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FOR IMMEDIATE RELEASE

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Highwoods Properties Reports First Quarter 2011 Results

\$0.61 FFO per Diluted Share

90.1% Occupancy

1.2 Million Square Feet Leased

Reaffirms 2011 FFO Guidance of \$2.41-\$2.57 per Diluted Share

Raleigh, NC – May 2, 2011 - Highwoods Properties, Inc. (NYSE: HIW), one of the largest owners and operators of office properties in the Southeast, today reported results for the quarter ended March 31, 2011.

Ed Fritsch, President and CEO, stated, *"Our first quarter results were solid with FFO of \$0.61 per diluted share. Leasing activity was strong as we leased 890,000 square feet of office space at an average term of 5.1 years. Occupancy across our wholly-owned portfolio increased 230 basis points year-over-year and we further fortified our balance sheet with a new \$200 million five-year term loan. We also reaffirmed our 2011 FFO guidance of \$2.41 to \$2.57 per diluted share."*

First Quarter Financial Results

For the first quarter of 2011, the Company reported net income available for common stockholders of \$10.1 million, or \$0.14 per diluted share. This compares to net income available for common stockholders of \$9.7 million, or \$0.14 per diluted share, for the first quarter of 2010.

Funds from Operations (FFO) for the first quarter of 2011 was \$46.1 million, or \$0.61 per diluted share, compared to \$45.8 million, or \$0.61 per diluted share, for the first quarter of 2010.

Included in 2011 and 2010 first quarter net income available for common stockholders were the following items:

	3 Months Ended 3/31/11		3 Months Ended 3/31/10	
	(000)	Per Share	(000)	Per Share
Lease termination income.....	\$ 266	\$ 0.00	\$ 567	\$ 0.01
Straight line rental income	3,492	0.05	1,328	0.02
Capitalized interest	207	0.00	353	0.00
Gains on sales of depreciable assets	0	0.00	193	0.00

The Company noted that its balance sheet includes approximately \$600,000 in pre-development costs relating to its proposed Kansas City office project. These costs have not been expensed to date as the Company continues to pursue the required regulatory approvals.

Funds from Operations Outlook

The Company reaffirmed its 2011 FFO guidance to \$2.41 to \$2.57 per diluted share, which was originally issued on February 9, 2011. This estimate reflects management's view of current and future market conditions, including assumptions with respect to rental rates, occupancy levels, operating and general and administrative expenses, interest rates and development deliveries. It does not include any effects related to the timing and amount of potential acquisitions and dispositions. FFO guidance also excludes any gains or impairments associated with depreciable properties or joint venture interests, as well as unusual charges or credits that may occur during the year. FFO guidance is based on 76.0 million diluted shares outstanding in 2011. Factors that could cause actual 2011 FFO results to differ materially from Highwoods' current expectations are discussed below and are also detailed in the Company's 2010 Annual Report on Form 10-K.

Management's outlook for 2011 is based on the following assumptions:

	Low	High
Year End Occupancy	88.5%	91.0%
Same Property Cash NOI Growth	-0.5%	1.0%
Straight Line Rental Income	\$ 6.0 M	\$ 9.0 M
G&A Expenses	\$ 29.5 M	\$ 31.5 M
Lease Termination Income	\$ 3.5 M	\$ 5.5 M
Dispositions	\$ 25.0 M	\$ 75.0 M
Acquisitions.....	\$ 50.0 M	\$200.0 M
Development Starts	\$100.0 M	\$200.0 M

Supplemental Information

A copy of the Company's first quarter 2011 Supplemental Information that includes financial, leasing and operational statistics is available in the "Investor Relations/Quarterly Earnings" section of the Company's Web site at www.highwoods.com. You may also obtain a copy of all Supplemental Information published by the Company by contacting Highwoods Investor Relations at 919-431-1529/800-256-2963 or by e-mail to HIW-IR@highwoods.com. If you would like to receive future Supplemental Information packages by e-mail, please contact the Investor Relations department as noted above or by written request to: Investor Relations Department, Highwoods Properties, Inc., 3100 Smoketree Court, Suite 600, Raleigh, NC 27604.

Conference Call

On Tuesday, May 3, at 12:00 p.m. Eastern time, Highwoods will host a teleconference call to discuss the matters outlined in this press release. For US/Canada callers, dial (800) 708-4508. A live, listen-only Web cast can be accessed through the Company's Web site at www.highwoods.com under the "Investor Relations" section.

