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FOR IMMEDIATE RELEASE

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Highwoods Properties Reports First Quarter 2012 Results

*\$0.70 FFO per Share
90.2% Occupancy
1.5 Million Square Feet Leased*

**Acquires 11000 Weston Parkway from Joint Venture
178,300 Square Foot Office Building in Raleigh**

*\$26.3 Million Total Asset Value
100% Occupied*

Updates 2012 FFO Guidance to \$2.60-\$2.76 per Share

Previously \$2.56-\$2.76 per Share

Raleigh, NC – May 1, 2012 - Highwoods Properties, Inc. (NYSE: HIW) today reported results for the quarter ended March 31, 2012.

Ed Fritsch, President and CEO, stated, *"Our first quarter results were solid, enabling us to raise the low end of our full-year FFO guidance by four cents. We leased 990,000 square feet of second generation office space, a 14% increase from the first quarter of 2011, and FFO per diluted share increased 15% from the first quarter of 2011. Year-over-year, same property cash NOI without termination fees was 5.4% higher and same property occupancy was up 80 basis points. On the balance sheet front, so far this year we have raised \$55.9 million, including \$20.5 million from non-core dispositions and \$35.4 million from our ATM program."*

First Quarter Financial Results

Funds from Operations ("FFO") available for common stockholders was \$53.5 million, or \$0.70 per diluted share, for the first quarter of 2012 compared to \$46.1 million, or \$0.61 per diluted share, for the first quarter of 2011.

For the first quarter of 2012, the Company reported net income available for common stockholders of \$16.7 million, or \$0.23 per diluted share. This compares to net income available for common stockholders of \$10.1 million, or \$0.14 per diluted share, for the first quarter of 2011.

Except as specifically noted below, the following items were included in the determination of net income and FFO for the three months ended March 31, 2012 and 2011.

	Three Months Ended 3/31/12		Three Months Ended 3/31/11	
	(000)	Per Share	(000)	Per Share
Lease termination income, net (1)	\$ 879	\$ 0.011	\$ 266	\$ 0.004
Straight line rental income (1)	5,922	0.077	3,492	0.046
Capitalized interest	101	0.001	207	0.003
Gains on sales of depreciable assets (2)	5,134	0.067	0	0.000
Impairments on depreciable assets (2) (3)	(1,002)	(0.013)	0	0.000

- (1) Straight-line rent write-offs related to lease terminations are reflected as a reduction of lease termination income and were \$559,000 and \$0 in the three months ended March 31, 2012 and 2011, respectively.
- (2) Not included in the determination of FFO.
- (3) Represents the Company's share of impairments on two non-core buildings recorded by an unconsolidated joint venture in the first quarter of 2012.

ATM Update

During the first quarter, the Company issued 785,500 shares of common stock under its at-the-market (ATM) program, raising net proceeds, after sales commissions and expenses, of \$25.4 million. Subsequent to the end of the first quarter, the Company issued an additional 307,900 shares, raising net proceeds of \$10.0 million.

Acquisition of 11000 Weston Parkway

Subsequent to the end of the first quarter, the Company acquired 11000 Weston Parkway, a four-story, 178,300 square foot, 100% occupied office building in Weston, part of the Cary submarket. Weston is an approximate 1,000 acre mixed-use PUD of which Highwoods is the declarant. The seller is a joint venture of which the Company owns a 22.8% interest. The property, valued at \$26.3 million, including \$300,000 of near-term capital expenditures, was developed by the Company in 1998. The joint venture used the net sale proceeds to pay down the \$38.3 million secured loan it obtained from the Company in April 2011. Inclusive of this acquisition, the Company owns eight properties encompassing 747,000 square feet in Weston that are, on average, 95.8% occupied.

Funds from Operations Outlook

The Company updated its 2012 FFO guidance to \$2.60 to \$2.76 per diluted share from \$2.56 to \$2.76 per diluted share, which was originally issued on February 7, 2012. This outlook 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. FFO guidance does not include any effects related to the timing and amount of potential acquisitions. FFO guidance also does not include any effects related to the timing and amount of dispositions and equity issuances except as indicated in the table below. FFO guidance also excludes any unusual charges or credits that may occur during the year. Factors that could cause actual 2012 FFO results to differ materially from Highwoods' current expectations are discussed below and are also detailed in the Company's 2011 Annual Report on Form 10-K and subsequent SEC reports.

