







## Board of Directors

W. Wayne Woody  
Director and Chairman of the  
Board of Directors

Michael R. Buchanan  
Director

Wesley E. Cantrell  
Director

William H. Keogler, Jr.  
Director

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

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

Raymond G. Milnes, Jr.  
Director

Donald S. Moss  
Director

Jeffrey L. Swope  
Director  
Managing Partner and Chief  
Executive Officer of  
Champion Partners Ltd.

## Requests for Exhibits

We will furnish any exhibit to our Annual Report on Form 10-K upon the payment of a fee equal to our reasonable expenses in furnishing such exhibit. Requests for exhibits should be directed to our Corporate Secretary, by phone at 770-418-8800, or by mail at 11695 Johns Creek Parkway, Suite 350, Johns Creek, GA 30097.

## Transfer Agent Services

### Contact

Computershare  
866-354-3485  
investor.services@piedmontreit.com

## About Piedmont

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, Los Angeles, Boston, and Dallas. As of December 31, 2012, Piedmont's 74 wholly-owned office buildings were comprised of over 20 million rentable square feet. The Company is headquartered in Atlanta, GA, with local management offices in each of its major markets. Piedmont is investment-grade rated by Standard & Poor's and Moody's and has maintained a low-leverage strategy while acquiring and disposing of properties during its fourteen year operating history. For more information, see [www.piedmontreit.com](http://www.piedmontreit.com).



One Brattle Square  
Cambridge, MA

*Certain statements contained in this annual report constitute forward-looking statements within the meaning of the federal securities laws. We intend for all such forward-looking statements to be covered by applicable safe-harbor provisions. 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. Forward-looking statements are 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. These risks include the factors detailed in our Annual Report on Form 10-K for the year ended December 31, 2012 filed with the Securities and Exchange Commission and available at [www.sec.gov](http://www.sec.gov). You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this annual report. Examples of forward-looking statements in this annual report include expectations regarding the leasing market, future cash flows, and geographic market presence.*

# CLEAR Views

## To our Valued Tenants and Stockholders,

During 2012, we continued to execute our vision of "Building Value Through Stewardship" as one of the premier providers of Class A commercial office space in the U.S. In the last twelve months, we negotiated approximately 3.4 million square feet of leasing which, combined with record leasing of 4 million square feet in 2011, translated into new or renewal leases across one-third of the portfolio over the last two years. Completing this large volume of transactions with large, credit-worthy tenants against the backdrop of a difficult U.S. economic environment is a testament to the quality of our assets, the effectiveness of our leasing model, and the excellence of the day-to-day service that we provide to our tenants.

Looking forward, our view of the next twelve months is that the leasing market in general will remain flat, with the exception of opportunities tied to the technology, energy or healthcare industries. Some government consolidation will result in additional available space in our Washington, D.C. portfolio during 2013. Fortunately, we will be entering into a relatively low multi-year period of lease expirations beginning in 2014. Additionally, we have a significant amount of signed leases that have yet to commence or that are currently in some form of abatement — which will help to grow cash flow from operations once these leases begin and the abatement periods burn off.

We remain focused on our core operating principles of maintaining a low-leveraged strategy and a disciplined approach to investing. At the same time, we have expanded the capabilities of our locally-based property management and corporate teams. Brent Smith has joined us as SVP, Strategic Investments and enhanced our expertise in deal strategy. Also, this year we added a key member to our Washington, D.C. team. Bob Wiberg has



Donald A. Miller, CFA  
Chief Executive Officer  
and President

joined us as EVP of the Mid-Atlantic Region and Head of Development. Bob's experience and real estate network in the Washington, D.C. market should prove helpful to us as we navigate through the aforementioned governmental leasing challenges.

In addition, I would like to highlight the strides that we have recently made on our environmental initiatives. As you know, we at Piedmont take our role in sustainability and operational excellence very seriously and during 2012, we made impressive progress in this area — 25 additional buildings achieved BOMA 360 certification. With 44 of our 74 buildings BOMA 360 certified, we now rank first among REITs for number of buildings with a BOMA 360 designation. Also, seven additional buildings achieved Energy Star Certification, meaning that 79% of our portfolio is now Energy Star Certified. Furthermore, two additional buildings achieved the prestigious LEED Gold designations in 2012.

