,484   | 10,411  | 148.2   | 100                       |
| Two Park Center                                | Hoffman Estates, IL | 72                           | 1999              | 11,228  | 15,619  | 193.7   | 39                        |
|  |                     |                              |                   | <b>\$37,229</b>   | <b>\$59,544</b>                                       | <b>688.5</b>                                  | <b>82</b>                 |

| <b>Land Parcels</b>   | <b>Location</b>      | <b>Acres</b> |
|-----------------------|----------------------|--------------|
| Portland Land Parcels | Beaverton, OR        | 18.2         |
| Enclave Parkway       | Houston, TX          | 4.5          |
| Durham Avenue         | South Plainfield, NJ | 8.9          |
| State Highway 161     | Irving, TX           | 4.5          |
|                       |                      | <b>36.1</b>  |

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## Piedmont Office Realty Trust, Inc.

### Supplemental Definitions

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*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 within pages 38-40.*

**Adjusted Funds From Operations ("AFFO"):** AFFO is calculated by deducting from Core FFO non-incremental capital expenditures 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 have 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 industrial properties and 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 extraordinary 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 extraordinary 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.

**Core Net Operating Income ("Core NOI"):** Core NOI is defined as real estate operating income with the add-back of corporate general and administrative expense, depreciation and amortization, and casualty and impairment losses and the deduction of income and expense associated with lease terminations and income associated with property management performed by Piedmont for other organizations. 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. The company uses this measure to assess its operating results and believes it is important in assessing operating performance. Core 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.

**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 and impairment losses, adding back depreciation and amortization on real estate assets, and after the same adjustments for unconsolidated partnerships and joint ventures. These adjustments can vary among owners of identical assets in similar conditions based on historical cost accounting and useful-life estimates. FFO 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.

**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.

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## Piedmont Office Realty Trust, Inc. Supplemental Definitions

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**NOI from Unconsolidated Joint Ventures:** NOI from Unconsolidated Joint Ventures is defined as Core NOI attributable to our interests in eight 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.

**Same Store Net Operating Income ("Same Store NOI"):** Same Store NOI is calculated as the Core 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 industrial properties and unconsolidated joint venture assets. 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. We believe Same Store NOI is an important measure of comparison of our stabilized properties' operating performance. 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 industrial properties and 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.**  
**Research Coverage**

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**Paul E. Adornato, CFA**  
**BMO Capital Markets**  
3 Times Square, 26th Floor  
New York, NY 10036  
Phone: (212) 885-4170

**John W. Guinee, III**  
**Stifel, Nicolaus & Company**  
One South Street  
16th Floor  
Baltimore, MD 21202  
Phone: (443) 224-1307

**Brendan Maiorana**  
**Wells Fargo**  
7 St. Paul Street  
MAC R1230-011  
Baltimore, MD 21202  
Phone: (443) 263-6516

**Paul Morgan**  
**Morgan Stanley**  
555 California Street, 21st Floor  
San Francisco, CA 94104  
Phone: (415) 576-2627

**Anthony Paolone, CFA**  
**JP Morgan**  
277 Park Avenue  
New York, NY 10172  
Phone: (212) 622-6682

**David B. Rodgers, CFA**  
**RBC Capital Markets**  
Arbor Court  
30575 Bainbridge Road,  
Suite 250  
Solon, OH 44139  
Phone: (440) 715-2647

**Michael Knott, CFA**  
**Green Street Advisors**  
660 Newport Center Drive, Suite 800  
Newport Beach, CA 92660  
Phone: (949) 640-8780

**Stephen C. Swett**  
**Morgan Keegan & Co.**  
535 Madison Avenue  
10th Floor  
New York, NY 10022  
Phone: (212) 508-7585

