



Supplemental Information
December 31, 2012

Supplemental Information
Table of Contents
December 31, 2012

Schedule	Page
Summary and Corporate Information	i, ii and iii
Consolidated Statements of Income	1
Funds from Operations and Additional Information	2
Consolidated Balance Sheets	3
Components of Net Asset Value	4
Components of Discontinued Operations	5
Capitalization	6
Mortgages and Notes Payable Summary	7
Mortgages and Notes Payable Detail	8
Portfolio Summary	9, 10 and 11
Occupancy Trends	12
Leasing Statistics	13, 14 and 15
Leasing Statistics by Market	16
Rental Rate Comparisons by Market	17
Lease Expirations	18 and 19
Office Lease Expirations by Market by Quarter	20
Industrial Lease Expirations by Market by Quarter	21
Office Lease Expirations by Market by Year	22
Industrial Lease Expirations by Market by Year	23
Customer Diversification	24
Same Property Performance	25
Acquisition Activity	26
Disposition Activity	27
Development Activity	28
Development Land	29
Unconsolidated Joint Ventures Assets, Debt and Liabilities	30
Unconsolidated Joint Ventures Income	31
Unconsolidated Joint Ventures Income (Twelve Months)	32
Unconsolidated Joint Ventures Long-Term Debt Detail	33
Joint Ventures Portfolio Summary	34
Joint Ventures Lease Expirations	35
Joint Venture Acquisition and Disposition Activity	36
Joint Venture Development Activity	37

The information within refers to all Highwoods Properties' wholly-owned entities, except pages 30 to 37, unless noted otherwise. Wholly-owned entities include properties classified as both continuing operations and discontinued operations.

All financial information contained in this document is unaudited. In addition, certain matters discussed in this supplemental, including estimates of net operating income, pre-leasing commitments and the cost, timing and stabilization of announced development projects, are forward-looking statements within the meaning of the federal securities laws. 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 general economic conditions, local real estate conditions, the timely development and lease-up of properties, and other risks listed at the end of our fourth quarter earnings press release and detailed from time to time in the Company's SEC reports. Highwoods assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

This supplemental also includes non-GAAP financial measures, such as Funds From Operations (FFO) and net operating income (NOI). Definitions of FFO and NOI and an explanation of management's view of the usefulness and risks of FFO and NOI can be found toward the end of the fourth quarter earnings press release.

Summary

Amounts in thousands, except %'s and per share amounts

	<i>Three Months Ended</i>				
	<u>12/31/12</u>	<u>9/30/12</u>	<u>6/30/12</u>	<u>3/31/12</u>	<u>12/31/11</u>
Shares and units:					
Common Shares outstanding at end of period	80,311	78,530	75,619	73,609	72,648
Common Units outstanding at end of period	3,733	3,775	3,711	3,728	3,730
Weighted average Common Shares outstanding - basic	79,110	76,590	74,662	72,836	72,592
Weighted average Common Shares outstanding - diluted	82,998	80,495	78,521	76,696	76,427
Share price:					
At end of period	\$ 33.45	\$ 32.62	\$ 33.65	\$ 33.32	\$ 29.67
High during period	34.24	34.92	35.78	33.90	32.27
Low during period	30.62	32.30	31.14	29.34	25.64
Financial information:					
Lease termination income 1/	\$ 26	\$ 317	\$ 628	\$ 879	\$ 817
Straight-line rental income 1/	4,346	4,029	4,794	5,922	4,313
Capitalized interest	365	339	226	101	76
Property acquisition costs	(752)	(662)	(125)	-	(113)
Losses on debt extinguishment	-	-	(973)	-	-
Land sale gains	-	-	-	-	302
Gains on for-sale residential condominiums	189	80	110	65	6
Gains on disposition of depreciable properties 2/	1,120	22,936	1,385	5,134	-
Impairments of depreciable properties 3/	-	-	-	(1,002)	-
Funds from operations per share - diluted	\$ 0.67	\$ 0.65	\$ 0.69	\$ 0.70	\$ 0.70
Funds from operations per share - diluted, excluding certain items 4/	\$ 0.68	\$ 0.66	\$ 0.70	\$ 0.70	\$ 0.70
Wholly - owned property information:					
In-Service rentable square feet:					
Office	23,361	22,680	22,841	22,617	22,612
Industrial	5,474	5,474	5,826	5,827	5,827
Retail	853	853	853	853	853
Total	<u>29,688</u>	<u>29,007</u>	<u>29,520</u>	<u>29,297</u>	<u>29,292</u>
In-Service occupancy:					
Office	90.0%	89.2%	90.0%	89.6%	89.2%
Industrial	93.2%	93.3%	92.6%	91.8%	91.6%
Retail	98.6%	98.7%	97.7%	97.6%	98.7%
Total	<u>90.9%</u>	<u>90.2%</u>	<u>90.7%</u>	<u>90.2%</u>	<u>90.0%</u>

1/ Straight-line rental write-offs related to lease terminations are reflected as a reduction of lease termination income.

2/ December 31, 2012 amount is the Company's share of gains on disposition of depreciable properties recorded by an unconsolidated joint venture.

3/ March 31, 2012 amount is the Company's share of impairments of depreciable properties recorded by an unconsolidated joint venture.

4/ Represents funds from operations per diluted share excluding gains/(losses) on debt extinguishment and acquisition costs.

Corporate Information

Board of Directors

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David J. Hartzell, Ph.D.
Sherry A. Kellett
Mark F. Mulhern
L. Glenn Orr Jr.

Corporate Officers

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President, Chief Executive Officer and Director

Michael E. Harris

Executive Vice President, Chief Operating Officer

Terry L. Stevens

Senior Vice President, Chief Financial Officer

Daniel L. Clemmens

Vice President, Chief Accounting Officer

S. Hugh Esleeck

Treasurer

Theodore J. Klinck

Vice President, Chief Investment Officer

Carman J. Liuzzo

Vice President, Investments

Art H. McCann

Chief Information Officer

Jeffrey D. Miller

Vice President, General Counsel and
Secretary

Kevin E. Penn

Vice President, Chief Strategy and
Administration Officer

L. Randy Roberson

Vice President, Development

Michael D. Starchville

Vice President, Asset Management

Tabitha N. Zane

Vice President, Investor Relations and
Corporate Communications

Division Officers

Atlanta, GA

James V. Bacchetta, Vice President

Kansas City, MO

Glenn E. Stephenson, Vice President

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E. F. "Rick" Dehnert, Vice President

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Thomas "Skip" Hill, Vice President

Richmond, VA

Paul W. Kreckman, Vice President

Tampa, FL

Daniel E. Woodward, Vice President

Corporate Information

Research Coverage

Bank of America/Merrill Lynch

Jamie Feldman - 212-449-6339

Citigroup Global Markets

Michael Bilerman - 212-816-1383

Cowen and Company

James Sullivan - 646-562-1380

Deutsche Bank

John Perry - 212-250-4912

Green Street Advisors

Michael Knott - 949-640-8780

Jefferies & Company, Inc.

Tayo Okusanya - 212-336-7076

Macquarie Research

Robert Stevenson - 212-231-8068

Morgan Stanley

Paul Morgan - 415-576-2627

RBC Capital Markets

Rich Moore - 440-715-2646

RW Baird

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John Guinee - 443-224-1307

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Wells Fargo Securities, LLC

Brendan Maiorana - 443-263-6516

Corporate Headquarters

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Stock Exchange

NYSE Trading Symbol: HIW

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Information Request

To request a Supplemental Package or Annual Report or to be added to our e-mail distribution list, please contact Tabitha Zane at the contact information listed above.

The Company

Highwoods Properties, Inc., a member of the S&P MidCap 400 Index, is a fully integrated, self-administered and self-managed equity real estate investment trust ("REIT") that provides leasing, management, development, construction and other customer-related services for its properties and for third parties. As of December 31, 2012, the Company owned or had an interest in 333 in-service office, industrial and retail properties encompassing approximately 34.6 million square feet. Highwoods also wholly-owned 649 acres of development land. Highwoods is based in Raleigh, North Carolina, and its properties and development land are located in Florida, Georgia, Maryland, Missouri, North Carolina, Pennsylvania, South Carolina, Tennessee, and Virginia. For more information about Highwoods Properties, please visit our website at www.highwoods.com.



