

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
PARKWAY PROPERTIES, INC		74-2123597	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
JIA SCOTT	601-948-4091	JSCOTT@PKY.CO	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
188 EAST CAPITOL STREET, SUITE 1000		JACKSON, MS 39201	
8 Date of action		9 Classification and description	
12/31/201		COMMON & PREFERRED STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
70159Q104 & 70159Q401	VARIOUS	PKY & PKY PrD	VARIOUS HOLDERS

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶

CASH DISTRIBUTIONS IN EXCESS OF CURRENT YEAR AND ACCUMULATED EARNINGS AND PROFITS AS A RETURN OF CAPITAL PURSUANT TO CODE SECTION(S) 312 AND 316. THESE DISTRIBUTIONS WERE PAID ON 3/28/12, 6/27/12, 9/26/12 AND 12/26/12.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶

THE BASIS OF THE SECURITY SHOULD BE REDUCED BY 100% OF THE TOTAL DISTRIBUTION RECEIVED; SEE FORM 1099-DIV AS FILED.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶

THE RETURN OF BASIS REPRESENTS DISTRIBUTIONS ASSOCIATED WITH THE 2012 TAX YEAR WHICH ARE IN EXCESS OF THE CURRENT YEAR AND ACCUMULATED EARNINGS AND PROFITS; SEE FORM 1099-DIV AS FILED.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
SECTIONS(S) 312 AND 316

18 Can any resulting loss be recognized? ▶
NO; DISTRIBUTIONS MERELY REDUCE TAX BASIS OF SECURITY AND DISTRIBUTIONS IN EXCESS OF THAT BASIS RESULT IN GAIN.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
SEE 2012 1099-DIV AS FILED

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature ▶ <i>Darryl Waltman</i>	Date ▶ <i>1/24/13</i>		
Paid Preparer Use Only	Print your name ▶ O. DARRYL WALTMAN	Title ▶ <i>SVP + Controller</i>		
	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶	Firm's EIN ▶		
	Firm's address ▶	Phone no.		