**Piedmont Office Realty Trust, Inc.**  
**FFO, Core FFO, & AFFO Reconciliations**  
**Unaudited (in thousands)**

|   | Three Months Ended |                  |                  |                  |                  | Twelve Months Ended |                   |
|---|--------------------|------------------|------------------|------------------|------------------|---------------------|-------------------|
|   | 12/31/2011         | 9/30/2011        | 6/30/2011        | 3/31/2011        | 12/31/2010       | 12/31/2011          | 12/31/2010        |
| <b>Net income attributable to Piedmont</b>                          | \$ 119,020         | \$ 51,026        | \$ 21,027        | \$ 33,967        | \$ 28,700        | \$ 225,041          | \$ 120,379        |
| Depreciation  | 27,287             | 28,102           | 27,879           | 27,154           | 26,821           | 110,421             | 105,107           |
| Amortization  | 15,531             | 16,616           | 15,878           | 12,106           | 11,623           | 60,132              | 45,334            |
| Impairment loss   | -                  | -                | -                | -                | -                | -                   | 9,640             |
| (Gain) / loss on sale of properties                                 | (95,901)           | (26,826)         | (45)             | -                | 792              | (122,773)           | 792               |
| (Gain) / loss on consolidation of VIE                               | -                  | -                | 388              | (1,920)          | -                | (1,532)             | -                 |
| <b>Funds from operations</b>  | <b>65,937</b>      | <b>68,918</b>    | <b>65,127</b>    | <b>71,307</b>    | <b>67,936</b>    | <b>271,289</b>      | <b>281,252</b>    |
| Acquisition costs   | 372                | 285              | 716              | (26)             | 242              | 1,347               | 600               |
| (Gain) / loss on extinguishment of debt                             | (1,039)            | -                | -                | -                | -                | (1,039)             | -                 |
| <b>Core funds from operations</b>                                   | <b>65,270</b>      | <b>69,203</b>    | <b>65,843</b>    | <b>71,281</b>    | <b>68,178</b>    | <b>271,597</b>      | <b>281,852</b>    |
| Depreciation of non real estate assets                              | 77                 | 84               | 168              | 170              | 173              | 499                 | 707               |
| Stock-based and other non-cash compensation expense                 | 1,730              | 1,111            | 896              | 968              | 1,223            | 4,705               | 3,681             |
| Deferred financing cost amortization                                | 649                | 879              | 1,060            | 607              | 608              | 3,195               | 2,608             |
| Amortization of fair market adjustments on notes payable            | -                  | 471              | 942              | -                | -                | 1,413               | -                 |
| Straight-line effects of lease revenue                              | (5,019)            | (4,129)          | (2,596)          | 2,237            | (3,456)          | (9,507)             | (6,088)           |
| Amortization of lease related intangibles                           | (2,215)            | (1,817)          | (1,670)          | (1,362)          | (1,331)          | (7,065)             | (5,793)           |
| Income from amortization of discount on purchase of mezzanine loans | -                  | -                | -                | (484)            | (473)            | (484)               | (2,405)           |
| Acquisition costs   | (372)              | (285)            | (716)            | 26               | (242)            | (1,347)             | (600)             |
| Non-incremental capital expenditures                                | (15,392)           | (14,529)         | (13,349)         | (17,131)         | (22,634)         | (60,401)            | (45,286)          |
| <b>Adjusted funds from operations</b>                               | <b>\$ 44,728</b>   | <b>\$ 50,988</b> | <b>\$ 50,578</b> | <b>\$ 56,312</b> | <b>\$ 42,046</b> | <b>\$ 202,605</b>   | <b>\$ 228,676</b> |



