



FOR IMMEDIATE RELEASE

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Highwoods Properties Reports Fourth Quarter and Full Year 2013 Results

\$0.74 FFO per Share for Fourth Quarter 2013

\$2.84 FFO per Share for Full Year 2013
(Excluding Debt Extinguishment and Property Acquisition Costs)

\$1.0 Billion of Investment Activity
*Acquired \$549 Million of Office
Announced \$206 Million of Development
Sold \$286 Million of Non-Core Assets*

41.4% Year-End Leverage
Raised \$295 Million of Equity

Provides 2014 FFO Outlook of \$2.82 to \$2.94 per Share

Raleigh, NC – February 10, 2014 – Highwoods Properties, Inc. (NYSE:HIW) today reported results for the fourth quarter and full year ended December 31, 2013.

The Company also provided its 2014 FFO outlook of \$2.82 to \$2.94 per share.

Ed Fritsch, President and CEO, stated, *“2013 was a very productive year for Highwoods. We meaningfully exceeded the high end of our initial guidance ranges with \$2.84 of FFO per share and over \$1.0 billion of investment activity. Investment activity included \$755 million of acquisitions and development in the best business districts (“BBDs”) of our markets and \$286 million of non-core asset sales. We also further fortified our balance sheet, ending the year with leverage at 41.4%.*

“The capital investment foundation we established in 2013 will provide significant long-term value for our Company. We are excited about harvesting the upside by leasing vacancy in the 3.4 million square feet of acquired office buildings, which were, on average, 81.3% occupied at acquisition, and by improving operating efficiencies. Plus, we will enjoy the built-in accretion from our \$217 million, 86% pre-leased development pipeline beginning in 2015.”

During 2013, the Company:

- Delivered FFO of \$2.84 per share, a 4.0% year-over-year increase
- Leased 3.8 million sf of second generation office, with an average term of 5.7 years
- Grew average in-place office cash rents psf by 3.0% year-over-year
- Increased same property cash net operating income, excluding term fees, by 1.7% year-over-year
- Acquired \$549 million of Class A office buildings in the BBDs of five markets, 81.3% occupied on average at closing:
 - The Pinnacle at Symphony Place
 - Nashville: CBD
 - \$152.8 million total investment
 - 520,000 sf, 29 stories, structured parking
 - 84.9% occupied at closing
 - One Alliance Center
 - Atlanta: Buckhead
 - \$143.4 million total investment
 - 553,000 sf, 20 stories, structured parking
 - 67.1% occupied at closing
 - Joint venture partner's 60% interest in Orlando portfolio
 - Orlando: CBD
 - \$117.5 million incremental investment, \$195.9 million total asset value
 - 1.3 million sf, five buildings, structured parking
 - 82.0% occupied at closing
 - Meridian I and II
 - Tampa: Westshore
 - \$56.0 million total investment
 - 372,000 sf, two 10-story buildings, structured parking
 - 86.8% occupied at closing
 - Joint venture partner's 57% interest in Atlanta portfolio
 - Atlanta: Central Perimeter
 - \$46.0 million incremental investment, \$80.6 million total asset value
 - 505,000 sf, two 10-story buildings, structured parking
 - 82.0% occupied at closing
 - Green Valley
 - Greensboro: Green Valley
 - \$32.8 million total investment
 - 195,000 sf, two buildings
 - 95.5% occupied at closing

- Announced \$206 million of LEED certified Class A office development that is 85.0% pre-leased, including:
 - MetLife Global Technology & Operations Hub
 - Raleigh: Weston PUD
 - \$110.0 million total investment
 - 427,000 sf, two seven-story buildings, structured parking
 - Delivers first and second quarters 2015
 - 100% pre-leased
 - International Paper headquarters building
 - Memphis: Poplar Corridor
 - \$56.1 million total investment
 - 241,000 sf, nine stories, structured parking
 - Delivers second quarter 2015
 - 100% pre-leased
 - GlenLake Park multi-tenant office building
 - Raleigh: Glenwood
 - \$35.8 million total investment
 - 166,000 sf, six stories, structured parking
 - Delivers second quarter 2015
 - 25.0% pre-leased
- Delivered \$61 million of 96.7% leased development, all in the fourth quarter:
 - LifePoint headquarters building at Seven Springs
 - Nashville: Brentwood
 - \$42.7 million
 - 203,000 sf, seven stories, structured parking
 - 100% occupied
 - The Shops at Seven Springs
 - Nashville: Brentwood
 - \$10.5 million
 - 41,000 sf
 - 79.2% pre-leased
 - Capital Grille and Seasons 52 restaurants at Crescent Center
 - Memphis: Poplar Corridor
 - \$7.9 million
 - 18,000 sf
 - 100% occupied