A replay of the call will be available on the "Investor Relations" section of Highwoods Web site at www.highwoods.com.

Planned Dates for Financial Releases and Conference Calls for the Remainder of 2011

The Company has set the following dates and times it currently plans to release its unaudited financial results in 2011. Quarterly financial press releases will be distributed after the market close.

	Release Date	Conference Call
Second Quarter Results	Wednesday, July 27	Thursday, July 28, 12:00 p.m.
Third Quarter Results	Thursday, October 27	Friday, October 28, 10:00 a.m.

Non-GAAP Information

Funds from Operations (“FFO”): We believe that FFO and FFO per share are beneficial to management and investors and are important indicators of the performance of any equity REIT. Because FFO and FFO per share calculations exclude such factors as depreciation and amortization of real estate assets and gains or losses from sales of operating real estate assets, which can vary among owners of identical assets in similar conditions based on historical cost accounting and useful life estimates, they facilitate comparisons of operating performance between periods and between other REITs. Our management believes that historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered the presentation of operating results for real estate companies that use historical cost accounting to be insufficient on a stand-alone basis. As a result, management believes that the use of FFO and FFO per share, together with the required GAAP presentations, provide a more complete understanding of our performance relative to our competitors and a more informed and appropriate basis on which to make decisions involving operating, financing and investing activities.

FFO and FFO per share are non-GAAP financial measures and therefore do not represent net income or net income per share as defined by GAAP. Net income and net income per share as defined by GAAP are the most relevant measures in determining our operating performance because FFO and FFO per share include adjustments that investors may deem subjective, such as adding back expenses such as depreciation and amortization. Furthermore, FFO per share does not depict the amount that accrues directly to the stockholders’ benefit. Accordingly, FFO and FFO per share should never be considered as alternatives to net income or net income per share as indicators of our operating performance.

Our presentation of FFO is consistent with FFO as defined by NAREIT, which is calculated as follows:

- Net income (loss) computed in accordance with GAAP;
- Less dividends to holders of preferred stock and less excess of preferred stock redemption cost over carrying value;
- Less net income attributable to non-controlling interests in consolidated affiliates;
- Plus depreciation and amortization of real estate assets;
- Less gains, or plus losses, from sales of depreciable operating properties (but excluding impairment losses) and excluding items that are classified as extraordinary items under GAAP;
- Plus or minus adjustments for unconsolidated partnerships and joint ventures (to reflect FFO on the same basis); and
- Plus or minus adjustments for depreciation and amortization and gains/(losses) on sales and non-controlling interests in consolidated affiliates related to discontinued operations.

In calculating FFO, the Company adds back net income attributable to non-controlling interests in its operating partnership, which we believe is consistent with standard industry practice for REITs that operate through an UPREIT structure. The Company believes that it is important to present FFO on an as-converted basis since all of the operating partnership units not owned by the Company are redeemable on a one-for-one basis for shares of the Company’s common stock. The Company’s FFO calculations are reconciled to net income in a table included with this release.

Net operating income from continuing operations (“NOI”): The Company defines NOI as “Rental and other revenues” from continuing operations less “Rental property and other expenses” from continuing operations. Management believes that NOI is a useful supplemental measure of the Company’s property operating performance because it provides a performance measure of the revenues and expenses directly involved in owning real estate assets, and provides a perspective not immediately apparent from net income or FFO. Other REITs may use different methodologies to calculate NOI and accordingly the Company’s NOI may not be comparable to other REITs. The Company’s NOI calculations are reconciled to “Income/(loss) before disposition of property and condominiums and

equity in earnings of unconsolidated affiliates” and to “Rental and other revenues” and “Rental property and other expenses” in a table included with this release.

Same property NOI from continuing operations: The Company defines same property NOI as NOI for the Company’s in-service properties included in continuing operations that were wholly-owned during the entirety of the periods presented (from January 1, 2010 to March 31, 2011). The Company’s same property NOI calculations are reconciled to NOI in a table included with this release.

About Highwoods Properties

Highwoods Properties, headquartered in Raleigh, North Carolina, is a publicly traded (NYSE:HIW) real estate investment trust (“REIT”) and a member of the S&P MidCap 400 Index. The Company is one of the largest owners and operators of office properties in the Southeast and provides leasing, management, development, construction and other customer-related services for its properties and for third parties. At March 31, 2011, Highwoods owned or had an interest in 329 in-service office, industrial and retail properties encompassing approximately 32.4 million square feet and owned 610 acres of development land. The Company’s properties and development land are located in Florida, Georgia, Mississippi, Missouri, North Carolina, South Carolina, Tennessee and Virginia. For more information about Highwoods Properties, please visit our web site at www.highwoods.com.