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

|   | Three Months Ended |                  |                  |                  |                  | Twelve Months Ended |                   |
|---|--------------------|------------------|------------------|------------------|------------------|---------------------|-------------------|
|   | 12/31/2011         | 9/30/2011        | 6/30/2011        | 3/31/2011        | 12/31/2010       | 12/31/2011          | 12/31/2010        |
| <b>Net income attributable to Piedmont</b>  | <b>\$ 119,020</b>  | <b>\$ 51,026</b> | <b>\$ 21,027</b> | <b>\$ 33,967</b> | <b>\$ 28,700</b> | <b>\$ 225,041</b>   | <b>\$ 120,379</b> |
| Net income attributable to noncontrolling interest                                  | 91                 | 135              | 121              | 123              | 122              | 468                 | 531               |
| Interest expense  | 17,457             | 17,804           | 19,313           | 17,174           | 17,378           | 71,749              | 72,761            |
| Loss on extinguishment of debt  | (1,039)            | -                | -                | -                | -                | (1,039)             | -                 |
| Depreciation  | 27,364             | 28,186           | 28,047           | 27,324           | 26,995           | 110,920             | 105,814           |
| Amortization  | 15,531             | 16,616           | 15,878           | 12,106           | 11,623           | 60,132              | 45,334            |
| Impairment loss   | -                  | -                | -                | -                | -                | -                   | 9,640             |
| (Gain) / loss on sale of properties   | (95,901)           | (26,826)         | (45)             | -                | 792              | (122,773)           | 792               |
| (Gain) / loss on consolidation of VIE   | -                  | -                | 388              | (1,920)          | -                | (1,532)             | -                 |
| <b>Core EBITDA</b>  | <b>82,523</b>      | <b>86,941</b>    | <b>84,729</b>    | <b>88,774</b>    | <b>85,610</b>    | <b>342,966</b>      | <b>355,251</b>    |
| General & administrative expenses   | 6,241              | 4,747            | 7,392            | 6,704            | 7,724            | 25,085              | 28,853            |
| Management fee revenue  | (281)              | (110)            | (363)            | (830)            | (948)            | (1,584)             | (3,212)           |
| Interest and other income   | 357                | 74               | 253              | (3,460)          | (491)            | (2,775)             | (3,489)           |
| Lease termination income  | (319)              | 33               | (1,347)          | (3,404)          | (2,589)          | (5,038)             | (7,794)           |
| Lease termination expense - straight line rent & acquisition intangibles write-offs | 185                | 260              | 43               | 436              | 461              | 924                 | 1,338             |
| Straight-line effects of lease revenue  | (5,180)            | (4,296)          | (2,639)          | 1,972            | (3,791)          | (10,143)            | (7,300)           |
| Net effect of amortization of above/(below) market in-place lease intangibles       | (2,239)            | (1,911)          | (1,670)          | (1,534)          | (1,457)          | (7,354)             | (5,919)           |
| <b>Core net operating income</b>  | <b>81,287</b>      | <b>85,738</b>    | <b>86,398</b>    | <b>88,658</b>    | <b>84,519</b>    | <b>342,081</b>      | <b>357,728</b>    |
| Net operating income from:  |                    |                  |                  |                  |                  |                     |                   |
| Acquisitions  | (4,855)            | (3,400)          | (3,399)          | 357              | 918              | (11,298)            | 919               |
| Dispositions  | (5,134)            | (6,415)          | (6,418)          | (6,340)          | (7,341)          | (24,306)            | (33,973)          |
| Industrial properties   | (242)              | (254)            | (242)            | (237)            | (346)            | (975)               | (782)             |
| Unconsolidated joint ventures   | (1,013)            | (818)            | (696)            | (658)            | (1,165)          | (3,185)             | (4,835)           |
| <b>Same Store NOI</b>   | <b>\$ 70,043</b>   | <b>\$ 74,851</b> | <b>\$ 75,643</b> | <b>\$ 81,780</b> | <b>\$ 76,585</b> | <b>\$ 302,317</b>   | <b>\$ 319,057</b> |

**Piedmont Office Realty Trust, Inc.**  
**Unconsolidated Joint Venture NOI Reconciliation**  
**Pro-rata (in thousands)**

|   | Three Months Ended |               |               |               |                 | Twelve Months Ended |                 |
|---|--------------------|---------------|---------------|---------------|-----------------|---------------------|-----------------|
|   | 12/31/2011         | 9/30/2011     | 6/30/2011     | 3/31/2011     | 12/31/2010      | 12/31/2011          | 12/31/2010      |
| <b>Equity in Income of Unconsolidated JVs</b>                                 | \$ 587             | \$ 485        | \$ 338        | \$ 209        | \$ 630          | \$ 1,619            | \$ 2,633        |
| Interest expense  | -                  | -             | -             | -             | -               | -                   | -               |
| Depreciation  | 293                | 296           | 300           | 302           | 310             | 1,190               | 1,324           |
| Amortization  | 33                 | 33            | 33            | 30            | 101             | 130                 | 403             |
| Impairment loss   | -                  | -             | -             | -             | -               | -                   | 53              |
| (Gain) / loss on sale of properties   | -                  | (71)          | (45)          | -             | (25)            | (116)               | (25)            |
| <b>Core EBITDA</b>  | <b>913</b>         | <b>743</b>    | <b>626</b>    | <b>541</b>    | <b>1,016</b>    | <b>2,823</b>        | <b>4,388</b>    |
| General & administrative expenses   | 49                 | 29            | 27            | 75            | 73              | 181                 | 217             |
| Interest and other income   | -                  | (1)           | -             | -             | -               | (1)                 | -               |
| <b>Core net operating income (accrual basis)</b>                              | <b>962</b>         | <b>771</b>    | <b>653</b>    | <b>616</b>    | <b>1,089</b>    | <b>3,003</b>        | <b>4,605</b>    |
| Straight-line effects of lease revenue  | 51                 | 47            | 43            | 42            | 77              | 182                 | 235             |
| Net effect of amortization of above/(below) market in-place lease intangibles | -                  | -             | -             | -             | (1)             | -                   | (5)             |
| <b>Core net operating income (cash basis)</b>                                 | <b>\$ 1,013</b>    | <b>\$ 818</b> | <b>\$ 696</b> | <b>\$ 658</b> | <b>\$ 1,165</b> | <b>\$ 3,185</b>     | <b>\$ 4,835</b> |