Finally, as we highlighted for you in last year's Annual Report, we continue to execute on our strategy of narrowing the number of markets where we operate and recycling the proceeds into the top ten to twelve U.S. office markets. During 2012 we sold seven assets, allowing us to exit two additional markets and dispose of our last two industrial assets.

We appreciate the support of our investors and the loyalty of our tenant base as we have worked through a challenging period in U.S. economic history. As always, if you have any questions about Piedmont or any of our properties, please feel free to call on me or any member of the Piedmont team.

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

Portfolio Snapshot

As of December 31, 2012

74

Number of Consolidated Office Properties

17

Number of Metropolitan Areas Where Properties are Located

20.5 Million

Rentable Square Feet

90.5%

Percent Leased-Stabilized Portfolio

6.9 Years

Average Lease Term Remaining

116

Number of Employees

27.2%

Debt/Gross Assets Ratio

\$5.2 Billion

Total Gross Assets

31.9%

Debt/Total Market Capitalization Ratio

BBB/Stable

Standard & Poor's Rating/Outlook

Baa2/Stable

Moody's Rating/Outlook

THE BROADER View

Financial Highlights

(in 000's except per share amounts)

	2012	2011
<b>Statement of Income Data:</b>		
Total revenues	\$536,382	\$533,493
Income from continuing operations	\$63,841	\$85,078
Income from discontinued operations	\$29,378	\$139,978
Net income attributable to Piedmont <sup>(1)</sup>	\$93,204	\$225,041
<b>Cash Flows:</b>		
Cash flows from operations	\$223,252	\$270,343
Cash flows provided by/(used in) investing activities	\$(65,803)	\$33,732
Cash flows used in financing activities (including dividends paid)	\$(284,182)	\$(221,103)
<b>Per share data:</b>		
Income from continuing operations <sup>(2)</sup>	\$0.38	\$0.49
Net income attributable to Piedmont <sup>(2)</sup>	\$0.55	\$1.30
Dividends declared	\$0.80	\$1.26
Core Funds From Operations <sup>(2) (4)</sup>	\$1.43	\$1.57
<b>Balance Sheet Data (at period end):</b>		
Total assets	\$4,254,875	\$4,447,834
Total stockholders' equity	\$2,640,495	\$2,773,428
Outstanding debt	\$1,416,525	\$1,472,525
<b>Core Funds from Operations Data:</b>		
Net income attributable to Piedmont <sup>(1)</sup>	\$93,204	\$225,041
Depreciation and amortization <sup>(3)</sup>	164,750	170,553
Net gains on real estate assets <sup>(3)</sup>	(27,577)	(122,773)
Acquisition costs	141	1,347
Gain on extinguishment of debt and consolidation of variable interest entity	—	(2,571)
Litigation settlement expense	7,500	—
Net casualty loss	5,170	—
Core Funds From Operations <sup>(4)</sup>	\$243,188	\$271,597

(1) Includes gains from sales of properties of \$27.6 million and \$122.8 million during the years ended 2012 and 2011, respectively.

(2) Per diluted weighted average common share

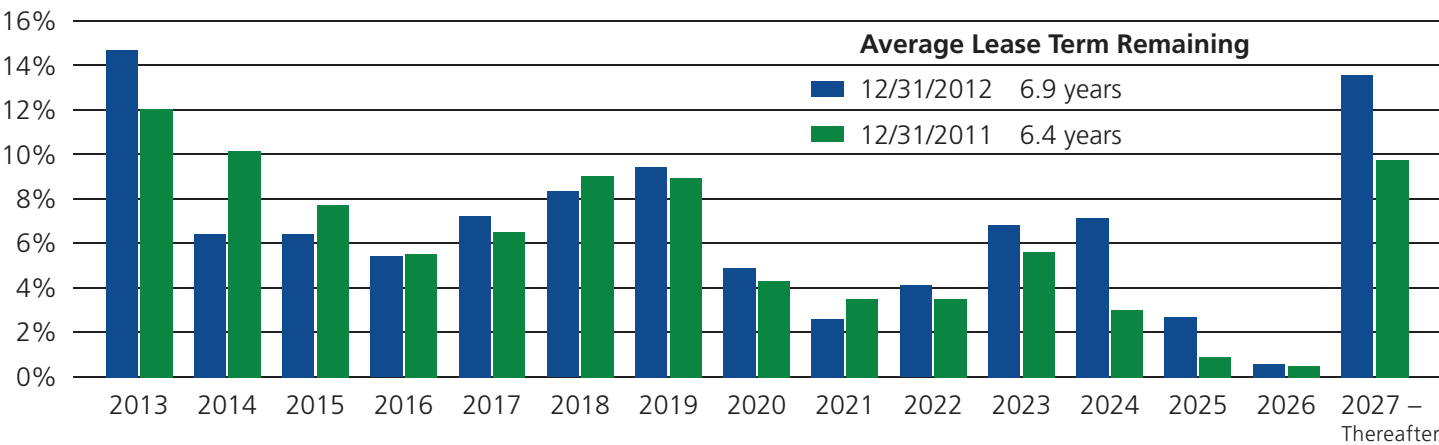
(3) Includes amounts related to both consolidated properties and unconsolidated partnerships.