Consolidated Statements of Income 1/

Amounts in thousands, except per share amounts

	Year Ended		Three Months Ended				
	12/31/12	12/31/11	12/31/12	9/30/12	6/30/12	3/31/12	12/31/11
Rental and other revenues	\$ 516,102	\$ 463,444	\$ 133,982	\$ 128,214	\$ 128,323	\$ 125,583	\$ 123,947
Operating expenses:							
Rental property and other expenses	187,434	167,853	49,302	47,233	46,305	44,594	45,495
Depreciation and amortization	156,318	137,890	40,563	38,651	39,751	37,353	38,231
Impairments of real estate assets	-	2,429	-	-	-	-	-
General and administrative	37,377	35,727	9,079	9,725	8,900	9,673	7,744
Total operating expenses	381,129	343,899	98,944	95,609	94,956	91,620	91,470
Interest expense:							
Contractual	92,838	91,458	22,529	22,910	23,548	23,851	23,014
Amortization of deferred financing costs	3,685	3,312	976	907	900	902	864
Financing obligations	(409)	740	(52)	(205)	(76)	(76)	156
	96,114	95,510	23,453	23,612	24,372	24,677	24,034
Other income:							
Interest and other income	7,353	7,387	1,470	1,916	1,737	2,230	2,110
Losses on debt extinguishment	(973)	(24)	-	-	(973)	-	-
	6,380	7,363	1,470	1,916	764	2,230	2,110
Income from continuing operations before disposition of property, condominiums and investments in unconsolidated affiliates and equity in earnings/(losses) of unconsolidated affiliates	45,239	31,398	13,055	10,909	9,759	11,516	10,553
Gains on disposition of property	-	764	-	-	-	-	302
Gains/(losses) on for-sale residential condominiums	444	(316)	189	80	110	65	6
Gains on disposition of investments in unconsolidated affiliates	-	2,282	-	-	-	-	-
Equity in earnings/(losses) of unconsolidated affiliates	5,035	4,878	2,365	1,324	1,508	(162)	945
Income from continuing operations	50,718	39,006	15,609	12,313	11,377	11,419	11,806
Discontinued operations:							
Income from discontinued operations	4,062	6,392	-	547	1,736	1,779	1,044
Net gains on disposition of discontinued operations	29,455	2,573	-	22,936	1,385	5,134	-
	33,517	8,965	-	23,483	3,121	6,913	1,044
Net income	84,235	47,971	15,609	35,796	14,498	18,332	12,850
Net (income) attributable to noncontrolling interests in the Operating Partnership	(3,854)	(2,091)	(688)	(1,653)	(686)	(827)	(595)
Net (income) attributable to noncontrolling interests in consolidated affiliates	(786)	(755)	(220)	(159)	(223)	(184)	(201)
Dividends on Preferred Stock	(2,508)	(4,553)	(627)	(627)	(627)	(627)	(627)
Excess of Preferred Stock redemption/repurchase cost over carrying value	-	(1,895)	-	-	-	-	-
Net income available for common stockholders	\$ 77,087	\$ 38,677	\$ 14,074	\$ 33,357	\$ 12,962	\$ 16,694	\$ 11,427
Earnings per Common Share – basic:							
Income from continuing operations available for common stockholders	\$ 0.60	\$ 0.42	\$ 0.18	\$ 0.15	\$ 0.13	\$ 0.14	\$ 0.14
Income from discontinued operations available for common stockholders	0.42	0.12	-	0.29	0.04	0.09	0.02
Net income available for common stockholders	\$ 1.02	\$ 0.54	\$ 0.18	\$ 0.44	\$ 0.17	\$ 0.23	\$ 0.16
Weighted average Common Shares outstanding - basic	75,811	72,281	79,110	76,590	74,662	72,836	72,592
Earnings per Common Share - diluted:							
Income from continuing operations available for common stockholders	\$ 0.60	\$ 0.42	\$ 0.18	\$ 0.14	\$ 0.13	\$ 0.14	\$ 0.14
Income from discontinued operations available for common stockholders	0.42	0.12	-	0.29	0.04	0.09	0.02
Net income available for common stockholders	\$ 1.02	\$ 0.54	\$ 0.18	\$ 0.43	\$ 0.17	\$ 0.23	\$ 0.16
Weighted average Common Shares outstanding - diluted	79,678	76,189	82,998	80,495	78,521	76,696	76,427
Dividends declared per Common Share	\$ 1.70	\$ 1.70	\$ 0.425	\$ 0.425	\$ 0.425	\$ 0.425	\$ 0.425
Net income available for common stockholders:							
Income from continuing operations available for common stockholders	\$ 45,164	\$ 30,158	\$ 14,074	\$ 10,980	\$ 9,990	\$ 10,120	\$ 10,434
Income from discontinued operations available for common stockholders	31,923	8,519	-	22,377	2,972	6,574	993
Net income available for common stockholders	\$ 77,087	\$ 38,677	\$ 14,074	\$ 33,357	\$ 12,962	\$ 16,694	\$ 11,427

1/ Our Consolidated Statements of Income were revised from previously reported amounts to reflect in discontinued operations the operations for those properties that qualified for discontinued operations.

Funds from Operations and Additional Information

Amounts in thousands, except per share amounts

	Year Ended		Three Months Ended				
	12/31/12	12/31/11	12/31/12	9/30/12	6/30/12	3/31/12	12/31/11
Funds from operations:							
Net income	\$ 84,235	\$ 47,971	\$ 15,609	\$ 35,796	\$ 14,498	\$ 18,332	\$ 12,850
Net (income) attributable to noncontrolling interests in consolidated affiliates	(786)	(755)	(220)	(159)	(223)	(184)	(201)
Depreciation and amortization of real estate assets	154,236	135,925	40,003	38,093	39,329	36,811	37,676
Impairments of depreciable properties	-	2,429	-	-	-	-	-
Unconsolidated affiliates:							
Depreciation and amortization of real estate assets	7,736	8,388	1,935	2,028	1,675	2,098	2,196
Impairments of depreciable properties	1,002	-	-	-	-	1,002	-
(Gains) on disposition of depreciable properties	(1,120)	-	(1,120)	-	-	-	-
Discontinued operations:							
Depreciation and amortization of real estate assets	2,009	5,256	-	-	847	1,162	1,321
(Gains) on disposition of depreciable properties	(29,455)	(2,573)	-	(22,936)	(1,385)	(5,134)	-
Funds from operations	217,857	196,641	56,207	52,822	54,741	54,087	53,842
Dividends on Preferred Stock	(2,508)	(4,553)	(627)	(627)	(627)	(627)	(627)
Excess of Preferred Stock redemption/repurchase cost over carrying value	-	(1,895)	-	-	-	-	-
Funds from operations available for common stockholders	\$ 215,349	\$ 190,193	\$ 55,580	\$ 52,195	\$ 54,114	\$ 53,460	\$ 53,215
Funds from operations available for common stockholders per share	\$ 2.70	\$ 2.50	\$ 0.67	\$ 0.65	\$ 0.69	\$ 0.70	\$ 0.70
Weighted average shares outstanding	79,678	76,189	82,998	80,495	78,521	76,696	76,427
Additional information: 1/							
Funds from operations per share, excluding certain items 2/	\$ 2.73	\$ 2.58	\$ 0.68	\$ 0.66	\$ 0.70	\$ 0.70	\$ 0.70
Funds from operations available for common stockholders, excluding certain items 2/	\$ 217,861	\$ 196,559	\$ 56,332	\$ 52,857	\$ 55,212	\$ 53,460	\$ 53,328
Straight-line rental income	\$ (19,091)	\$ (13,409)	(4,346)	(4,029)	(4,794)	(5,922)	(4,313)
Straight-line rental write-offs related to termination fees	1,275	646	14	92	610	559	646
Amortization of lease incentives	1,439	1,371	363	393	340	343	362
Depreciation of non-real estate assets	1,624	1,353	415	414	404	391	398
Ground lease straight-line rent expense	82	106	14	22	23	23	22
Share-based compensation expense	7,613	6,094	1,149	2,005	2,037	2,422	1,323
Amortization of deferred financing costs	3,685	3,312	976	907	900	902	864
Amortization of accumulated other comprehensive loss	(138)	(118)	(36)	(35)	(34)	(33)	(36)
Amortization of Harborview financing obligation	(1,678)	(1,430)	(429)	(430)	(413)	(406)	(389)
Amortization of above/(below) market leases and other adjustments	(1,084)	75	(367)	(214)	(229)	(274)	(263)
Non-incremental revenue generating capital expenditures incurred: 3/							
Building improvements	(10,881)	(12,399)	(3,464)	(2,156)	(3,502)	(1,759)	(7,838)
2nd generation tenant improvements	(40,619)	(41,494)	(7,456)	(10,908)	(10,294)	(11,961)	(16,054)
2nd generation lease commissions	(19,138)	(17,020)	(5,475)	(4,773)	(5,853)	(3,037)	(5,101)
Common dividends and unit distributions paid	(134,986)	(129,158)	(35,131)	(33,910)	(33,400)	(32,545)	(32,440)

1/ Increase or (decrease) to cash flows.

2/ Excludes gains/(losses) on debt extinguishment, property acquisition costs and excess of Preferred Stock redemption/repurchase cost over carrying value.

3/ Excludes capital expenditures paid for buildings sold and capital expenditures incurred within 12 months of planned dispositions when such expenditures are expected to be fully recovered from the sales proceeds.

Consolidated Balance Sheets

Dollars in thousands

Assets:	12/31/12	12/31/11
Real estate assets, at cost:		
Land	\$ 374,212	\$ 355,694
Buildings and tenant improvements	3,304,468	3,009,155
Development in process	21,198	-
Land held for development	117,784	105,206
	3,817,662	3,470,055
Less-accumulated depreciation	(947,567)	(869,046)
Net real estate assets	2,870,095	2,601,009
For-sale residential condominiums	-	4,751
Real estate and other assets, net, held for sale	-	124,273
Cash and cash equivalents	13,783	11,188
Restricted cash	19,702	26,666
Accounts receivable, net of allowance of \$2,848 and \$3,548, respectively	23,073	30,093
Mortgages and notes receivable, net of allowance of \$182 and \$61, respectively	25,472	18,600
Accrued straight-line rents receivable, net of allowance of \$929 and \$1,294, respectively	116,992	99,490
Investments in and advances to unconsolidated affiliates	66,800	100,367
Deferred financing and leasing costs, net of accumulated amortization of \$77,383 and \$62,319, respectively	170,023	127,774
Prepaid expenses and other assets, net of accumulated amortization of \$12,318 and \$15,089, respectively	44,488	36,781
Total Assets	\$ 3,350,428	\$ 3,180,992
Liabilities, Noncontrolling Interests in the Operating Partnership and Equity:		
Mortgages and notes payable	\$ 1,859,162	\$ 1,868,906
Accounts payable, accrued expenses and other liabilities	172,146	148,607
Financing obligations	29,358	30,150
Liabilities held for sale	-	35,815
Total Liabilities	2,060,666	2,083,478
Commitments and contingencies		
Noncontrolling interests in the Operating Partnership	124,869	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; 80,311,437 and 72,647,697 shares issued and outstanding, respectively	803	726
Additional paid-in capital	2,040,306	1,803,997
Distributions in excess of net income available for common stockholders	(897,418)	(845,853)
Accumulated other comprehensive loss	(12,628)	(5,734)
Total Stockholders' Equity	1,160,140	982,213
Noncontrolling interests in consolidated affiliates	4,753	4,646
Total Equity	1,164,893	986,859
Total Liabilities, Noncontrolling Interests in the Operating Partnership and Equity	\$ 3,350,428	\$ 3,180,992

Components of Net Asset Value

Dollars in thousands

Note: The purpose of providing the following information at the beginning of each year is to enable readers to derive their own estimate of net asset value. The Company updates this information annually based on management's assumptions regarding projected current year net operating income for the existing property portfolio as of the date of initial publication (current year being February 12, 2013), and it will not be updated to reflect any facts, circumstances or changes in financial or operating assumptions that may occur during the year. This information is not intended to be an asset-by-asset or enterprise valuation.