- Sold \$286 million of non-core assets:
 - \$140 million of industrial
 - 2.7 million sf, 29 buildings
 - Exited Atlanta industrial market
 - \$127 million of office
 - 1.5 million sf, 20 buildings
 - Included eight of nine buildings in Greenville
 - \$19 million interest in 50/50 joint venture multi-family development
 - Merchant build gain (FFO) of \$3.2 million
- Lowered interest costs and extended bank loan maturities:
 - Recast \$475 million credit facility
 - Extended maturity date by 2.5 years into January 2019, including extension options
 - Lowered interest rate by 20 bps to LIBOR plus 110 bps
 - Reduced annual facility fee by five bps to 20 bps
 - Recast \$200 million term loan
 - Extended maturity date by one year into January 2019
 - Lowered interest rate by 15 bps to LIBOR plus 120 bps
- Fortified balance sheet:
 - Issued 8.3 million shares of common stock for net proceeds of \$295 million
 - Lowered leverage to 41.4%
 - Grew unencumbered NOI to 77%
- Earned ratings upgrades:
 - Moody's Investors Service raised to Baa2
 - Standard & Poor's Ratings Services raised to BBB

Fourth Quarter and Full Year 2013 Financial Results

Funds from operations available for common stockholders ("FFO") was \$68.9 million, or \$0.74 per diluted share, for the fourth quarter of 2013 and \$249.9 million, or \$2.81 per diluted share, for the full year 2013. Excluding debt extinguishment and property acquisition costs, FFO per diluted share for full year 2013 would have been \$2.84. FFO was \$55.6 million, or \$0.67 per diluted share, for the fourth quarter of 2012 and \$215.3 million, or \$2.70 per diluted share, for the full year 2012. Excluding debt extinguishment and property acquisition costs, FFO per diluted share for the fourth quarter and full year 2012 would have been \$0.68 and \$2.73, respectively.

For the fourth quarter of 2013, the Company reported net income available for common stockholders ("net income") of \$29.7 million, or \$0.33 per diluted share. Net income for the fourth quarter of 2012 was \$14.1 million, or \$0.18 per diluted share. For the full year 2013, net income was \$122.9 million, or \$1.44 per diluted share. For the full year 2012, net income was \$77.1 million, or \$1.02 per diluted share.

Except as noted below, the following items were included in the determination of net income and FFO for the three and twelve months ended December 31, 2013 and 2012:

	Three Months Ended 12/31/2013		Three Months Ended 12/31/2012	
	(000)	Per Share	(000)	Per Share
Lease Termination Income, Net (1)	\$ 402	\$ 0.004	\$ 26	\$ -
Straight-Line Rental Income (1)	5,924	0.064	4,346	0.052
Capitalized Interest	791	0.009	365	0.004
Property Acquisition Costs	(116)	(0.001)	(752)	(0.009)
Gains on Sales of Depreciable Assets (2) (3)	11,439	0.123	1,120	0.013
Merchant Build Gain from Sale of Residential Development Project by 50% Owned JV, Net of Taxes	3,185	0.034	-	-

	Twelve Months Ended 12/31/2013		Twelve Months Ended 12/31/2012	
	(000)	Per Share	(000)	Per Share
Lease Termination Income, Net (1)	\$ 2,042	\$ 0.023	\$ 1,850	\$ 0.023
Straight-Line Rental Income (1)	18,322	0.206	19,091	0.240
Capitalized Interest	2,731	0.031	1,031	0.013
Property Acquisition Costs	(1,787)	(0.020)	(1,539)	(0.019)
Gains on Sales of Depreciable Assets (2) (3)	64,223	0.723	30,575	0.384
Losses on Debt Extinguishment (4)	(324)	(0.004)	(973)	(0.012)
Impairments on Depreciable Assets (3) (5)	(6,701)	(0.075)	(1,002)	(0.013)
Gain on Acquisition of Controlling Interest in Unconsolidated Affiliate (3)	7,451	0.084	-	-
Merchant Build Gain from Sale of Residential Development Project by 50% Owned JV, Net of Taxes	3,185	0.036	-	-