(4) Core Funds From Operations is a non-GAAP financial measure. For more information, see the Annual Report on Form 10-K.

Please refer to the Annual Report on Form 10-K for complete financial information, including definition of Annualized Lease Revenue on page 2.

Lease Expiration Schedule

Based on percentage of Annualized Lease Revenue



Top Five Tenants<sup>(1)</sup>

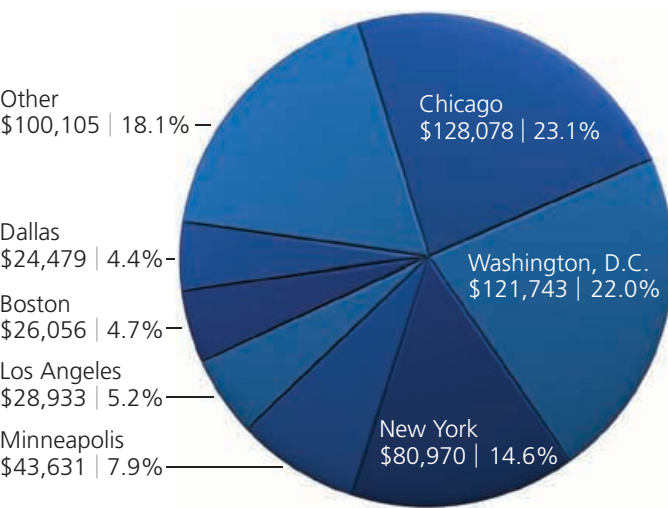
Tenant	Credit Rating <sup>(2)</sup>	Percentage of Annualized Lease Revenue
U.S. Government	AA+/Aaa	13.3%
BP	A/A2	5.9%
U.S. Bancorp	A+/A1	5.0%
State of New York	AA/Aa2	3.6%
Independence Blue Cross	No Rating Available	2.6%

(1) Based on Annualized Lease Revenue.

(2) Credit rating may reflect the credit rating of parent or guarantor. When available, both the Standard & Poor's credit rating and the Moody's credit rating are provided.

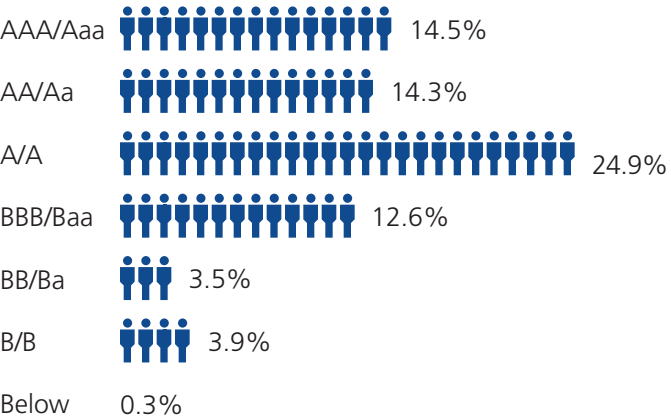
Office Markets

Based on Annualized Lease Revenue



High Credit Quality Tenants\*

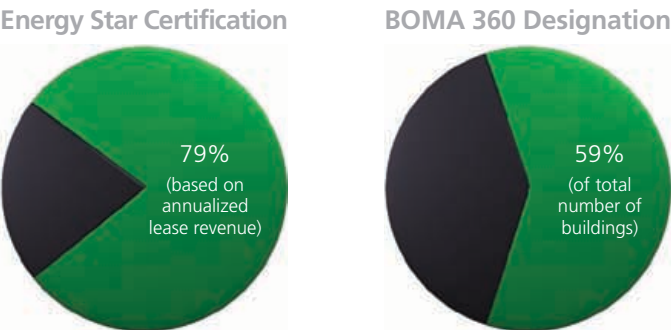
Based on percentage of Annualized Lease Revenue