Consolidated properties projected net operating income (NOI) 1/

Office	\$	282,682
Retail		22,633
Industrial		17,536
Deduct partner's share of consolidated JV's (Office)		(4,399)
Total Net Operating Income	\$	318,452

Highwoods' share of unconsolidated joint ventures, projected NOI

Office	\$	15,491
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Other income

Development, leasing and management fees	\$	3,970
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Add other assets:

Development investment at cost	\$	22,854
In-service assets not fairly valued by capitalized NOI valuation method 1/		
Consolidated assets		77,689
Highwoods' share of unconsolidated JV's assets		32,304
Land held for development at market value 2/		144,890
Cash and cash equivalents		13,783
Restricted cash		19,702
Accounts receivable, net		23,073
Notes receivable and prepaid expenses 3/		86,600
Highwoods' share of unconsolidated JV's other assets		52,730
Deduct partner's share of consolidated JV's other assets		(3,808)
Total other assets	\$	469,817

Liabilities:

Mortgages and notes payable		1,859,162
Accounts payable, accrued expenses and other liabilities	\$	172,146
Deduct partner's share of Consolidated JV's liabilities and mortgages		(15,652)
Market value of debt adjustment 4/		109,600
Preferred stock, at liquidation value		29,077
Highwoods' share of unconsolidated joint ventures liabilities		147,827
Market value of debt adjustment for JV debt 4/		2,076
Total deductions	\$	2,304,236

1/ Projected 2013 NOI for the existing property portfolio excludes straight line income, lease termination fee income, fee income, NOI related to completed not stabilized developments, and NOI related to assets undervalued by capitalized NOI method. For the assets in the last two categories, a NOI capitalization approach is not appropriate and accordingly an alternative valuation methodology has been applied.

2/ Includes Highwoods' share of JV land held for development totaling \$4.9 million.

3/ Includes \$16.6 million of notes receivable from partner's share of consolidated Harborview JV.

4/ In accordance with prior practice, we included an adjustment to mark our debt including our pro rata share of unconsolidated joint ventures to estimated fair value as of December 31, 2012.

Note: Information presented herein does not include the effect of any acquisitions and dispositions subsequent to December 31, 2012.

Components of Discontinued Operations

Dollars in thousands

	<i>Year Ended</i>		<i>Three Months Ended</i>				
	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/12</u>	<u>9/30/12</u>	<u>6/30/12</u>	<u>3/31/12</u>	<u>12/31/11</u>
Rental and other revenues	\$ 10,120	\$ 21,002	\$ -	\$ 875	\$ 4,456	\$ 4,789	\$ 4,783
Operating expenses:							
Rental property and other expenses	3,766	8,865	-	293	1,750	1,723	2,293
Depreciation and amortization	2,009	5,256	-	-	847	1,162	1,321
Total operating expenses	<u>5,775</u>	<u>14,121</u>	<u>-</u>	<u>293</u>	<u>2,597</u>	<u>2,885</u>	<u>3,614</u>
Interest expense	283	489	-	35	123	125	125
Income from discontinued operations	4,062	6,392	-	547	1,736	1,779	1,044
Net gains on disposition of discontinued operations	29,455	2,573	-	22,936	1,385	5,134	-
Total discontinued operations	<u>\$ 33,517</u>	<u>\$ 8,965</u>	<u>\$ -</u>	<u>\$ 23,483</u>	<u>\$ 3,121</u>	<u>\$ 6,913</u>	<u>\$ 1,044</u>

Capitalization

Dollars, shares, and units in thousands

	<u>12/31/12</u>	<u>9/30/12</u>	<u>6/30/12</u>	<u>3/31/12</u>	<u>12/31/11</u>
Mortgages and Notes Payable (see pages 7 & 8) 1/:	\$ 1,859,162	\$ 1,778,555	\$ 1,823,128	\$ 1,903,978	\$ 1,903,213
Financing Obligations 1/:	\$ 29,358	\$ 27,791	\$ 30,822	\$ 31,110	\$ 31,444
Preferred Stock (at liquidation value):					
Series A 8 5/8% Cumulative Redeemable	\$ 29,077	\$ 29,077	\$ 29,077	\$ 29,077	\$ 29,077
Common Shares and Units Outstanding:					
Common stock outstanding	80,311	78,530	75,619	73,609	72,648
Noncontrolling interest partnership units	3,733	3,775	3,711	3,728	3,730
Total Common Shares and Units outstanding	84,044	82,305	79,330	77,337	76,378
Stock price at period end	\$ 33.45	\$ 32.62	\$ 33.65	\$ 33.32	\$ 29.67
Market value of common equity	\$ 2,811,272	\$ 2,684,789	\$ 2,669,455	\$ 2,576,869	\$ 2,266,135
Total market capitalization with debt and obligations	\$ 4,728,869	\$ 4,520,212	\$ 4,552,482	\$ 4,541,034	\$ 4,229,869

1/ Mortgages and Notes Payable and Financing Obligations have not been retrospectively revised to reflect liabilities held for sale.

See pages 30 to 37 for information regarding Highwoods' Joint Ventures.

Mortgages and Notes Payable Summary

Dollars in thousands

	<u>12/31/12</u>		<u>9/30/12</u>		<u>6/30/12</u>		<u>3/31/12</u>		<u>12/31/11</u>	
Balances Outstanding:										
Secured:										
Conventional fixed rate	\$ 549,607	1/	\$ 667,588	1/	\$ 691,383	1/	\$ 694,675	1/	\$ 697,940	1/
Variable rate debt	-		17,802		52,109		52,109		52,109	
Secured total	<u>549,607</u>		<u>685,390</u>		<u>743,492</u>		<u>746,784</u>		<u>750,049</u>	
Unsecured:										
Fixed rate bonds and notes	826,555		579,165		579,136		591,194		591,164	
Bank term loan - 2013	35,000		-		-		-		-	
Bank term loan - 2018	200,000		200,000		200,000		200,000		200,000	
Bank term loan - 2019	225,000	2/	225,000	2/	225,000	2/	225,000	2/	-	
Credit facility	23,000		89,000		75,500		141,000		362,000	
Unsecured total	<u>1,309,555</u>		<u>1,093,165</u>		<u>1,079,636</u>		<u>1,157,194</u>		<u>1,153,164</u>	
Total	<u>\$ 1,859,162</u>		<u>\$ 1,778,555</u>		<u>\$ 1,823,128</u>		<u>\$ 1,903,978</u>		<u>\$ 1,903,213</u>	

End of Period Weighted Average Interest Rates:

Secured:										
Conventional fixed rate	5.75%		5.83%		5.84%		5.84%		5.84%	
Variable rate debt	-		1.07%		1.10%		1.10%		1.14%	
Secured total	<u>5.75%</u>		<u>5.71%</u>		<u>5.50%</u>		<u>5.51%</u>		<u>5.51%</u>	
Unsecured:										
Fixed rate bonds	5.62%		6.42%		6.42%		6.41%		6.41%	
Bank term loan - 2013	2.42%		-		-		-		-	
Bank term loan - 2018	1.87%		2.42%		2.45%		2.45%		2.49%	
Bank term loan - 2019	3.58%	2/	3.58%	2/	3.58%	2/	3.58%	2/	-	
Credit facility	1.71%		1.72%		1.78%		1.74%		1.78%	
Unsecured total	<u>4.54%</u>		<u>4.72%</u>		<u>4.77%</u>		<u>4.61%</u>		<u>4.28%</u>	
Weighted Average	<u>4.90%</u>		<u>5.10%</u>		<u>5.07%</u>		<u>4.96%</u>		<u>4.76%</u>	

Maturity Schedule:

Year	Secured Debt 3/	Unsecured Debt	Total Debt 4/	Average Interest Rate
2013	117,063	35,000	152,063	4.98%
2014	108,454	-	108,454	5.20%
2015	39,805	23,000	62,805	4.70%
2016	163,360	-	163,360	7.08%
2017	120,925	379,194	500,119	5.46%
2018	-	400,000	400,000	4.69%
2019	-	225,000	225,000	3.58%
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	247,361	247,361	3.75%
Total maturities	<u>\$ 549,607</u>	<u>\$ 1,309,555</u>	<u>\$ 1,859,162</u>	<u>4.90%</u>

Weighted average maturity = 4.8 years

1/ Includes a loan related to a consolidated 20% owned joint venture (Harborview) that was paid off on September 28th and \$33.1 million in loans at December 31, 2012 related to a consolidated 50% joint venture (Markel).

2/ This loan maturing January 2019 is swapped to an effective fixed rate of 3.58% for the full term of the loan.

3/ All periods exclude annual principal amortization.

4/ Maturity does not reflect one-year extension option related to \$23.0 million of unsecured debt (Credit Facility).

Mortgages and Notes Payable Detail

Dollars in thousands

<u>Secured Loans</u>		<u>Maturity</u>	<u>Loan</u> <u>Balance</u>	<u>Undepreciated</u> <u>Book Value of</u> <u>Real Estate</u> <u>Assets Secured</u>
<u>Lender</u>	<u>Rate</u>	<u>Date</u>	<u>12/31/12</u>	<u>12/31/12</u>
Wells Fargo Bank, N.A. 1/ 2/	4.22%	Nov-17	\$ 120,925	\$ 213,700
New York Life Insurance Company	6.88%	Jan-16	110,671	216,929
Massachusetts Mutual Life Ins. Co. 3/	5.68%	Dec-13	107,289	214,927
Metropolitan Life Ins. Co. 4/ 2/	5.12%	Jan-14	67,604	109,314
Western-Southern Life Assurance Company	7.50%	Aug-16	45,662	72,759
Bank of America 5/ 2/	6.43%	Nov-15	39,805	52,600
Principal Life Insurance Company 6/	5.79%	Jan-14	10,142	13,134
Principal Life Insurance Company 6/	5.79%	Jan-14	10,142	18,872
Massachusetts Mutual Life Ins. Co. 3/	6.48%	Dec-13	9,688	
Principal Life Insurance Company 6/	5.74%	Jan-14	7,992	14,670
Wells Fargo Bank, N.A. 7/ 2/	3.32%	Aug-14	7,764	13,152
State Farm Life Insurance	7.65%	Feb-16	7,027	15,270
Principal Life Insurance Company 6/	5.89%	Jan-14	4,809	7,514
American United Life	9.00%	Jun-13	87	4,028
	<u>5.75%</u>		<u>549,607</u>	<u>\$ 966,869</u>