Management's outlook for 2012 is based on the following assumptions:

	Low	High
Year End Occupancy	89.5%	91.5%
Same Property Cash NOI Growth Excluding Termination Fees	2%	3%
Straight Line Rental Income	\$14M	\$17M
G&A Expenses, Excluding Property Acquisition Costs	\$33M	\$35M
Lease Termination Income, Net	\$2M	\$4M
Dispositions	\$100M	\$150M
Acquisitions	\$100M	\$300M
Development Starts	\$50M	\$150M
Per Share Impact of Actual and Anticipated Dispositions and Equity Issuances	(\$0.08)	(\$0.12)

Supplemental Information

A copy of the Company's first quarter 2012 Supplemental Information that includes financial, leasing and operational statistics is available in the "Investor Relations/Financial Supplementals" section of the Company's website 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 Wednesday, May 2, at 11:00 a.m. Eastern time, Highwoods will host a teleconference call to discuss the matters outlined in this press release. For US/Canada callers, dial (800) 272-0419. A live, listen-only webcast can be accessed through the Company's website at www.highwoods.com under the "Investor Relations" section.

A replay of the call will be available on the "Investor Relations" section of the Company's website at www.highwoods.com.

Planned Dates for Financial Releases and Conference Calls in 2012

The Company has set the following dates and times it currently plans to release its financial results in 2012. Quarterly financial press releases will be distributed after the market closes and the conference calls will be held at 11:00 a.m. Eastern time.

Quarterly Result	Release Date	Conference Call
Second	Thursday, July 26	Friday, July 27
Third	Tuesday, October 30	Wednesday, October 31

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, amortization and impairment 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. 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, amortization and impairment. 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 net income attributable to noncontrolling interests in consolidated affiliates;
- Plus depreciation and amortization of depreciable operating properties;
- Less gains, or plus losses, from sales of depreciable operating properties, plus impairments on depreciable operating properties and excluding items that are classified as extraordinary items under GAAP;
- Plus or minus our proportionate share of adjustments, including depreciation and amortization of depreciable operating properties, for unconsolidated partnerships and joint ventures (to reflect funds from operations on the same basis); and
- Plus or minus adjustments for depreciation and amortization and gains/(losses) on sales of depreciable operating properties, plus impairments on depreciable operating properties, and noncontrolling interests in consolidated affiliates related to discontinued operations.

In calculating FFO, the Company excludes net income attributable to noncontrolling 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. In calculating FFO available for common shareholders and FFO per diluted share, the Company further deducts dividends on preferred 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. The Company defines cash NOI as NOI less straight line rent and lease termination fees. 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 from continuing operations before disposition of condominiums and equity in earnings/(losses) 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, 2011 to March 31, 2012). 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 a fully integrated, self-administered REIT that provides leasing, management, development, construction and other customer-related services for its properties and for third parties. At March 31, 2012, Highwoods owned or had an interest in 338 in-service office, industrial and retail properties encompassing approximately 34.5 million square feet and owned 586 acres of development land. The Company's properties and development land are located in Florida, Georgia, Mississippi, Missouri, North Carolina, Pennsylvania, South Carolina, Tennessee and Virginia. For more information about Highwoods Properties, please visit our website at www.highwoods.com.

Certain matters discussed in this press release, such as expected 2012 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 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 2011 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,	
	2012	2011
Rental and other revenues	\$ 129,943	\$ 114,351
Operating expenses:		
Rental property and other expenses	46,124	40,934
Depreciation and amortization	38,362	33,556
General and administrative	9,673	7,793
Total operating expenses	94,159	82,283
Interest expense:		
Contractual	23,948	22,431
Amortization of deferred financing costs	902	821
Financing obligations	(48)	291
	24,802	23,543
Other income:		
Interest and other income	2,230	1,873
	2,230	1,873
Income from continuing operations before disposition of condominiums and equity in earnings/(losses) of unconsolidated affiliates	13,212	10,398
Gains on for-sale residential condominiums	65	38
Equity in earnings/(losses) of unconsolidated affiliates	(162)	1,467
Income from continuing operations	13,115	11,903
Discontinued operations:		
Income from discontinued operations	83	540
Net gains on disposition of discontinued operations	5,134	-
	5,217	540
Net income	18,332	12,443
Net (income) attributable to noncontrolling interests in the Operating Partnership	(827)	(507)
Net (income) attributable to noncontrolling interests in consolidated affiliates	(184)	(123)
Dividends on Preferred Stock	(627)	(1,677)
Net income available for common stockholders	\$ 16,694	\$ 10,136
Earnings per Common Share - basic:		
Income from continuing operations available for common stockholders	\$ 0.16	\$ 0.13
Income from discontinued operations available for common stockholders	0.07	0.01
Net income available for common stockholders	\$ 0.23	\$ 0.14
Weighted average Common Shares outstanding - basic	72,836	71,817
Earnings per Common Share - diluted:		
Income from continuing operations available for common stockholders	\$ 0.16	\$ 0.13
Income from discontinued operations available for common stockholders	0.07	0.01
Net income available for common stockholders	\$ 0.23	\$ 0.14
Weighted average Common Shares outstanding - diluted	76,696	75,792
Dividends declared per Common Share	\$ 0.425	\$ 0.425
Net income available for common stockholders:		
Income from continuing operations available for common stockholders	\$ 11,733	\$ 9,623
Income from discontinued operations available for common stockholders	4,961	513
Net income available for common stockholders	\$ 16,694	\$ 10,136