\*The remaining 26.0% of Piedmont's tenant portfolio is not rated by either Standard & Poor's or Moody's; however, many of these tenants are large or nationally-recognized companies not requiring such ratings.

Environmental Sustainability

Percentage of portfolio with **Energy Star Certification**, and **BOMA 360 designations**:



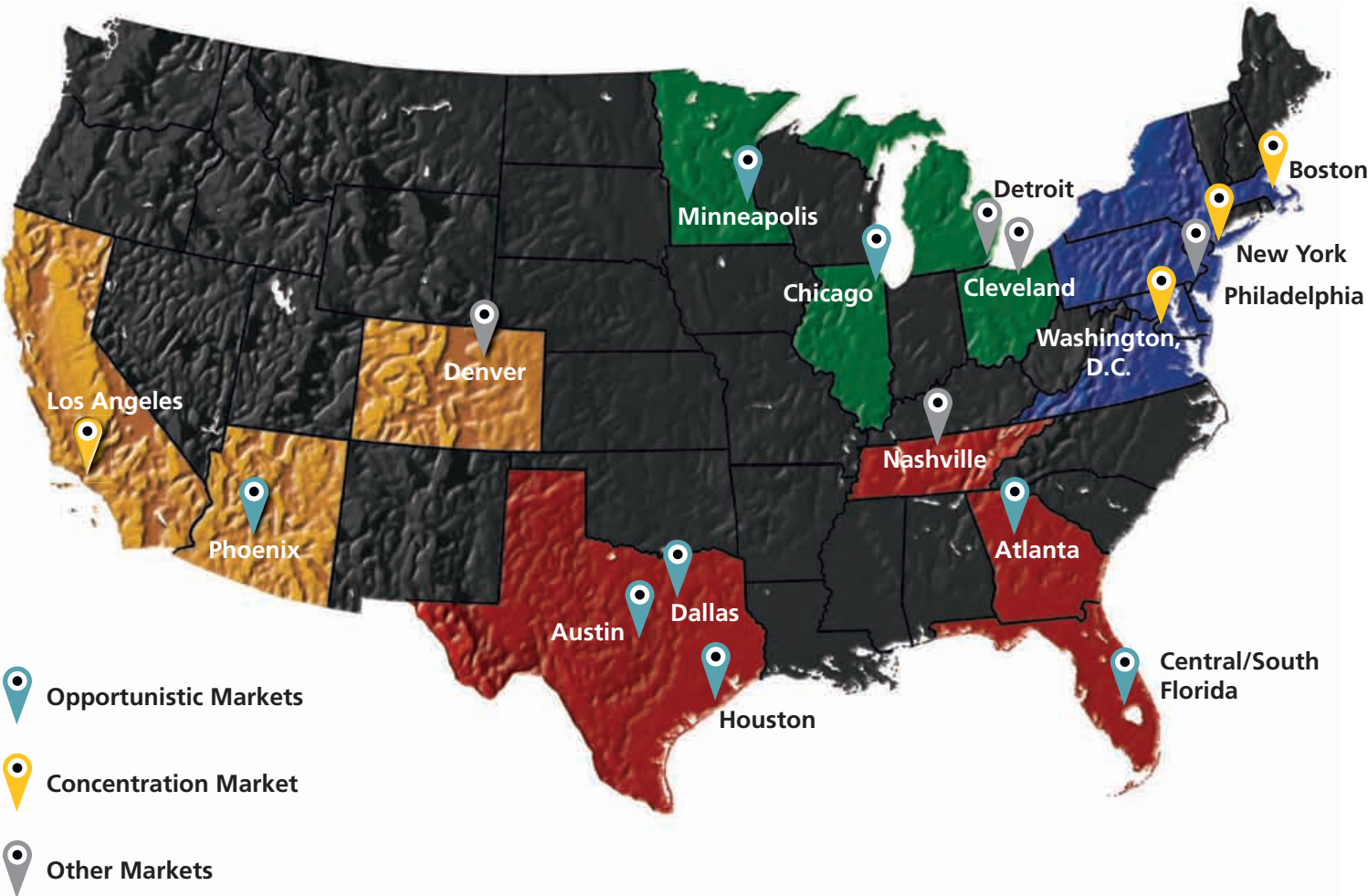
In addition, six buildings have earned **LEED certification** including:

- 500 W. Monroe St. – Chicago, IL
- 400 TownPark – Lake Mary, FL
- U.S. Bancorp Center – Minneapolis, MN
- Suwanee Gateway One – Atlanta, GA
- Crescent Ridge II – Minneapolis, MN
- 2120 West End Avenue – Nashville, TN



# THE MARKET View

We currently divide our markets into Concentration Markets and Opportunistic Markets. Concentration Markets are those markets characterized by high barriers to entry or high asset replacement costs. In these markets, we will generally look to expand our holdings and hold existing properties on a long-term basis. We define Opportunistic Markets as those characterized by lower barriers to entry and greater variability in the supply of and demand for office space. Our presence in these markets will fluctuate depending on the opportunities presented and we generally expect holding periods to be shorter as compared to those in Concentration Markets.



(excludes unconsolidated assets)

# THE MIDWESTERN View



Kevin Midway  
SVP Property Management



Previously a sub-tenant, Aon Corporation signed a new, direct 15-year lease for approximately 400,000 square feet at its namesake **Aon Center (pictured front cover), the 83-story East Loop tower in downtown Chicago**. Also at Aon Center, we completed significant build-outs and move-ins of new blue-chip tenants such as KPMG and United Healthcare in 2012.

Separately, Catamaran, Inc. a multi-billion pharmacy benefits management company, completed an approximate 300,000 square foot, 12-year new lease at our **Windy Point II** property, located in **Schaumburg, IL**.



500 W. Monroe St.  
Chicago, IL



U.S. Bancorp Center  
Minneapolis, MN

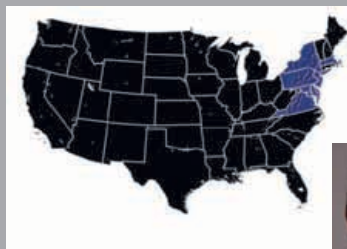
Significant 2012 leasing activity at our **500 W. Monroe Building in downtown Chicago** included General Electric Company for 54,000 square feet for 14+ years; BGC Brokers US for 32,000 square feet for 15+ years; and Starr Indemnity for approximately 27,000 square feet for 15 years. In addition, during 2012 this building earned the prestigious LEED Gold certification.

**U.S. Bancorp Center, Minneapolis, MN:** This past fall we completed a 10-year, 395,000 square foot lease renewal with U.S. Bancorp (NYSE: USB). U.S. Bancorp is the parent of U.S. Bank National Association, the 5th largest commercial bank in the United States. Employees of U.S. Bancorp have worked in our iconic 32-story office tower that bears its name since 2000. Also during 2012, Piper Jaffray & Co. signed a 124,000 square foot, 11+ year new lease. Both the U.S. Bancorp and the Piper leases commence in 2014. In addition, U.S. Bancorp Center earned LEED Gold status during 2012.



Two Pierce Place  
Itasca, IL





Mark S. Landstrom  
New York /  
New Jersey  
Regional Manager



Daniel D. Dillon  
Mid-Atlantic  
Regional Manager

# THE NORTHEASTERN View

# THE SOUTHERN View



Mark S. Landstrom  
South  
Regional Manager



Two Independence Square  
Washington, D.C.

During 2011 we renewed The National Aeronautics and Space Administration (NASA)'s almost 600,000 square feet at Two Independence Square in Washington, D.C. for 15 years. During 2012, we have been actively managing the construction of \$50 million in tenant and building improvements to renovate NASA's space and improve several building components. The buildout is expected to be completed in 2014.



Robert K. Wiberg  
recently joined our  
Executive Team  
as EVP of our  
Mid-Atlantic Region

and Head of Development. He will be responsible for all leasing, property management, asset management, acquisitions and dispositions in the Mid-Atlantic Region, as well as all development projects nationwide.