Unsecured Bonds

Bonds	5.85%	Mar-17	379,194
Bonds	7.50%	Apr-18	200,000
Bonds	3.75%	Jan-23	247,361
	<u>5.62%</u>		<u>826,555</u>

Unsecured Loans

Credit facility 8/ 9/	1.71%	Jul-15	23,000
Bank term loan 8/	2.42%	Feb-13	35,000
Bank term loan 8/	1.87%	Jan-18	200,000
Bank term loan 10/	3.58%	Jan-19	225,000
	<u>2.70%</u>		<u>483,000</u>

Total Debt

	<u>4.90%</u>		<u>\$ 1,859,162</u>
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Revolving Credit Facility

<u>Name of Lender</u>	<u>Total</u> <u>Commitment</u>	<u>Amount</u> <u>Outstanding</u> <u>12/31/12</u>	<u>Unfunded</u> <u>Commitment</u> <u>12/31/12</u>
Bank of America, N.A.	\$ 75,000	\$ 3,632	\$ 71,368
PNC Bank, N.A.	75,000	3,632	71,368
Wells Fargo Bank, N.A.	55,000	2,663	52,337
Branch Banking and Trust Co.	50,000	2,421	47,579
US Bank	36,000	1,743	34,257
Regions Bank	32,000	1,549	30,451
Union Bank, N.A.	32,000	1,549	30,451
Capital One	25,000	1,211	23,789
Comerica Bank	25,000	1,211	23,789
Morgan Stanley	25,000	1,211	23,789
Fifth Third Bank	15,000	726	14,274
First Tennessee Bank	15,000	726	14,274
Royal Bank of Canada	15,000	726	14,274
	<u>\$ 475,000</u>	<u>\$ 23,000</u>	<u>\$ 452,000</u>

1/ This loan's stated interest rate is 5.19% related to outstanding principal of \$116.9 million.

2/ The undepreciated book value of assets securing this loan includes planned near-term building and leasing improvements.

3/ These two loans are secured by the same assets.

4/ This loan's stated interest rate is 5.45% related to outstanding principal of \$67.4 million.

5/ This loan's stated interest rate is 5.17% related to outstanding principal of \$41.3 million.

6/ Loans relate to a consolidated 50% owned joint venture (Markel).

7/ This loan's stated interest rate is 5.94% related to outstanding principal of \$7.5 million.

8/ Floating rate loans based on one month LIBOR.

9/ Maturity date does not reflect one-year extension option.

10/ This loan maturing January 2019 is swapped to an effective fixed rate of 3.58% for the full term of the loan.

Portfolio Summary - Wholly-Owned Properties Only 1/

(Rentable Square Feet)

Office Industrial & Retail In-Service:	12/31/12	9/30/12	6/30/12	3/31/12	12/31/11
Office	23,361,000	22,680,000	22,841,000	22,617,000	22,612,000
Industrial	5,474,000	5,474,000	5,826,000	5,827,000	5,827,000
Retail 2/	853,000	853,000	853,000	853,000	853,000
Total	<u>29,688,000</u>	<u>29,007,000</u>	<u>29,520,000</u>	<u>29,297,000</u>	<u>29,292,000</u> 3/
Development Completed - Not Stabilized:					
Office	-	-	-	117,000	117,000
Industrial	-	-	-	-	-
Retail	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,000</u>	<u>117,000</u>
Development - In Process:					
Office	246,000	246,000	246,000	228,000	228,000
Industrial	-	-	-	-	-
Retail	-	-	-	-	-
Total	<u>246,000</u>	<u>246,000</u>	<u>246,000</u>	<u>228,000</u>	<u>228,000</u>
Total:					
Office	23,607,000	22,926,000	23,087,000	22,962,000	22,957,000
Industrial	5,474,000	5,474,000	5,826,000	5,827,000	5,827,000
Retail 2/	853,000	853,000	853,000	853,000	853,000
Total 3/	<u>29,934,000</u>	<u>29,253,000</u>	<u>29,766,000</u>	<u>29,642,000</u>	<u>29,637,000</u>
Same Property					
Office	19,512,000	19,512,000	19,512,000	19,512,000	19,512,000
Industrial	5,474,000	5,474,000	5,474,000	5,474,000	5,474,000
Retail	853,000	853,000	853,000	853,000	853,000
Total	<u>25,839,000</u>	<u>25,839,000</u>	<u>25,839,000</u>	<u>25,839,000</u>	<u>25,839,000</u>
Percent Occupied:					
In-Service:					
Office	90.0%	89.2%	90.0%	89.6%	89.2%
Industrial	93.2%	93.3%	92.6%	91.8%	91.6%
Retail	98.6%	98.7%	97.7%	97.6%	98.7%
Total	<u>90.9%</u>	<u>90.2%</u>	<u>90.7%</u>	<u>90.2%</u>	<u>90.0%</u>
Same Property					
Office	89.8%	89.2%	90.8%	90.3%	90.1%
Industrial	93.2%	93.3%	92.1%	91.2%	91.0%
Retail	98.6%	98.7%	97.7%	97.6%	98.7%
Total	<u>90.8%</u>	<u>90.4%</u>	<u>91.3%</u>	<u>90.8%</u>	<u>90.6%</u>
Percent Leased/Pre-Leased:					
Development Completed - Not Stabilized:					
Office	-	-	-	100.0%	100.0%
Industrial	-	-	-	-	-
Retail	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>100.0%</u>	<u>100.0%</u>
Development - In Process:					
Office 4/	89.9%	89.9%	89.9%	89.0%	88.9%
Industrial	-	-	-	-	-
Retail	-	-	-	-	-
Total	<u>89.9%</u>	<u>89.9%</u>	<u>89.9%</u>	<u>89.0%</u>	<u>88.9%</u>

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Excludes 211,000 square feet of basement space in the Country Club Plaza.

3/ Excludes minor "for rent" apartment building that was sold in the first quarter of 2012.

4/ Represents 100% for the Office building and 0% for the amenity retail space.

Portfolio Summary

(Continued)

As of December 31, 2012

Summary by Location, Wholly-Owned Properties Only 1/:

<u>Market</u>	<u>Rentable</u>		<u>Percentage of Annualized Cash Revenue 2/</u>			
	<u>Square Feet</u>	<u>Occupancy</u>	<u>Office</u>	<u>Industrial</u>	<u>Retail</u>	<u>Total</u>
Raleigh 3/	4,428,000	88.7%	15.8%	-	-	15.8%
Atlanta	6,439,000	89.0%	12.0%	2.5%	-	14.5%
Tampa	2,912,000	91.5%	12.7%	-	-	12.7%
Nashville	2,610,000	95.6%	11.4%	-	-	11.4%
Kansas City	1,465,000 4/	95.0%	2.8%	-	6.7%	9.5%
Pittsburgh	2,156,000	91.0%	9.5%	-	-	9.5%
Richmond	2,229,000	94.9%	8.1%	-	-	8.1%
Piedmont Triad 5/	4,176,000	91.8%	4.8%	2.5%	-	7.3%
Memphis	1,960,000	86.5%	7.1%	-	-	7.1%
Greenville	897,000	85.2%	2.3%	-	-	2.3%
Orlando	416,000	94.5%	1.8%	-	-	1.8%
Total	29,688,000	90.9%	88.3%	5.0%	6.7%	100.0%

Summary by Location, Including Joint Venture Properties:

<u>Market</u>	<u>Rentable</u>		<u>Percentage of Annualized Cash Revenue 2/ 6/</u>			
	<u>Square Feet</u>	<u>Occupancy</u>	<u>Office</u>	<u>Industrial</u>	<u>Retail</u>	<u>Total</u>
Raleigh	5,063,000	89.5%	15.6%	-	-	15.6%
Atlanta	7,279,000	88.0%	12.2%	2.4%	-	14.6%
Tampa	3,117,000	90.5%	12.0%	-	-	12.0%
Nashville	2,610,000	95.6%	10.7%	-	-	10.7%
Kansas City	2,183,000 4/	90.7%	3.7%	-	6.2%	9.9%
Pittsburgh	2,156,000	91.0%	8.9%	-	-	8.9%
Richmond	2,641,000	95.4%	8.2%	-	-	8.2%
Piedmont Triad	4,384,000	90.7%	4.6%	2.3%	-	6.9%
Memphis	1,960,000	86.5%	6.7%	-	-	6.7%
Orlando	2,209,000	85.0%	4.2%	-	-	4.2%
Greenville	897,000	85.2%	2.2%	-	-	2.2%
Charlotte	148,000	100.0%	0.1%	-	-	0.1%
Total	34,647,000	90.0%	89.1%	4.7%	6.2%	100.0%

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Annualized Cash Revenue is December, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

3/ Raleigh Market encompasses Raleigh, Durham, Cary, and Research Triangle metropolitan area.

4/ Excludes 211,000 square feet of basement space in the Country Club Plaza.

5/ Piedmont Triad Market encompasses Greensboro, Winston-Salem metropolitan area.

6/ Includes Highwoods' share of Joint Venture Annualized Cash Revenue, see page 34.

Portfolio Summary - Wholly-Owned Properties Only

(Continued)

As of December 31, 2012

<u>Market</u>	<u>Office Properties 1/</u>			<u>Industrial</u>		
	<u>Rentable Square Feet</u>	<u>Occupancy</u>	<u>Percentage of Office Annualized Cash Revenue 2/</u>	<u>Rentable Square Feet</u>	<u>Occupancy</u>	<u>Percentage of Industrial Annualized Cash Revenue 2/</u>
Raleigh	4,428,000	88.7%	18.0%	-	-	-
Tampa	2,912,000	91.5%	14.4%	-	-	-
Atlanta	3,509,000	86.7%	13.5%	2,930,000	91.7%	50.4%
Nashville	2,610,000	95.6%	12.9%	-	-	-
Pittsburgh	2,156,000	91.0%	10.8%	-	-	-
Richmond	2,229,000	94.9%	9.2%	-	-	-
Memphis	1,960,000	86.5%	8.1%	-	-	-
Piedmont Triad	1,632,000	86.9%	5.4%	2,544,000	94.9%	49.6%
Kansas City	612,000	90.0%	3.1%	-	-	-
Greenville	897,000	85.2%	2.6%	-	-	-
Orlando	416,000	94.5%	2.0%	-	-	-
	<u>23,361,000</u>	<u>90.0%</u>	<u>100.0%</u>	<u>5,474,000</u>	<u>93.2%</u>	<u>100.0%</u>
	Retail					
<u>Market</u>	<u>Rentable Square Feet</u>	<u>Occupancy</u>	<u>Percentage of Retail Annualized Cash Revenue 2/</u>			
Kansas City 3/	853,000	98.6%	100.0%			
	<u>853,000</u>	<u>98.6%</u>	<u>100.0%</u>			

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Annualized Cash Revenue is December, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

3/ Excludes 211,000 square feet of basement space in the Country Club Plaza.

