



**FOR IMMEDIATE RELEASE**

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**Highwoods Properties Acquires One Alliance Center in Atlanta  
Sister Building to Highwoods-Owned Two Alliance Center  
Now Wholly-Owns Over One Million Contiguous Square Feet in Buckhead**

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**One Alliance Center  
\$143.4 Million Total Investment, \$259 per Square Foot  
67% Occupied**

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**Leverage Ratio Remains Under 44%  
\$63.0 Million of Equity Raised Since May 1<sup>st</sup> Earnings Call**

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**Raleigh, NC – June 24, 2013 - Highwoods Properties, Inc. (NYSE:HIW)** has acquired One Alliance Center, the sister building to Two Alliance Center, which the Company acquired in September 2012. The Company now wholly owns 1,045,000 contiguous square feet of Class A office space in the heart of the Buckhead submarket of Atlanta. On a combined basis, the Company's total investment in One and Two Alliance Center, including planned building improvements, is \$278 per square foot, a 15% discount to estimated replacement cost.

The Company's total investment in One Alliance Center is expected to be \$143.4 million, or \$259 per square foot, which consists of the purchase price plus \$2.9 million of planned near-term building improvements and \$0.4 million of future tenant improvements committed under existing leases. One Alliance Center is currently 67% occupied and is expected to generate first year cash net operating income from existing customers of \$6.2 million, before \$1.1 million of free rent. First year GAAP net operating income from existing customers is expected to be \$7.0 million. The Company also noted that approximately \$0.5 million of acquisition costs will be expensed in the second quarter.

Ed Fritsch, president and chief executive officer of Highwoods, stated, "We are excited to now own both One Alliance and Two Alliance. Alliance Center is one of the most competitively-advantaged locations in Buckhead given its controlled and easy access to Georgia 400 and Peachtree Road, walkability to the Buckhead Marta Rail Station and close proximity to Phipps Plaza and Lenox Square Mall, two upscale malls.

*The acquisition of One Alliance more than doubles our presence in Buckhead where we now wholly-own over one million square feet of contiguous Class A office space. This is a rapidly tightening submarket and we forecast leasing at One Alliance to exceed 93% within three years. In addition, we see opportunities to "Highwoodtize" the property and expect to garner operating and leasing synergies by owning both Alliance Center towers through shared parking, shared amenities, shared vendor agreements and customer expansions to name a few."*

The Company funded the acquisition of One Alliance Center with proceeds from its ATM program, non-core dispositions and borrowings under its revolving credit facility. No debt was assumed in connection with this transaction. Following closing, the Company's leverage ratio, including preferred stock, remains under 44%.

### **ATM Program Update**

Subsequent to its May 1, 2013 earnings conference call, the Company has sold 1,656,590 shares of common stock at an average gross sales price of \$38.60 per share, raising net proceeds after sales commissions of \$63.0 million.

### **Alliance Center Presentation**

A brief presentation outlining this transaction can be accessed through the link below or on the Investor Relations section of the Company's web site at [www.highwoods.com](http://www.highwoods.com).

<http://www.highwoods.com/investor/One-Alliance-Center-Overview.pdf>

### **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, 2013, Highwoods owned or had an interest in 334 in-service office, industrial and retail properties encompassing approximately 35.0 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](http://www.highwoods.com).

Certain matters discussed in this press release and referenced presentation, such as anticipated total investment, projected leasing activity, estimated replacement cost and expected net operating income of acquired properties, 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.