- (1) Straight-line rent write-offs related to lease terminations are reflected as a reduction of lease termination income.
- (2) \$0.4 million of the twelve month 2013 amount, the entire fourth quarter 2012 amount, and \$1.1 million of the twelve month 2012 amount represent the Company's share of gains on disposition of depreciable properties recorded by unconsolidated joint ventures.
- (3) Not included in the determination of FFO.
- (4) The 2013 amount includes \$0.1 million of the Company's share of losses on debt extinguishment recorded by an unconsolidated joint venture.
- (5) \$4.5 million of the 2013 amount and the entire 2012 amount represent the Company's share of impairments recorded by an unconsolidated joint venture.

FFO Outlook

For 2014, the Company expects FFO per share to be in the range of \$2.82 to \$2.94. 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 and interest rates. This outlook does not include any effects related to the timing and amount of potential acquisitions and dispositions that may occur after the date of this release as well as unusual charges or credits such as debt extinguishment and property acquisition costs. The Company's FFO outlook is based on 93.4 million diluted shares expected to be outstanding on average throughout 2014. Factors that could cause actual 2014 FFO results to differ materially from Highwoods current expectations are discussed below and are also detailed in the Company's 2013 Annual Report on Form 10-K and subsequent SEC reports.

Management's outlook for 2014 includes the following assumptions:

	<u>Low</u>	<u>High</u>
Year End Occupancy	90.8%	92.0%
Same Property Cash NOI Growth, Excluding Termination Fees	0.5%	1.5%
Straight-Line Rental Income	\$18.0M	\$20.0M
G&A Expenses, Excluding Property Acquisition Costs	\$34.0M	\$35.5M
Lease Termination Income, Net	\$1.0M	\$3.0M
Dispositions	\$100M	\$175M
Acquisitions	\$100M	\$300M
Development Announcements	\$75M	\$150M

Planned Dates for Financial Releases and Conference Calls in 2014

The Company has set the following dates and times it plans to release its financial results in 2014. 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.

<u>Quarterly Result</u>	<u>Release Date</u>	<u>Conference Call</u>
First	Tuesday, April 29	Wednesday, April 30
Second	Tuesday, July 29	Wednesday, July 30
Third	Tuesday, October 28	Wednesday, October 29

Supplemental Information

A copy of the Company's fourth quarter 2013 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 Investor Relations as noted above or by written request to: Investor Relations, Highwoods Properties, Inc., 3100 Smoketree Court, Suite 600, Raleigh, NC 27604.

Conference Call

Tomorrow, Tuesday, February 11, 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) 756-3565. 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 also be available on the website.