Occupancy Trends - Office, Industrial and Retail Properties 1/

<u>Market</u>	<u>Measurement</u>	<u>12/31/12</u>	<u>9/30/12</u>	<u>6/30/12</u>	<u>3/31/12</u>	<u>12/31/11</u>
Atlanta	Rentable Square Feet	6,439,000	6,439,000	6,378,000	6,382,000	6,378,000
	Occupancy	89.0%	88.7%	91.8%	91.2%	90.1%
	Current Properties 2/	88.7%	88.6%	91.0%	90.4%	89.2%
Greenville	Rentable Square Feet	897,000	896,000	897,000	897,000	897,000
	Occupancy	85.2%	82.5%	87.1%	88.5%	89.6%
	Current Properties 2/	85.2%	82.5%	87.1%	88.5%	89.6%
Kansas City 3/	Rentable Square Feet	1,465,000	1,465,000	1,527,000	1,504,000	1,504,000
	Occupancy	95.0%	94.6%	89.6%	89.5%	90.5%
	Current Properties 2/	95.0%	94.6%	91.7%	90.1%	91.1%
Memphis	Rentable Square Feet	1,960,000	1,960,000	2,070,000	2,072,000	2,072,000
	Occupancy	86.5%	86.2%	85.5%	85.3%	85.6%
	Current Properties 2/	86.5%	86.2%	84.7%	84.6%	84.9%
Nashville	Rentable Square Feet	2,610,000	2,610,000	3,094,000	3,094,000	3,094,000
	Occupancy	95.6%	95.9%	94.6%	94.6%	94.1%
	Current Properties 2/	95.6%	95.9%	96.1%	96.1%	95.8%
Orlando	Rentable Square Feet	416,000	416,000	416,000	416,000	416,000
	Occupancy	94.5%	91.4%	92.4%	91.7%	90.6%
	Current Properties 2/	94.5%	91.4%	92.4%	91.7%	90.6%
Piedmont Triad	Rentable Square Feet	4,176,000	4,113,000	4,033,000	4,038,000	4,038,000
	Occupancy	91.8%	92.5%	91.0%	90.1%	91.1%
	Current Properties 2/	91.9%	92.6%	91.1%	90.4%	91.3%
Pittsburgh	Rentable Square Feet	2,156,000	1,540,000	1,540,000	1,540,000	1,540,000
	Occupancy	91.0%	87.6%	83.6%	83.3%	82.7%
	Current Properties 2/	88.7%	87.6%	83.6%	83.3%	82.7%
Raleigh	Rentable Square Feet	4,428,000	4,426,000	4,424,000	4,246,000	4,245,000
	Occupancy	88.7%	88.2%	90.4%	88.9%	90.1%
	Current Properties 2/	88.3%	87.7%	89.9%	88.9%	90.1%
Richmond	Rentable Square Feet	2,229,000	2,230,000	2,229,000	2,229,000	2,229,000
	Occupancy	94.9%	94.1%	93.5%	93.2%	90.0%
	Current Properties 2/	94.9%	94.1%	93.5%	93.2%	90.0%
Tampa	Rentable Square Feet	2,912,000	2,912,000	2,912,000	2,879,000	2,879,000
	Occupancy	91.5%	89.7%	91.0%	91.2%	90.2%
	Current Properties 2/	91.2%	89.3%	90.8%	91.0%	90.3%
Total	Rentable Square Feet	29,688,000	29,007,000	29,520,000	29,297,000	29,292,000
	Occupancy	90.9%	90.2%	90.7%	90.2%	90.0%
	Current Properties 2/	90.6%	90.1%	90.6%	90.1%	89.9%

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Only includes properties that were owned and in-service for all periods shown.

3/ Excludes 211,000 square feet of basement space in the Country Club Plaza.

Leasing Statistics

Office Portfolio 1/

	Three Months Ended					Five Quarter
	12/31/12 2/	9/30/12 3/	6/30/12 4/	3/31/12 5/	12/31/11 6/	Average
Net Effective Rents Related to Re-leased Space:						
Number of lease transactions (signed leases)	130	130	132	126	120	128
Rentable square footage leased	1,185,877	923,161	648,111	990,549	1,134,998	976,539
Square footage of Renewal Deals	1,016,326	569,717	482,439	646,532	772,462	697,495
Renewed square footage (% of total)	85.7%	61.7%	74.4%	65.3%	68.1%	71.4%
New Leases square footage (% of total)	14.3%	38.3%	25.6%	34.7%	31.9%	28.6%
Weighted average per rentable square foot over the lease term:						
Base rent	\$ 21.72	\$ 21.37	\$ 22.19	\$ 21.90	\$ 22.57	\$ 21.95
Tenant improvements	(1.92)	(2.16)	(1.90)	(1.63)	(1.70)	(1.86)
Leasing commissions 7/	(0.69)	(0.77)	(0.51)	(0.61)	(0.63)	(0.64)
Rent concessions	(0.54)	(0.46)	(0.48)	(0.58)	(0.61)	(0.53)
Effective rent	18.57	17.98	19.30	19.08	19.63	18.92
Expense stop	(7.53)	(7.63)	(7.17)	(7.41)	(8.06)	(7.56)
Equivalent effective net rent	\$ 11.04	\$ 10.35	\$ 12.13	\$ 11.67	\$ 11.57	\$ 11.36
Weighted average term in years	5.4	5.8	4.4	5.3	6.8	5.5
Capital Expenditures Related to Re-leased Space:						
Tenant Improvements:						
Total dollars committed under signed leases	\$ 15,101,969	\$ 13,529,639	\$ 6,670,910	\$ 9,009,300	\$ 12,999,631	\$ 11,462,290
Rentable square feet	1,185,877	923,161	648,111	990,549	1,134,998	976,539
Per rentable square foot	\$ 12.73	\$ 14.66	\$ 10.29	\$ 9.10	\$ 11.45	\$ 11.74
Leasing Commissions:						
Total dollars committed under signed leases 7/	\$ 4,284,562	\$ 4,433,147	\$ 1,717,258	\$ 3,165,115	\$ 5,200,750	\$ 3,760,166
Rentable square feet	1,185,877	923,161	648,111	990,549	1,134,998	976,539
Per rentable square foot	\$ 3.61	\$ 4.80	\$ 2.65	\$ 3.20	\$ 4.58	\$ 3.85
Total:						
Total dollars committed under signed leases	\$ 19,386,531	\$ 17,962,786	\$ 8,388,168	\$ 12,174,415	\$ 18,200,381	\$ 15,222,456
Rentable square feet	1,185,877	923,161	648,111	990,549	1,134,998	976,539
Per rentable square foot	\$ 16.35	\$ 19.46	\$ 12.94	\$ 12.29	\$ 16.04	\$ 15.59

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Includes 254K square feet of leases that start in 2015 or later.

3/ Includes 124K square feet of leases that start in 2014 or later.

4/ Includes 132K square feet of leases that start in 2014 or later.

5/ Includes 165K square feet of leases that start in 2014 or later.

6/ Includes 310K square feet of leases that start in 2014 or later.

7/ Excludes internal leasing costs.

Leasing Statistics

Industrial Portfolio

	Three Months Ended					Five Quarter
	<u>12/31/12</u>	<u>9/30/12 1/</u>	<u>6/30/12 2/</u>	<u>3/31/12</u>	<u>12/31/11</u>	<u>Average</u>
Net Effective Rents Related to Re-leased Space:						
Number of lease transactions (signed leases)	12	8	13	21	7	12
Rentable square footage leased	172,783	71,010	333,548	480,671	53,352	222,273
Square footage of Renewal Deals	102,189	69,780	248,248	276,917	34,287	146,284
Renewed square footage (% of total)	59.1%	98.3%	74.4%	57.6%	64.3%	65.8%
New Leases square footage (% of total)	40.9%	1.7%	25.6%	42.4%	35.7%	34.2%
Weighted average per rentable square foot over the lease term:						
Base rent	\$ 3.83	\$ 3.60	\$ 4.55	\$ 5.16	\$ 4.88	\$ 4.40
Tenant improvements	(0.63)	(0.65)	(0.21)	(0.78)	(0.21)	(0.50)
Leasing commissions 3/	(0.08)	(0.06)	(0.12)	(0.20)	(0.12)	(0.12)
Rent concessions	(0.16)	(0.08)	(0.15)	(0.45)	(0.13)	(0.19)
Effective rent	2.96	2.81	4.07	3.73	4.42	3.59
Expense stop	(0.73)	(0.07)	(0.13)	(0.50)	(0.53)	(0.39)
Equivalent effective net rent	\$ 2.23	\$ 2.74	\$ 3.94	\$ 3.23	\$ 3.89	\$ 3.20
Weighted average term in years	5.4	2.2	4.6	7.1	3.3	4.5
Capital Expenditures Related to Re-leased Space:						
Tenant Improvements:						
Total dollars committed under signed leases	\$ 741,017	\$ 137,630	\$ 411,586	\$ 2,782,209	\$ 51,642	\$ 824,817
Rentable square feet	172,783	71,010	333,548	480,671	53,352	222,273
Per rentable square foot	\$ 4.29	\$ 1.94	\$ 1.23	\$ 5.79	\$ 0.97	\$ 3.71
Leasing Commissions:						
Total dollars committed under signed leases 3/	\$ 86,250	\$ 13,527	\$ 202,403	\$ 730,594	\$ 31,624	\$ 212,880
Rentable square feet	172,783	71,010	333,548	480,671	53,352	222,273
Per rentable square foot	\$ 0.50	\$ 0.19	\$ 0.61	\$ 1.52	\$ 0.59	\$ 0.96
Total:						
Total dollars committed under signed leases	\$ 827,267	\$ 151,157	\$ 613,989	\$ 3,512,803	\$ 83,266	\$ 1,037,696
Rentable square feet	172,783	71,010	333,548	480,671	53,352	222,273
Per rentable square foot	\$ 4.79	\$ 2.13	\$ 1.84	\$ 7.31	\$ 1.56	\$ 4.67

1/ Includes 22K square feet of leases that start in 2014 or later.