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

|   | Three Months Ended |                  |                 |                 |                 | Twelve Months Ended |                  |
|---|--------------------|------------------|-----------------|-----------------|-----------------|---------------------|------------------|
|   | 12/31/2011         | 9/30/2011        | 6/30/2011       | 3/31/2011       | 12/31/2010      | 12/31/2011          | 12/31/2010       |
| <b>Revenues:</b>  |                    |                  |                 |                 |                 |                     |                  |
| Rental income   | \$ 6,208           | \$ 7,477         | \$ 8,586        | \$ 8,568        | \$ 9,704        | \$ 30,839           | \$ 40,159        |
| Tenant reimbursements   | 4,264              | 3,565            | 5,321           | 5,416           | 6,302           | 18,566              | 20,348           |
| Property management fee revenue                                     | -                  | -                | -               | -               | -               | -                   | -                |
| Other rental income   | -                  | -                | -               | -               | 1,136           | -                   | 1,136            |
| Total revenues  | 10,472             | 11,042           | 13,907          | 13,984          | 17,142          | 49,405              | 61,643           |
| <b>Operating expenses:</b>  |                    |                  |                 |                 |                 |                     |                  |
| Property operating costs  | 4,353              | 3,403            | 6,164           | 6,144           | 7,161           | 20,064              | 21,798           |
| Depreciation  | -                  | 1,516            | 1,686           | 1,710           | 1,673           | 4,912               | 7,215            |
| Amortization  | 6                  | 1,676            | 1,709           | 1,708           | 1,717           | 5,099               | 6,910            |
| General and administrative  | (13)               | 45               | 21              | 14              | 54              | 67                  | 249              |
| Total operating expenses  | 4,346              | 6,640            | 9,580           | 9,576           | 10,605          | 30,142              | 36,172           |
| Interest expense  | (1,278)            | (1,568)          | (1,551)         | (1,534)         | (1,578)         | (5,931)             | (6,274)          |
| Interest and other income (expense)                                 | -                  | 16               | (15)            | -               | -               | 1                   | 3                |
| Net income attributable to noncontrolling interest                  | (87)               | (131)            | (116)           | (119)           | (118)           | (453)               | (516)            |
| Total other income (expense)  | (1,365)            | (1,683)          | (1,682)         | (1,653)         | (1,696)         | (6,383)             | (6,787)          |
| <b>Operating income, excluding impairment loss and gain on sale</b> | <b>\$ 4,761</b>    | <b>\$ 2,719</b>  | <b>\$ 2,645</b> | <b>\$ 2,755</b> | <b>\$ 4,841</b> | <b>\$ 12,880</b>    | <b>\$ 18,684</b> |
| Impairment loss   | -                  | -                | -               | -               | -               | -                   | (9,587)          |
| Gain / (loss) on sale of properties                                 | 95,901             | 26,756           | -               | -               | (817)           | 122,657             | (817)            |
| <b>Income from discontinued operations</b>                          | <b>\$ 100,662</b>  | <b>\$ 29,475</b> | <b>\$ 2,645</b> | <b>\$ 2,755</b> | <b>\$ 4,024</b> | <b>\$ 135,537</b>   | <b>\$ 8,280</b>  |

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

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Certain statements contained in this supplemental package constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We intend for all such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act, as applicable. Such information is subject to certain risks and uncertainties, as well as known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of our performance in future periods. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "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: our ability to successfully identify and consummate suitable acquisitions; current adverse market and economic conditions; 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; 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; additional risks and costs associated with directly managing properties occupied by government tenants; adverse market and economic conditions and related impairments to our assets, including, but not limited to, receivables, real estate assets and other intangible assets; the success of our real estate strategies and investment objectives; availability of financing; costs of complying with governmental laws and regulations; uncertainties associated with environmental and other regulatory matters; our ability to continue to qualify as a REIT under the Internal Revenue Code; the impact of outstanding or potential litigation; 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.