Certain matters discussed in this press release, such as expected 2011 financial and operational results and the related assumptions underlying our expected results, are forward-looking statements within the meaning of the federal securities laws. These statements are distinguished by use of the words "will", "expect", "intend" and words of similar meaning. Although Highwoods believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved.

Factors that could cause actual results to differ materially from Highwoods' current expectations include, among others, the following: the financial condition of our customers could deteriorate; development activity by our competitors in our existing markets could result in excessive supply of properties relative to customer demand; development, acquisition, reinvestment, disposition or joint venture projects may not be completed as quickly or on as favorable terms as anticipated; we may not be able to lease or re-lease second generation space quickly or on as favorable terms as old leases; our Southeastern and Midwestern markets may suffer declines in economic growth; we may not be able to lease our newly constructed buildings as quickly or on as favorable terms as originally anticipated; unanticipated increases in interest rates could increase our debt service costs; unanticipated increases in operating expenses could negatively impact our NOI; we may not be able to meet our liquidity requirements or obtain capital on favorable terms to fund our working capital needs and growth initiatives or to repay or refinance outstanding debt upon maturity; the Company could lose key executive officers; and others detailed in the Company’s 2010 Annual Report on Form 10-K and subsequent SEC reports.

Tables Follow

Highwoods Properties, Inc.
Consolidated Statements of Income
(Unaudited and in thousands, except per share amounts)

	Three Months Ended	
	March 31,	
	2011	2010
Rental and other revenues	\$ 115,592	\$ 115,054
Operating expenses:		
Rental property and other expenses	41,379	41,715
Depreciation and amortization	33,812	32,729
General and administrative	7,793	8,507
Total operating expenses	82,984	82,951
Interest expense:		
Contractual	22,431	21,802
Amortization of deferred financing costs	821	835
Financing obligations	291	476
	23,543	23,113
Other income:		
Interest and other income	1,873	1,700
	1,873	1,700
Income from continuing operations before disposition of property and condominiums and equity in earnings of unconsolidated affiliates	10,938	10,690
Gains on disposition of property	-	19
Gains on disposition of for-sale residential condominiums	38	190
Equity in earnings of unconsolidated affiliates	1,467	795
Income from continuing operations	12,443	11,694
Discontinued operations:		
Income from discontinued operations	-	214
Net gains on disposition of discontinued operations	-	174
	-	388
Net income	12,443	12,082
Net (income) attributable to noncontrolling interests in the Operating Partnership	(507)	(520)
Net (income) attributable to noncontrolling interests in consolidated affiliates	(123)	(214)
Dividends on preferred stock	(1,677)	(1,677)
Net income available for common stockholders	\$ 10,136	\$ 9,671
Earnings per common share - basic:		
Income from continuing operations available for common stockholders	\$ 0.14	\$ 0.13
Income from discontinued operations available for common stockholders	-	0.01
Net income available for common stockholders	\$ 0.14	\$ 0.14
Weighted average common shares outstanding - basic	71,817	71,414
Earnings per common share - diluted:		
Income from continuing operations available for common stockholders	\$ 0.14	\$ 0.13
Income from discontinued operations available for common stockholders	-	0.01
Net income available for common stockholders	\$ 0.14	\$ 0.14
Weighted average common shares outstanding - diluted	75,792	75,397
Net income available for common stockholders:		
Income from continuing operations available for common stockholders	\$ 10,136	\$ 9,303
Income from discontinued operations available for common stockholders	-	368
Net income available for common stockholders	\$ 10,136	\$ 9,671

Highwoods Properties, Inc.
Consolidated Balance Sheets
(Unaudited and in thousands)