2/ Includes 49K square feet of leases that start in 2014 or later.

3/ Excludes internal leasing costs.

Leasing Statistics

Retail Portfolio

	Three Months Ended					Five Quarter
	12/31/12	9/30/12	6/30/12	3/31/12	12/31/11 1/	Average
Net Effective Rents Related to Re-leased Space:						
Number of lease transactions (signed leases)	2	9	3	6	7	5
Rentable square footage leased	5,019	74,045	14,412	10,336	26,573	26,077
Square footage of Renewal Deals	2,900	70,086	138	3,054	22,818	19,799
Renewed square footage (% of total)	57.8%	94.7%	1.0%	29.5%	85.9%	75.9%
New Leases square footage (% of total)	42.2%	5.3%	99.0%	70.5%	14.1%	24.1%
Weighted average per rentable square foot over the lease term:						
Base rent	\$ 50.82	\$ 16.65	\$ 34.94	\$ 47.27	\$ 37.47	\$ 37.43
Tenant improvements	(4.04)	(1.38)	(6.85)	(2.15)	(2.47)	(3.38)
Leasing commissions 2/	(2.55)	(0.23)	(0.40)	(2.02)	(0.43)	(1.13)
Rent concessions	0.00	0.00	0.00	(0.11)	(0.57)	(0.14)
Effective rent	44.23	15.04	27.69	42.99	34.00	32.78
Expense stop	0.00	(7.69)	0.00	0.00	0.00	(1.54)
Equivalent effective net rent	\$ 44.23	\$ 7.35	\$ 27.69	\$ 42.99	\$ 34.00	\$ 31.24
Weighted average term in years	5.5	2.5	14.3	7.2	5.2	6.9
Capital Expenditures Related to Re-leased Space:						
Tenant Improvements:						
Total dollars committed under signed leases	\$ 202,661	\$ 523,788	\$ 1,453,701	\$ 215,977	\$ 377,171	\$ 554,660
Rentable square feet	5,019	74,045	14,412	10,336	26,573	26,077
Per rentable square foot	\$ 40.38	\$ 7.07	\$ 100.87	\$ 20.90	\$ 14.19	\$ 21.27
Leasing Commissions:						
Total dollars committed under signed leases 2/	\$ 97,884	\$ 86,051	\$ 79,420	\$ 215,066	\$ 114,223	\$ 118,529
Rentable square feet	5,019	74,045	14,412	10,336	26,573	26,077
Per rentable square foot	\$ 19.50	\$ 1.16	\$ 5.51	\$ 20.81	\$ 4.30	\$ 4.55
Total:						
Total dollars committed under signed leases	\$ 300,545	\$ 609,839	\$ 1,533,121	\$ 431,043	\$ 491,394	\$ 673,188
Rentable square feet	5,019	74,045	14,412	10,336	26,573	26,077
Per rentable square foot	\$ 59.88	\$ 8.24	\$ 106.38	\$ 41.70	\$ 18.49	\$ 25.82

1/ Includes 10K square feet of leases that start in 2014 or later.

2/ Excludes internal leasing costs.

Leasing Statistics by Market

For the Three Months Ended December 31, 2012

Office Portfolio 1/ <u>Market</u>	Rentable Square Feet <u>Leased</u>	Average <u>Term</u>	GAAP Rental <u>Rate</u>	TI's <u>Per SF</u>	Lease Commissions <u>Per SF 2/ 3/</u>
Piedmont Triad	248,257	5.4	\$ 19.24	\$ 8.87	\$ 3.63
Tampa	243,619	5.0	22.79	9.42	4.23
Raleigh	145,980	4.9	18.36	11.16	2.57
Richmond	127,388	4.1	18.93	6.33	2.67
Memphis	114,369	5.7	25.64	8.09	1.94
Pittsburgh	84,382	10.1	27.10	45.71	6.15
Atlanta	70,685	4.8	21.50	22.49	3.85
Greenville	69,820	3.7	16.46	7.50	3.66
Nashville	51,278	4.1	22.77	11.59	2.68
Kansas City	23,006	9.7	21.53	22.66	8.59
Orlando	7,093	5.0	21.83	22.30	4.86
	<u>1,185,877</u>	<u>5.4</u>	<u>\$ 21.18</u>	<u>\$ 12.73</u>	<u>\$ 3.61</u>

Industrial Portfolio <u>Market</u>	Rentable Square Feet <u>Leased</u>	Average <u>Term</u>	GAAP Rental <u>Rate</u>	TI's <u>Per SF</u>	Lease Commissions <u>Per SF 2/ 3/</u>
Piedmont Triad	154,697	5.3	\$ 3.45	\$ 3.94	\$ 0.55
Atlanta	18,086	7.0	5.57	7.23	0.06
	<u>172,783</u>	<u>5.4</u>	<u>\$ 3.67</u>	<u>\$ 4.29</u>	<u>\$ 0.50</u>

Retail Portfolio <u>Market</u>	Rentable Square Feet <u>Leased</u>	Average <u>Term</u>	GAAP Rental <u>Rate</u>	TI's <u>Per SF</u>	Lease Commissions <u>Per SF 2/ 3/</u>
Kansas City	5,019	5.5	\$ 50.82	\$ 40.38	\$ 19.50
	<u>5,019</u>	<u>5.5</u>	<u>\$ 50.82</u>	<u>\$ 40.38</u>	<u>\$ 19.50</u>

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Lease commissions by market per square foot excludes capitalized internal leasing costs.

3/ The amount of capitalized internal leasing cost not allocated to individual deals or product types was \$793K.

Rental Rate Comparisons by Market

For the Three Months Ended December 31, 2012

Office Portfolio 1/ <u>Market</u>	Rentable Square Feet <u>Leased</u>	Current Rent	Previous Rent	Percentage Change Rent
Piedmont Triad	248,257	\$ 19.24	\$ 17.50	9.9%
Tampa	243,619	22.79	24.29	-6.2%
Raleigh	145,980	18.36	16.25	13.0%
Richmond	127,388	18.93	18.87	0.3%
Memphis	114,369	25.64	26.13	-1.9%
Pittsburgh	84,382	27.10	25.08	8.1%
Atlanta	70,685	21.50	18.05	19.1%
Greenville	69,820	16.46	17.06	-3.5%
Nashville	51,278	22.77	20.25	12.4%
Kansas City	23,006	21.53	22.35	-3.7%
Orlando	7,093	21.83	14.42	51.4%
GAAP Rent Growth	1,185,877	\$ 21.18	\$ 20.57	3.0%
Cash Rent Growth	1,185,877	\$ 19.40	\$ 20.70	-6.3%

Industrial Portfolio <u>Market</u>	Rentable Square Feet <u>Leased</u>	Current Rent	Previous Rent	Percentage Change Rent
Piedmont Triad	154,697	\$ 3.45	\$ 3.81	-9.4%
Atlanta	18,086	5.57	5.53	0.7%
GAAP Rent Growth	172,783	\$ 3.67	\$ 4.00	-8.3%
Cash Rent Growth	172,783	\$ 3.51	\$ 4.25	-17.5%

Retail Portfolio <u>Market</u>	Rentable Square Feet <u>Leased</u>	Current Rent	Previous Rent 2/	Percentage Change Rent
Kansas City	5,019	\$ 50.82	\$ 49.19	3.3%
GAAP Rent Growth	5,019	\$ 50.82	\$ 49.19	3.3%
Cash Rent Growth	5,019	\$ 46.22	\$ 51.54	-10.3%

Average Cash Rental Rates for All In Place Leases as of: 1/ 3/

<u>Type</u>	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
Office	\$ 20.86	\$ 20.39	\$ 20.13	\$ 20.61	\$ 20.15
Industrial	4.92	5.30	5.26	5.19	5.22
Retail 2/	39.36	36.36	33.78	34.69	31.41
Weighted average rate	\$ 18.42	\$ 17.84	\$ 17.40	\$ 17.53	\$ 17.18
Annual % growth rate	3.3%	2.5%	-0.7%	2.0%	

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Excludes percentage rent.

3/ Annualized Cash Revenue is December, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Lease Expirations

December 31, 2012

Dollars in thousands

<u>Year</u>	<u>Rentable Square Feet Expiring</u>	<u>Percent of Rentable Square Feet</u>	<u>Annualized Cash Revenue 1/</u>	<u>Average Rental Rate</u>	<u>Percent of Annualized Cash Revenue 1/</u>
Office: 2/					
2013 3/	1,922,614	9.1%	\$ 42,295	\$ 22.00	9.6%
2014	2,536,761	12.1%	56,448	22.25	12.9%
2015	2,693,824	12.9%	58,135	21.58	13.3%
2016	2,336,954	11.1%	47,277	20.23	10.8%
2017	2,644,134	12.6%	57,112	21.60	13.0%
2018	1,956,686	9.3%	37,730	19.28	8.6%
2019	1,396,259	6.6%	27,721	19.85	6.3%
2020	973,477	4.6%	22,101	22.70	5.0%
2021	1,384,808	6.6%	29,976	21.65	6.8%
2022	590,919	2.8%	10,420	17.63	2.4%
2023 and thereafter	2,595,360	12.3%	49,605	19.11	11.3%
	<u>21,031,796</u>	<u>100.0%</u>	<u>\$ 438,820</u>	<u>\$ 20.86</u>	<u>100.0%</u>
Industrial:					
2013 4/	745,142	14.6%	\$ 4,310	\$ 5.78	17.2%
2014	1,067,898	20.9%	5,791	5.42	23.0%
2015	416,241	8.2%	2,254	5.42	9.0%
2016	795,334	15.6%	4,004	5.03	16.0%
2017	552,545	10.8%	2,820	5.10	11.2%
2018	105,600	2.1%	377	3.57	1.5%
2019	253,455	5.0%	1,034	4.08	4.1%
2020	205,678	4.0%	603	2.93	2.4%
2021	117,805	2.3%	299	2.54	1.2%
2022	336,606	6.6%	1,619	4.81	6.5%
2023 and thereafter	505,004	9.9%	1,970	3.90	7.9%
	<u>5,101,308</u>	<u>100.0%</u>	<u>\$ 25,081</u>	<u>\$ 4.92</u>	<u>100.0%</u>

1/ Annualized Cash Revenue is December, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

2/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

3/ Includes 50,000 square feet of leases that are on a month to month basis or 0.2% of total annualized revenue.

