



FOR IMMEDIATE RELEASE

Ref: 13-10

Contact: Tabitha Zane
Vice President, Investor Relations
919-431-1529

Highwoods Properties Awarded 241,000 Square Foot Build-to-Suit Lease in Memphis

Raleigh, NC – March 25, 2013 – Highwoods Properties, Inc. (NYSE: HIW) today announced that it has signed a long-term build-to-suit lease with International Paper (NYSE: IP), a global leader in packaging and paper products. Highwoods will develop a 241,000 square foot, nine-story Class A office building with structured parking in the Poplar Avenue corridor submarket of Memphis, that city's best business district ("BBD"). This new building will be directly across the street from International Place, International Paper's world headquarters and main campus.

Highwoods expects to invest approximately \$56.1 million for this development project, which includes land Highwoods has acquired specifically for this development. The building is 100% pre-leased by International Paper. Construction is expected to commence in the fourth quarter of 2013, with completion expected by the second quarter of 2015.

Ed Fritsch, president and chief executive officer of Highwoods Properties, commented, *"We are pleased to have been selected by International Paper to accommodate their substantive expansion needs. International Paper has been a long-term Highwoods customer and we are grateful for their continued confidence in our development and management abilities. We congratulate everyone at International Paper on the continued success of their business model."*

"After 25 years, it has always been our preference to stay and grow in Memphis," said International Paper's Senior Vice President Tom Kadien. *"In addition to the support from the City and County government, Highwoods has been a supportive partner throughout the process."*

Highwoods currently owns 1.3 million square feet in Memphis' BBD, the Poplar corridor submarket. Highwoods total Memphis portfolio comprises 2.0 million square feet of office space that was 86.5% occupied at year-end 2012.

About International Paper:

International Paper (NYSE: IP) is a global leader in packaging and paper with manufacturing operations in North America, Europe, Latin America, Russia, Asia and North Africa. Its businesses include industrial and consumer packaging and uncoated papers, complemented by xpedx, the company's North American distribution company. Headquartered in Memphis, Tenn., the company employs approximately 70,000 people and is strategically located in more than 24 countries serving customers worldwide. International Paper net sales for 2012 were \$28 billion. For more information about International Paper, its products and stewardship efforts, visit internationalpaper.com.

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 December 31, 2012, Highwoods owned or had an interest in 333 in-service office, industrial and retail properties encompassing approximately 34.6 million square feet and owned 649 acres of development land. The Company's properties and development land are located in Florida, Georgia, 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 the expected cost, timing and impact of our development activity, 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 2012 Annual Report on Form 10-K and subsequent SEC reports