**60 Broad Street, our 39-story, 1 million square foot office tower located in downtown Manhattan's Financial District**, adjacent to the New York Stock Exchange, is 100% leased. The building sustained minor flooding this past year as a result of Hurricane Sandy; however, our excellent property operations team had it back up and running within two weeks.



60 Broad Street  
New York, NY



1200 Enclave Parkway  
Houston, TX

**1200 Enclave Parkway in Houston, TX** represents one of our successful "value-add" acquisitions made over the last few years. We acquired the building in early 2011 for \$18.5 million. The 150,000 square-foot building was constructed in 1999 and was approximately 18% leased when we purchased it. During 2012, we completed two leases with Schlumberger Technology Corporation which effectively leased almost 97% of the building to a credit-worthy tenant through 2024. The Class-A property, located in the prominent Enclave office park in Houston's Energy Corridor, will serve as the Houston financial hub for the subsidiary of the world's leading oilfield services company.

## Industrial Sector Exit

During 2012, we completed the sale of **110 & 112 Hidden Lake Circle in Duncan, SC** for \$25.9 million. This sale allowed us to dispose of the last two industrial assets in the portfolio.



Glenridge Highlands II  
Atlanta, GA



400 TownPark  
Lake Mary, FL





Daniel J. Cote  
Western Regional  
Manager

# THE WESTERN View



800 North Brand Blvd.  
Glendale, CA

The majority of **800 North Brand Blvd.'s** 518,000 square feet is leased to Nestle, Inc.



Portland Portfolio  
Portland, OR

During 2012, we completed the sale of our **Portland Portfolio**, a 4-building, 326,000 square foot office portfolio and adjacent land parcel located near **Portland, Oregon**, for approximately \$44 million. NIKE, Inc., which had leased two of the four properties, purchased the portfolio. The other two buildings had been primarily leased to IBM since 2003.



1055 East Colorado Blvd.  
Pasadena, CA

Guidance Software, Inc. signed an 87,000 square foot, 10+ year new lease through 2024 at **1055 East Colorado Boulevard in Pasadena, CA.**



1901 Main Street  
Irvine, CA

Key tenants at **1901 Main Street** include Morgan Stanley Smith Barney and Aon Corporation.



River Corporate Center  
Tempe, AZ

We recently completed a new, 12-year lease with U.S. Foods for our entire **River Corporate Center property, located in Tempe, AZ.**



## Corporate Headquarters

Piedmont Office Realty Trust, Inc.  
11695 Johns Creek Parkway  
Suite 350  
Johns Creek, GA 30097

Tel: 770-418-8800  
866-500-REIT  
Fax: 770-418-8900

[www.piedmontreit.com](http://www.piedmontreit.com)

## Regional Property Management Offices

ATLANTA  
5565 Glenridge Connector  
Suite 480  
Atlanta, GA 30342  
404-257-4200

BOSTON  
One Brattle Square  
Cambridge, MA 02138  
617-661-0903

CHICAGO  
500 West Monroe Street  
Suite 2626  
Chicago, IL 60661  
312-831-1818

DALLAS  
6031 Connection Drive  
Suite 170  
Irving, TX 75039  
214-442-6511

DETROIT  
150 West Jefferson Avenue  
Suite 1450  
Detroit, MI 48226  
313-961-0300

FLORIDA  
101 Paramount Drive  
Suite 190  
Sarasota, FL 34232  
813-854-2546

HOUSTON  
1430 Enclave Parkway  
Suite 100  
Houston, TX 77077  
281-497-2400

LOS ANGELES  
1901 Main Street  
Suite 250  
Irvine, CA 92614  
949-250-9805

MINNEAPOLIS  
800 Nicollet Mall  
Suite 2830  
Minneapolis, MN 55402  
612-852-5500

NEW YORK  
60 Broad Street  
New York, NY 10004  
212-483-8890

WASHINGTON D.C.  
1225 Eye Street, NW  
Suite 200  
Washington D.C. 20005  
202-651-6430

## For Real Estate Solutions & Opportunities:



Kerry Hughes  
Director, National Business Development  
Direct: 770-418-8678  
[kerry.hughes@piedmontreit.com](mailto:kerry.hughes@piedmontreit.com)



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Arlington, VA



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