4/ Includes 166,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue.

Note: 2012 and beyond expirations that have been renewed are reflected above based on the renewal expiration date.

Lease Expirations

December 31, 2012

(Continued)

Dollars in thousands

<u>Year</u>	<u>Rentable Square Feet Expiring</u>	<u>Percent of Rentable Square Feet</u>	<u>Annualized Cash Revenue 1/</u>	<u>Average Rental Rate</u>	<u>Percent of Annualized Cash Revenue 1/</u>
Retail:					
2013 2/	99,351	11.8%	\$ 2,227	\$ 22.42	6.7%
2014	36,819	4.4%	1,862	50.57	5.6%
2015	101,923	12.0%	3,561	34.94	10.8%
2016	60,706	7.2%	3,074	50.64	9.3%
2017	94,937	11.3%	2,630	27.70	8.0%
2018	87,051	10.4%	4,426	50.84	13.4%
2019	86,740	10.3%	2,869	33.08	8.7%
2020	50,103	6.0%	2,231	44.53	6.7%
2021	83,786	10.0%	3,585	42.79	10.8%
2022	91,196	10.9%	4,507	49.42	13.6%
2023 and thereafter	47,751	5.7%	2,104	44.06	6.4%
	840,363	100.0%	\$ 33,076	\$ 39.36	100.0%
Total:					
2013 3/ 4/	2,767,107	10.3%	\$ 48,832	\$ 17.65	9.8%
2014	3,641,478	13.4%	64,101	17.60	12.9%
2015	3,211,988	11.9%	63,950	19.91	12.9%
2016	3,192,994	11.8%	54,355	17.02	10.9%
2017	3,291,616	12.2%	62,562	19.01	12.6%
2018	2,149,337	8.0%	42,533	19.79	8.6%
2019	1,736,454	6.4%	31,624	18.21	6.4%
2020	1,229,258	4.6%	24,935	20.28	5.0%
2021	1,586,399	5.9%	33,860	21.34	6.8%
2022	1,018,721	3.8%	16,546	16.24	3.3%
2023 and thereafter	3,148,115	11.7%	53,679	17.05	10.8%
	26,973,467	100.0%	\$ 496,977	\$ 18.42	100.0%

1/ Annualized Cash Revenue is December, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

2/ Includes 7,000 square feet of leases that are on a month to month basis or 0.0% of total annualized revenue.

3/ Includes 223,000 square feet of leases that are on a month to month basis or 0.4% of total annualized revenue.

4/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

Note: 2012 and beyond expirations that have been renewed are reflected above based on the renewal expiration date.

Office Lease Expirations by Market by Quarter 1/

Dollars in thousands

		Three Months Ended					
		3/31/13 2/	6/30/13	9/30/13	12/31/13	Total	
Atlanta	RSF	55,747	38,919	68,165	267,408	430,239	
	% of Total Office RSF	0.3%	0.2%	0.3%	1.3%	2.0%	
	Annualized Cash Revenue 3/	\$ 1,027	\$ 850	\$ 1,288	\$ 5,080	\$ 8,245	
	% of Total Office Annl Cash Rev	0.2%	0.2%	0.3%	1.2%	1.9%	
Greenville	RSF	26,425	39,497	26,048	10,257	102,227	
	% of Total Office RSF	0.1%	0.2%	0.1%	0.0%	0.5%	
	Annualized Cash Revenue 3/	\$ 509	\$ 570	\$ 480	\$ 172	\$ 1,731	
	% of Total Office Annl Cash Rev	0.1%	0.1%	0.1%	0.0%	0.4%	
Kansas City	RSF	4,887	4,417	6,342	4,526	20,172	
	% of Total Office RSF	0.0%	0.0%	0.0%	0.0%	0.1%	
	Annualized Cash Revenue 3/	\$ 155	\$ 137	\$ 165	\$ 106	\$ 563	
	% of Total Office Annl Cash Rev	0.0%	0.0%	0.0%	0.0%	0.1%	
Memphis	RSF	82,200	50,424	33,515	21,042	187,181	
	% of Total Office RSF	0.4%	0.2%	0.2%	0.1%	0.9%	
	Annualized Cash Revenue 3/	\$ 1,850	\$ 1,170	\$ 734	\$ 522	\$ 4,276	
	% of Total Office Annl Cash Rev	0.4%	0.3%	0.2%	0.1%	1.0%	
Nashville	RSF	62,473	57,278	53,355	29,644	202,750	
	% of Total Office RSF	0.3%	0.3%	0.3%	0.1%	1.0%	
	Annualized Cash Revenue 3/	\$ 1,469	\$ 1,277	\$ 1,210	\$ 680	\$ 4,636	
	% of Total Office Annl Cash Rev	0.3%	0.3%	0.3%	0.2%	1.1%	
Orlando	RSF	0	25,533	2,750	1,095	29,378	
	% of Total Office RSF	0.0%	0.1%	0.0%	0.0%	0.1%	
	Annualized Cash Revenue 3/	\$ -	\$ 697	\$ 68	\$ 12	\$ 777	
	% of Total Office Annl Cash Rev	0.0%	0.2%	0.0%	0.0%	0.2%	
Piedmont Triad	RSF	54,873	47,185	22,026	15,903	139,987	
	% of Total Office RSF	0.3%	0.2%	0.1%	0.1%	0.7%	
	Annualized Cash Revenue 3/	\$ 880	\$ 698	\$ 421	\$ 244	\$ 2,243	
	% of Total Office Annl Cash Rev	0.2%	0.2%	0.1%	0.1%	0.5%	
Pittsburgh	RSF	1,630	16,113	1,163	4,285	23,191	
	% of Total Office RSF	0.0%	0.1%	0.0%	0.0%	0.1%	
	Annualized Cash Revenue 3/	\$ 89	\$ 448	\$ 39	\$ 116	\$ 692	
	% of Total Office Annl Cash Rev	0.0%	0.1%	0.0%	0.0%	0.2%	
Raleigh	RSF	82,803	7,866	27,191	85,804	203,664	
	% of Total Office RSF	0.4%	0.0%	0.1%	0.4%	1.0%	
	Annualized Cash Revenue 3/	\$ 1,649	\$ 174	\$ 607	\$ 1,742	\$ 4,172	
	% of Total Office Annl Cash Rev	0.4%	0.0%	0.1%	0.4%	1.0%	
Richmond	RSF	73,020	14,898	43,168	76,451	207,537	
	% of Total Office RSF	0.3%	0.1%	0.2%	0.4%	1.0%	
	Annualized Cash Revenue 3/	\$ 1,439	\$ 301	\$ 925	\$ 1,591	\$ 4,256	
	% of Total Office Annl Cash Rev	0.3%	0.1%	0.2%	0.4%	1.0%	
Tampa	RSF	53,908	279,509	8,285	34,586	376,288	
	% of Total Office RSF	0.3%	1.3%	0.0%	0.2%	1.8%	
	Annualized Cash Revenue 3/	\$ 1,345	\$ 8,113	\$ 280	\$ 969	\$ 10,707	
	% of Total Office Annl Cash Rev	0.3%	1.8%	0.1%	0.2%	2.4%	
Total	RSF	497,966	581,639	292,008	551,001	1,922,614	
	% of Total Office RSF	2.4%	2.8%	1.4%	2.6%	9.1%	
	Annualized Cash Revenue 3/	\$ 10,412	\$ 14,435	\$ 6,217	\$ 11,234	\$ 42,298	
	% of Total Office Annl Cash Rev	2.4%	3.3%	1.4%	2.6%	9.6%	

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Includes 50,000 square feet of leases that are on a month to month basis or 0.2% of total annualized revenue.

3/ Annualized Cash Revenue is December, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Industrial Lease Expirations by Market by Quarter

Dollars in thousands

		Three Months Ended				
		<u>3/31/13</u>	<u>6/30/13</u>	<u>9/30/13</u>	<u>12/31/13</u>	<u>Total</u>
Atlanta	RSF	147,857	16,000	90,327	16,838	271,022
	% of Total Industrial RSF	2.9%	0.3%	1.8%	0.3%	5.3%
	Annualized Cash Revenue 2/	\$ 776	\$ 122	\$ 384	\$ 88	\$ 1,370
	% of Total Industrial Annl Cash Rev	3.1%	0.5%	1.5%	0.4%	5.5%
Piedmont Triad	RSF	194,477	107,162	134,899	37,582	474,120
	% of Total Industrial RSF	3.8%	2.1%	2.6%	0.7%	9.3%
	Annualized Cash Revenue 2/	\$ 1,059	\$ 955	\$ 690	\$ 236	\$ 2,940
	% of Total Industrial Annl Cash Rev	4.2%	3.8%	2.8%	0.9%	11.7%
Total	RSF	342,334	123,162	225,226	54,420	745,142
	% of Total Industrial RSF	6.7%	2.4%	4.4%	1.1%	14.6%
	Annualized Cash Revenue 2/	\$ 1,835	\$ 1,077	\$ 1,074	\$ 324	\$ 4,310
	% of Total Industrial Annl Cash Rev	7.3%	4.3%	4.3%	1.3%	17.2%

1/ Includes 166,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue.

