

FOR IMMEDIATE RELEASE

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Highwoods to Develop U.S. Headquarters for Mars Petcare in Nashville Area

*Ovation in Franklin
\$96 Million Total Highwoods Investment*

Raleigh, NC – February 28, 2017 – Highwoods Properties, Inc. (NYSE:HIW) is pleased to announce **Mars Petcare**, one of the world’s leading pet care providers, has selected Highwoods to develop its U.S. headquarters at Ovation in the Cool Springs district of Franklin, TN, one of Nashville’s BBDs (Best Business Districts).

Highwoods will develop 224,000 square feet in two connected LEED-Gold certified office buildings. The projected cost of this 100% pre-leased development project with structured parking is \$96 million, including the value of Highwoods-owned land. Construction is scheduled to begin in the third quarter of 2017 with a second quarter 2019 targeted completion date.

Ovation, encompassing 145 overall acres, will be a high-density, mixed-use development with 56 acres of perpetually-dedicated preserved green space. Highwoods is the owner and developer of the office portion of Ovation, which is planned for up to 1.4 million square feet. Thomas Land & Development is the developer of the non-office portions of Ovation, which is planned for up to 480,000 square feet of retail space, 950 residential units and 450 hotel rooms.

Ed Fritsch, president and chief executive officer of Highwoods, said, *“We are flattered Mars Petcare, a new customer for Highwoods, has chosen us to be their developer-landlord. We are thrilled by this opportunity to work with such a widely respected, internationally recognized and admired company and appreciate their confidence in our team and brand.”*

Renee Peets, vice president and executive project sponsor of Mars Petcare, said *“For the last 11 years, we have called Franklin home and we’re excited about our new U.S. headquarters at Ovation, one of the largest planned mixed-use projects in Williamson County. It’s an exciting project, ideally situated in a vibrant location, and will bring the best of ‘work, rest and play’ to our nearly 1,000 area Associates and their pets.”*



Ken Moore, Mayor of Franklin stated, *“Mars Petcare has been making an economic and social impact here in Franklin for more than a decade. We are grateful for their continued commitment to our city as we work to make Franklin a vibrant place to live and work.”*

Stan Thomas, founder of Thomas Land & Development, the owner and developer of the non-office portions of Ovation, added *“Mars Petcare’s selection of Highwoods as its office developer is a resounding endorsement of Ovation as a premier mixed-use destination. We are enthusiastic about bringing retail, entertainment and residential choices that will make the Ovation experience unique and dynamic.”*

The Mars Petcare U.S. Headquarters Development Presentation

A brief presentation outlining this transaction can be accessed through the link below or on the Investors section of the Company’s website at www.highwoods.com.

[Click here to view presentation.](#)

About Mars Petcare

As the global leader in petcare, we help make millions of pets’ lives better by providing quality nutrition and healthcare, creating foods that pets love and bringing them closer to their owners. We believe that pets make the world better for people, so we make it our purpose to make “A Better World for Pets”. In the United States, Mars Petcare food brands include PEDIGREE®, IAMS®, ROYAL CANIN®, GREENIES®, CESAR®, NUTRO® and SHEBA®. Veterinary practices include BANFIELD® and BLUE PEARL®. Specialty brands include WISDOM PANEL® Canine DNA Tests and WHISTLE® GPS Pet Tracker. The company’s WALTHAM Centre for Pet Nutrition is a leading scientific authority on pet nutrition and wellbeing. Mars Petcare has more than 40,000 Associates worldwide. For more information about Mars Petcare US, visit <https://www.facebook.com/ABetterWorldforPets>.

About Thomas Land & Development

Thomas Land & Development isn’t like other real estate developers. The visionaries at TL&D specialize in creating dynamic environments where commerce, life, and leisure intersect. From master-planned communities to mixed-use projects like Wade Park, as well as retail, hotel, residential and office developments, TL&D does it all. With long-term success always top of mind, the environments they create appeal to consumers, communities and municipalities, which is something few other developers can say. Thomas Land & Development and its affiliates have developed many properties within and outside the United States. Based in Newnan, Georgia, Stan Thomas has been in the real estate development business since 1987.

About Highwoods

Highwoods Properties, Inc., headquartered in Raleigh, 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 office REIT that owns, develops, acquires, leases and manages properties primarily in the best business districts (BBDs) of Atlanta, Greensboro, Memphis, Nashville, Orlando, Pittsburgh, Raleigh, Richmond and Tampa.

With the addition of the Mars Petcare project, the Highwoods development pipeline has grown to 2.1 million square feet representing an investment of approximately \$645 million that is 81% pre-leased on a dollar weighted basis. Highwoods is the largest office developer/landlord in the greater Nashville area. A few signature local assets include The Pinnacle at Symphony Place, the corporate headquarters for Bridgestone Americas (currently under construction) and the



corporate headquarters for LifePoint Health. For more information about Highwoods, please visit our website at www.highwoods.com.

Disclosure Regarding Forward-Looking Statements

Certain matters discussed in this press release are forward-looking statements within the meaning of the federal securities laws, such as the expected cost, timing and impact of Highwoods development activity. These statements are distinguished by use of the words "will", "expect", "intend" and words of similar meaning. Although Highwoods believes 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: development activity by competitors in 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; Highwoods may not be able to lease or re-lease second generation space quickly or on as favorable terms as old leases; Highwoods markets may suffer declines in economic growth; Highwoods may not be able to lease newly constructed buildings as quickly or on as favorable terms as originally anticipated; unanticipated increases in interest rates could increase debt service costs; unanticipated increases in operating expenses could negatively impact Highwoods net operating income; Highwoods may not be able to meet its liquidity requirements or obtain capital on favorable terms to fund its working capital needs and growth initiatives or to repay or refinance outstanding debt upon maturity; Highwoods could lose key executive officers; and others detailed in Highwoods 2016 Annual Report on Form 10-K and subsequent SEC reports.