Non-GAAP Information

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 impairments 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 and acquisition of controlling interest in unconsolidated affiliate, plus impairments on depreciable operating properties and excluding items that are classified as extraordinary items under GAAP;
- Plus or minus our 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 includes 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. We believe 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 stockholders 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"): We define NOI as "Rental and other revenues" from continuing operations less "Rental property and other expenses" from continuing operations. We define cash NOI as NOI less straight-line rent and lease termination fees. Management believes that NOI and cash NOI are useful supplemental measures of the Company's property operating performance because they provide performance measures of the revenues and expenses directly involved in owning real estate assets, and provide 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 investment properties and activity in 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: We define same property NOI as NOI for in-service properties included in continuing operations that were wholly-owned during the entirety of the periods presented (from January 1, 2012 to December 31, 2013). 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 REIT that provides leasing, management, development, construction and other customer-related services for its properties and for third parties. At December 31, 2013, Highwoods owned or had an interest in 32.2 million rentable square feet of in-service office, industrial and retail properties, 0.9 million rentable square feet of office properties under development and approximately 600 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 expected 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 2013 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 December 31,		Year Ended December 31,	
	2013	2012	2013	2012
Rental and other revenues	\$ 148,988	\$ 126,316	\$ 556,810	\$ 485,046
Operating expenses:				
Rental property and other expenses	55,331	46,507	203,344	176,744
Depreciation and amortization	48,907	38,076	176,957	146,357
General and administrative	9,245	9,079	37,193	37,377
Total operating expenses	113,483	93,662	417,494	360,478
Interest expense:				
Contractual	20,959	22,529	88,838	92,838
Amortization of deferred financing costs	942	976	3,802	3,685
Financing obligations	(24)	(52)	63	(409)
	21,877	23,453	92,703	96,114
Other income:				
Interest and other income	1,615	1,470	6,597	7,353
Losses on debt extinguishment	(3)	-	(199)	(973)
	1,612	1,470	6,398	6,380
Income from continuing operations before disposition of investment properties and activity in unconsolidated affiliates	15,240	10,671	53,011	34,834
Losses on disposition of property	-	-	(3)	-
Gains on for-sale residential condominiums	-	189	-	444
Gain on acquisition of controlling interest in unconsolidated affiliate	-	-	7,451	-
Equity in earnings of unconsolidated affiliates	4,088	2,365	2,264	5,035
	19,328	13,225	62,723	40,313
Income from continuing operations				
Discontinued operations:				
Income from discontinued operations	923	2,384	6,776	14,467
Impairments of real estate assets	-	-	(2,194)	-
Net gains on disposition of discontinued operations	11,439	-	63,792	29,455
	12,362	2,384	68,374	43,922
	31,690	15,609	131,097	84,235
Net income				
Net (income) attributable to noncontrolling interests in the Operating Partnership	(978)	(688)	(4,691)	(3,854)
Net (income) attributable to noncontrolling interests in consolidated affiliates	(356)	(220)	(949)	(786)
Dividends on Preferred Stock	(627)	(627)	(2,508)	(2,508)
	\$ 29,729	\$ 14,074	\$ 122,949	\$ 77,087
Earnings per Common Share - basic:				
Income from continuing operations available for common stockholders	\$ 0.20	\$ 0.15	\$ 0.67	\$ 0.47
Income from discontinued operations available for common stockholders	0.13	0.03	0.77	0.55
Net income available for common stockholders	\$ 0.33	\$ 0.18	\$ 1.44	\$ 1.02
Weighted average Common Shares outstanding - basic	89,913	79,110	85,335	75,811
Earnings per Common Share - diluted:				
Income from continuing operations available for common stockholders	\$ 0.20	\$ 0.15	\$ 0.67	\$ 0.47
Income from discontinued operations available for common stockholders	0.13	0.03	0.77	0.55
Net income available for common stockholders	\$ 0.33	\$ 0.18	\$ 1.44	\$ 1.02
Weighted average Common Shares outstanding - diluted	92,971	82,998	88,836	79,678
Dividends declared per Common Share	\$ 0.425	\$ 0.425	\$ 1.70	\$ 1.70
Net income available for common stockholders:				
Income from continuing operations available for common stockholders	\$ 17,760	\$ 11,799	\$ 57,081	\$ 35,252
Income from discontinued operations available for common stockholders	11,969	2,275	65,868	41,835
Net income available for common stockholders	\$ 29,729	\$ 14,074	\$ 122,949	\$ 77,087

Highwoods Properties, Inc.
Consolidated Balance Sheets
(Unaudited and in thousands, except share and per share data)

	December 31,	
	2013	2012
Assets:		
Real estate assets, at cost:		
Land	\$ 393,602	\$ 332,337
Buildings and tenant improvements	3,748,869	3,099,943
Development in process	44,621	21,198
Land held for development	110,374	115,416
	4,297,466	3,568,894
Less-accumulated depreciation	(985,244)	(876,446)
Net real estate assets	3,312,222	2,692,448
Real estate and other assets, net, held for sale	-	191,327
Cash and cash equivalents	10,184	13,783
Restricted cash	14,169	19,702
Accounts receivable, net of allowance of \$1,648 and \$2,848, respectively	26,430	23,073
Mortgages and notes receivable, net of allowance of \$302 and \$182, respectively	26,409	25,472
Accrued straight-line rents receivable, net of allowance of \$1,063 and \$813, respectively	126,014	109,401
Investments in and advances to unconsolidated affiliates	29,901	66,800
Deferred financing and leasing costs, net of accumulated amortization of \$92,220 and \$75,008, respectively	222,211	163,964
Prepaid expenses and other assets, net of accumulated amortization of \$12,905 and \$12,318, respectively	39,561	44,458
Total Assets	\$ 3,807,101	\$ 3,350,428
Liabilities, Noncontrolling Interests in the Operating Partnership and Equity:		
Mortgages and notes payable	\$ 1,956,299	\$ 1,859,162
Accounts payable, accrued expenses and other liabilities	218,962	172,146
Financing obligations	26,664	29,358
Total Liabilities	2,201,925	2,060,666
Commitments and contingencies		
Noncontrolling interests in the Operating Partnership	106,480	124,869
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; 89,920,915 and 80,311,437 shares issued and outstanding, respectively	899	803
Additional paid-in capital	2,370,368	2,040,306
Distributions in excess of net income available for common stockholders	(920,433)	(897,418)
Accumulated other comprehensive loss	(2,611)	(12,628)
Total Stockholders' Equity	1,477,300	1,160,140
Noncontrolling interests in consolidated affiliates	21,396	4,753
Total Equity	1,498,696	1,164,893
Total Liabilities, Noncontrolling Interests in the Operating Partnership and Equity	\$ 3,807,101	\$ 3,350,428