	<u>March 31,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
Assets:		
Real estate assets, at cost:		
Land	\$ 347,876	\$ 347,876
Buildings and tenant improvements	2,897,791	2,895,779
Development in process	6,882	4,524
Land held for development	<u>107,837</u>	<u>108,067</u>
	3,360,386	3,356,246
Less-accumulated depreciation	<u>(854,423)</u>	<u>(835,165)</u>
Net real estate assets	2,505,963	2,521,081
For-sale residential condominiums	7,753	8,225
Real estate and other assets, net, held for sale	1,863	1,852
Cash and cash equivalents	30,810	14,206
Restricted cash	6,509	4,399
Accounts receivable, net of allowance of \$3,274 and \$3,595, respectively	21,862	20,716
Mortgages and notes receivable, net of allowance of \$497 and \$868, respectively	18,911	19,044
Accrued straight-line rents receivable, net of allowance of \$1,397 and \$2,209, respectively	96,927	93,435
Investment in unconsolidated affiliates	63,983	63,607
Deferred financing and leasing costs, net of accumulated amortization of \$61,015 and \$59,383, respectively	86,040	85,059
Prepaid expenses and other assets	36,608	40,211
	<u>\$ 2,877,229</u>	<u>\$ 2,871,835</u>
Total Assets		
Liabilities, Noncontrolling Interests in the Operating Partnership and Equity:		
Mortgages and notes payable	\$ 1,552,577	\$ 1,522,945
Accounts payable, accrued expenses and other liabilities	93,775	106,716
Financing obligations	<u>33,040</u>	<u>33,114</u>
Total Liabilities	1,679,392	1,662,775
Noncontrolling interests in the Operating Partnership	132,630	120,838
Equity:		
Preferred stock	81,592	81,592
Common stock	721	717
Additional paid-in capital	1,764,404	1,766,886
Distributions in excess of net income available for common stockholders	(782,060)	(761,785)
Accumulated other comprehensive loss	<u>(3,812)</u>	<u>(3,648)</u>
Total Stockholders' Equity	1,060,845	1,083,762
Noncontrolling interests in consolidated affiliates	<u>4,362</u>	<u>4,460</u>
Total Equity	1,065,207	1,088,222
Total Liabilities, Noncontrolling Interests in the Operating Partnership and Equity	<u>\$ 2,877,229</u>	<u>\$ 2,871,835</u>

Highwoods Properties, Inc.
Funds from Operations
(Unaudited and in thousands, except per share amounts)

	Three Months Ended	
	March 31,	
	2011	2010
Funds from operations:		
Net income	\$ 12,443	\$ 12,082
Net (income) attributable to noncontrolling interests in the Operating Partnership	(507)	(520)
Net (income) attributable to noncontrolling interests in consolidated affiliates	(123)	(214)
Dividends on preferred stock	(1,677)	(1,677)
Net income available for common stockholders	10,136	9,671
Add/(deduct):		
Depreciation and amortization of real estate assets	33,378	32,309
(Gains) on disposition of depreciable properties	-	(19)
Net income attributable to noncontrolling interests in the Operating Partnership	507	520
Unconsolidated affiliates:		
Depreciation and amortization of real estate assets	2,093	3,341
Discontinued operations:		
Depreciation and amortization of real estate assets	-	183
(Gains) on disposition of depreciable properties	-	(174)
Funds from operations	\$ 46,114	\$ 45,831
Funds from operations per share - diluted:		
Net income available for common stockholders	\$ 0.14	\$ 0.14
Add/(deduct):		
Depreciation and amortization of real estate assets	0.44	0.43
(Gains) on disposition of depreciable properties	-	-
Unconsolidated affiliates:		
Depreciation and amortization of real estate assets	0.03	0.04
Discontinued operations:		
Depreciation and amortization of real estate assets	-	-
(Gains) on disposition of depreciable properties	-	-
Funds from operations per share - diluted	\$ 0.61	\$ 0.61
Weighted average shares outstanding - diluted	75,792	75,397

Highwoods Properties, Inc.
Net Operating Income Reconciliation
(Unaudited and in thousands)

	Three Months Ended	
	March 31,	
	2011	2010
Income from continuing operations before disposition of property and condominiums and equity in earnings of unconsolidated affiliates	\$ 10,938	\$ 10,690
Other income	(1,873)	(1,700)
Interest expense	23,543	23,113
General and administrative expense	7,793	8,507
Depreciation and amortization expense	33,812	32,729
Net operating income from continuing operations	74,213	73,339
Less - non same property and other net operating income	3,751	1,911
Total same property net operating income from continuing operations	\$ 70,462	\$ 71,428
Rental and other revenues	\$ 115,592	\$ 115,054
Rental property and other expenses	41,379	41,715
Total net operating income from continuing operations	74,213	73,339
Less - non same property and other net operating income	3,751	1,911
Total same property net operating income from continuing operations	\$ 70,462	\$ 71,428
Total same property net operating income from continuing operations	\$ 70,462	\$ 71,428
Less - straight line rent and lease termination fees	3,407	1,326
Same property cash net operating income from continuing operations	\$ 67,055	\$ 70,102