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

	<u>March 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
Assets:		
Real estate assets, at cost:		
Land	\$ 368,122	\$ 367,870
Buildings and tenant improvements	3,137,658	3,127,984
Land held for development	105,206	105,206
	<u>3,610,986</u>	<u>3,601,060</u>
Less-accumulated depreciation	(911,512)	(895,777)
Net real estate assets	2,699,474	2,705,283
For-sale residential condominiums	3,808	4,751
Real estate and other assets, net, held for sale	7,556	13,260
Cash and cash equivalents	12,215	11,188
Restricted cash	20,753	26,666
Accounts receivable, net of allowance of \$3,413 and \$3,548, respectively	27,230	30,093
Mortgages and notes receivable, net of allowance of \$122 and \$61, respectively	17,119	18,600
Accrued straight-line rents receivable, net of allowance of \$1,420 and \$1,294, respectively	110,977	105,611
Investment in and advances to unconsolidated affiliates	99,062	100,367
Deferred financing and leasing costs, net of accumulated amortization of \$67,662 and \$63,059, respectively	129,204	128,390
Prepaid expenses and other assets	43,042	36,783
Total Assets	<u>\$ 3,170,440</u>	<u>\$ 3,180,992</u>
Liabilities, Noncontrolling Interests in the Operating Partnership and Equity:		
Mortgages and notes payable	\$ 1,903,978	\$ 1,903,213
Accounts payable, accrued expenses and other liabilities	122,545	148,821
Financing obligations	31,110	31,444
Total Liabilities	<u>2,057,633</u>	<u>2,083,478</u>
Commitments and contingencies		
Noncontrolling interests in the Operating Partnership	124,201	110,655
Equity:		
Preferred Stock, \$.01 par value, 50,000,000 authorized shares; 8.625% Series A Cumulative Redeemable Preferred Shares (liquidation preference \$1,000 per share), 29,077 shares issued and outstanding	29,077	29,077
Common Stock, \$.01 par value, 200,000,000 authorized shares; 73,608,571 and 72,647,697 shares issued and outstanding, respectively	736	726
Additional paid-in capital	1,818,750	1,803,997
Distributions in excess of net income available for common stockholders	(860,120)	(845,853)
Accumulated other comprehensive loss	(4,376)	(5,734)
Total Stockholders' Equity	<u>984,067</u>	<u>982,213</u>
Noncontrolling interests in consolidated affiliates	4,539	4,646
Total Equity	<u>988,606</u>	<u>986,859</u>
Total Liabilities, Noncontrolling Interests in the Operating Partnership and Equity	<u>\$ 3,170,440</u>	<u>\$ 3,180,992</u>

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

	Three Months Ended	
	March 31,	
	2012	2011
Funds from operations:		
Net income	\$ 18,332	\$ 12,443
Net (income) attributable to noncontrolling interests in consolidated affiliates	(184)	(123)
Depreciation and amortization of real estate assets	37,820	33,122
Unconsolidated affiliates:		
Depreciation and amortization of real estate assets	2,098	2,093
Impairment of real estate assets	1,002	-
Discontinued operations:		
Depreciation and amortization of real estate assets	153	256
(Gains) on disposition of depreciable properties	(5,134)	-
Funds from operations	54,087	47,791
Dividends on Preferred Stock	(627)	(1,677)
Funds from operations available for common stockholders	\$ 53,460	\$ 46,114
Funds from operations available for common stockholders per share	\$ 0.70	\$ 0.61
Weighted average shares outstanding	76,696	75,792

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

	Three Months Ended March 31,	
	2012	2011
Income from continuing operations before disposition of condominiums and equity in earnings/(losses) of unconsolidated affiliates	\$ 13,212	\$ 10,398
Other (income)	(2,230)	(1,873)
Interest expense	24,802	23,543
General and administrative expense	9,673	7,793
Depreciation and amortization expense	38,362	33,556
Net operating income from continuing operations	83,819	73,417
Less - non same property and other net operating income	7,922	1,574
Total same property net operating income from continuing operations	\$ 75,897	\$ 71,843
Rental and other revenues	\$ 129,943	\$ 114,351
Rental property and other expenses	46,124	40,934
Total net operating income from continuing operations	83,819	73,417
Less - non same property and other net operating income	7,922	1,574
Total same property net operating income from continuing operations	\$ 75,897	\$ 71,843
Total same property net operating income from continuing operations	\$ 75,897	\$ 71,843
Less - straight line rent and lease termination fees	4,006	3,605
Same property cash net operating income from continuing operations	\$ 71,891	\$ 68,238