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2013	2012	2013	2012
Funds from operations:				
Net income	\$ 31,690	\$ 15,609	\$ 131,097	\$ 84,235
Net (income) attributable to noncontrolling interests in consolidated affiliates	(356)	(220)	(949)	(786)
Depreciation and amortization of real estate assets	48,346	37,516	174,683	144,275
(Gain) on acquisition of controlling interest in unconsolidated affiliate	-	-	(7,451)	-
Unconsolidated affiliates:				
Depreciation and amortization of real estate assets	1,061	1,935	6,796	7,736
Impairments of depreciable properties	-	-	4,507	1,002
(Gains) on disposition of depreciable properties	-	(1,120)	(431)	(1,120)
Discontinued operations:				
Depreciation and amortization of real estate assets	247	2,487	5,753	11,970
Impairments of depreciable properties	-	-	2,194	-
(Gains) on disposition of depreciable properties	(11,439)	-	(63,792)	(29,455)
Funds from operations	69,549	56,207	252,407	217,857
Dividends on Preferred Stock	(627)	(627)	(2,508)	(2,508)
Funds from operations available for common stockholders	\$ 68,922	\$ 55,580	\$ 249,899	\$ 215,349
Funds from operations available for common stockholders per share	\$ 0.74	\$ 0.67	\$ 2.81	\$ 2.70
Weighted average shares outstanding	92,971	82,998	88,836	79,678

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2013	2012	2013	2012
Income from continuing operations before disposition of investment properties and activity in unconsolidated affiliates	\$ 15,240	\$ 10,671	\$ 53,011	\$ 34,834
Other income	(1,612)	(1,470)	(6,398)	(6,380)
Interest expense	21,877	23,453	92,703	96,114
General and administrative expenses	9,245	9,079	37,193	37,377
Depreciation and amortization	48,907	38,076	176,957	146,357
Net operating income from continuing operations	<u>93,657</u>	<u>79,809</u>	<u>353,466</u>	<u>308,302</u>
Less - non same property and other net operating income	(20,616)	(6,379)	(57,205)	(11,877)
Total same property net operating income from continuing operations	<u>\$ 73,041</u>	<u>\$ 73,430</u>	<u>\$ 296,261</u>	<u>\$ 296,425</u>
Rental and other revenues	\$ 148,988	\$ 126,316	\$ 556,810	\$ 485,046
Rental property and other expenses	55,331	46,507	203,344	176,744
Total net operating income from continuing operations	<u>93,657</u>	<u>79,809</u>	<u>353,466</u>	<u>308,302</u>
Less - non same property and other net operating income	(20,616)	(6,379)	(57,205)	(11,877)
Total same property net operating income from continuing operations	<u>\$ 73,041</u>	<u>\$ 73,430</u>	<u>\$ 296,261</u>	<u>\$ 296,425</u>
Total same property net operating income from continuing operations	\$ 73,041	\$ 73,430	\$ 296,261	\$ 296,425
Less - straight-line rent and lease termination fees	(2,252)	(1,581)	(9,474)	(14,483)
Same property cash net operating income from continuing operations	<u>\$ 70,789</u>	<u>\$ 71,849</u>	<u>\$ 286,787</u>	<u>\$ 281,942</u>