2/ Annualized Cash Revenue is December, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Office Lease Expirations by Market by Year 1/

Dollars in thousands

		<u>2013 2/</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Thereafter</u>
Atlanta	RSF	430,239	230,329	198,411	57,520	2,126,430
	% of Total Office RSF	2.0%	1.1%	0.9%	0.3%	10.1%
	Annualized Cash Revenue 3/	\$ 8,245	\$ 4,788	\$ 3,717	\$ 1,238	\$ 41,444
	% of Total Office Annl Cash Rev	1.9%	1.1%	0.8%	0.3%	9.4%
Greenville	RSF	102,227	128,024	26,614	244,242	262,671
	% of Total Office RSF	0.5%	0.6%	0.1%	1.2%	1.2%
	Annualized Cash Revenue 3/	\$ 1,730	\$ 2,464	\$ 455	\$ 4,359	\$ 2,614
	% of Total Office Annl Cash Rev	0.4%	0.6%	0.1%	1.0%	0.6%
Kansas City	RSF	20,172	28,363	86,305	29,572	386,265
	% of Total Office RSF	0.1%	0.1%	0.4%	0.1%	1.8%
	Annualized Cash Revenue 3/	\$ 563	\$ 729	\$ 2,480	\$ 706	\$ 9,191
	% of Total Office Annl Cash Rev	0.1%	0.2%	0.6%	0.2%	2.1%
Memphis	RSF	187,181	194,989	224,049	163,894	926,375
	% of Total Office RSF	0.9%	0.9%	1.1%	0.8%	4.4%
	Annualized Cash Revenue 3/	\$ 4,276	\$ 4,456	\$ 4,686	\$ 3,652	\$ 18,288
	% of Total Office Annl Cash Rev	1.0%	1.0%	1.1%	0.8%	4.2%
Nashville	RSF	202,750	407,911	597,161	436,104	851,628
	% of Total Office RSF	1.0%	1.9%	2.8%	2.1%	4.0%
	Annualized Cash Revenue 3/	\$ 4,635	\$ 9,492	\$ 13,736	\$ 9,671	\$ 19,123
	% of Total Office Annl Cash Rev	1.1%	2.2%	3.1%	2.2%	4.4%
Orlando	RSF	29,378	14,616	93,609	40,694	215,467
	% of Total Office RSF	0.1%	0.1%	0.4%	0.2%	1.0%
	Annualized Cash Revenue 3/	\$ 777	\$ 373	\$ 2,506	\$ 885	\$ 4,256
	% of Total Office Annl Cash Rev	0.2%	0.1%	0.6%	0.2%	1.0%
Piedmont Triad	RSF	139,987	194,860	260,899	234,897	587,062
	% of Total Office RSF	0.7%	0.9%	1.2%	1.1%	2.8%
	Annualized Cash Revenue 3/	\$ 2,243	\$ 3,815	\$ 4,013	\$ 3,925	\$ 9,793
	% of Total Office Annl Cash Rev	0.5%	0.9%	0.9%	0.9%	2.2%
Pittsburgh	RSF	23,191	75,996	258,688	54,846	1,549,109
	% of Total Office RSF	0.1%	0.4%	1.2%	0.3%	7.4%
	Annualized Cash Revenue 3/	\$ 692	\$ 2,076	\$ 6,281	\$ 1,359	\$ 36,811
	% of Total Office Annl Cash Rev	0.2%	0.5%	1.4%	0.3%	8.4%
Raleigh	RSF	203,664	489,798	479,169	400,100	2,355,830
	% of Total Office RSF	1.0%	2.3%	2.3%	1.9%	11.2%
	Annualized Cash Revenue 3/	\$ 4,172	\$ 10,642	\$ 10,189	\$ 7,823	\$ 45,870
	% of Total Office Annl Cash Rev	1.0%	2.4%	2.3%	1.8%	10.5%
Richmond	RSF	207,537	291,456	151,186	377,003	1,088,397
	% of Total Office RSF	1.0%	1.4%	0.7%	1.8%	5.2%
	Annualized Cash Revenue 3/	\$ 4,255	\$ 5,863	\$ 2,712	\$ 6,998	\$ 20,660
	% of Total Office Annl Cash Rev	1.0%	1.3%	0.6%	1.6%	4.7%
Tampa	RSF	376,288	480,419	317,733	298,082	1,192,409
	% of Total Office RSF	1.8%	2.3%	1.5%	1.4%	5.7%
	Annualized Cash Revenue 3/	\$ 10,706	\$ 11,750	\$ 7,359	\$ 6,659	\$ 26,618
	% of Total Office Annl Cash Rev	2.4%	2.7%	1.7%	1.5%	6.1%
Total	RSF	1,922,614	2,536,761	2,693,824	2,336,954	11,541,643
	% of Total Office RSF	9.1%	12.1%	12.8%	11.1%	54.9%
	Annualized Cash Revenue 3/	\$ 42,294	\$ 56,448	\$ 58,134	\$ 47,275	\$ 234,668
	% of Total Office Annl Cash Rev	9.6%	12.9%	13.2%	10.8%	53.5%

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Includes 50,000 square feet of leases that are on a month to month basis or 0.2% of total annualized revenue.

3/ Annualized Cash Revenue is December, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Industrial Lease Expirations by Market by Year

Dollars in thousands

		<u>2013</u> ^{1/}	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Thereafter</u>
Atlanta	RSF	271,022	631,941	134,535	394,929	1,253,876
	% of Total Industrial RSF	5.3%	12.4%	2.6%	7.7%	24.6%
	Annualized Cash Revenue ^{2/}	\$ 1,370	\$ 3,729	\$ 683	\$ 1,924	\$ 4,928
	% of Total Industrial Annl Cash Rev	5.5%	14.9%	2.7%	7.7%	19.6%
Piedmont Triad	RSF	474,120	435,957	281,706	400,405	822,817
	% of Total Industrial RSF	9.3%	8.5%	5.5%	7.8%	16.1%
	Annualized Cash Revenue ^{2/}	\$ 2,940	\$ 2,062	\$ 1,571	\$ 2,080	\$ 3,794
	% of Total Industrial Annl Cash Rev	11.7%	8.2%	6.3%	8.3%	15.1%
Total	RSF	745,142	1,067,898	416,241	795,334	2,076,693
	% of Total Industrial RSF	14.6%	20.9%	8.2%	15.6%	40.7%
	Annualized Cash Revenue ^{2/}	\$ 4,310	\$ 5,791	\$ 2,254	\$ 4,004	\$ 8,722
	% of Total Industrial Annl Cash Rev	17.2%	23.1%	9.0%	16.0%	34.8%

^{1/} Includes 166,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue.

^{2/} Annualized Cash Revenue is December, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Customer Diversification 1/

December 31, 2012

Dollars in thousands

Top 20 Customers

<u>Customer</u>	<u>RSF</u>	<u>Annualized Cash Revenue 2/</u>	<u>Percent of Annualized Cash Revenue 2/</u>	<u>Average Remaining Lease Term in Years</u>
Federal Government	1,489,871	\$ 34,660	6.97%	5.3
AT&T	579,906	11,507	2.32%	1.2
PricewaterhouseCoopers	318,647	9,137	1.84%	2.3
PPG Industries	340,483	8,735	1.76%	8.5
Healthways	290,689	6,739	1.36%	9.3
HCA Corporation	278,207	6,483	1.30%	3.0
State of Georgia	358,620	6,469	1.30%	6.7
Metropolitan Life Insurance	297,189	6,143	1.24%	5.3
EQT Corporation	280,592	5,600	1.13%	11.8
T-Mobile USA	210,971	5,509	1.11%	1.6
Marsh USA	188,719	5,154	1.04%	6.6
Lockton Companies	190,800	4,878	0.98%	17.2
Aon	190,683	4,442	0.89%	6.8
Vanderbilt University	198,783	4,385	0.88%	2.7
BB&T	275,266	4,356	0.88%	3.7
PNC Bank	169,840	4,326	0.87%	13.5
Syniverse Technologies	198,750	4,267	0.86%	3.8
SCI Services 3/	162,784	3,897	0.78%	4.6
Volvo	294,437	3,841	0.77%	4.3
Jacobs Engineering Group	210,126	3,730	0.75%	3.4
	<u>6,525,363</u>	<u>\$ 144,258</u>	<u>29.03%</u>	<u>5.7</u>

By Industry

<u>Category</u>	<u>Percent of Annualized Cash Revenue 2/</u>
Professional, Scientific, and Technical Services	22.7%
Finance/Banking	13.0%
Health Care and Social Assistance	8.5%
Government/Public Administration	8.5%
Manufacturing	7.2%
Insurance	6.9%
Retail Trade	5.9%
Administrative and Support Services	4.9%
Information	4.2%
Telecommunication	3.7%
Accommodation and Food Services	3.2%
Real Estate Rental and Leasing	3.0%
Wholesale Trade	2.7%
Educational Services	2.1%
Transportation and Warehousing	1.9%
Other Services (except Public Administration)	1.6%
	<u>100.0%</u>

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Annualized Cash Revenue is December, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

4/ SCI Services is a wholly owned subsidiary of Morgan Stanley.

Same Property Performance

Dollars and Square Feet in thousands

	Three months ended		Dollar Change (B/W)	Percentage Change (B/W)
	December 31,			
	2012	2011		
Rental revenues 1/	\$ 108,117	\$ 103,742	\$ 4,375	4.2%
Operating expenses	(38,490)	(37,368)	(1,122)	-3.0%
Cash NOI without Term Fees	69,627	66,374	3,253	4.9%
Lease termination fees 2/	26	858	(832)	-97.0%
Cash NOI	69,653	67,232	2,421	3.6%
Straight line rent 2/	884	2,217	(1,333)	-60.1%
GAAP NOI	\$ 70,537	\$ 69,449	\$ 1,088	1.6%
Average occupancy	90.5%	90.0%		0.6%
Rentable square feet	25,839	25,839		

	Twelve months ended		Dollar Change (B/W)	Percentage Change (B/W)
	December 31,			
	2012	2011		
Rental revenues 1/	\$ 428,367	\$ 417,167	\$ 11,200	2.7%
Operating expenses	(151,169)	(149,679)	(1,490)	-1.0%
Cash NOI without Term Fees	277,198	267,488	9,710	3.6%
Lease termination fees 2/	1,847	1,463	384	26.2%
Cash NOI	279,045	268,951	10,094	3.8%
Straight line rent 2/	8,338	10,490	(2,152)	-20.5%
GAAP NOI	\$ 287,383	\$ 279,441	\$ 7,942	2.8%
Average occupancy	90.7%	89.9%		0.9%
Rentable square feet	25,839	25,839		

Market	Fourth Quarter: 2012 vs 2011		Twelve Months: 2012 vs 2011	
	GAAP NOI Percentage Change	Occupancy Percentage Change	GAAP NOI Percentage Change	Occupancy Percentage Change
	Atlanta	-12.4%	-1.3%	-1.7%
Greenville	-22.6%	-5.1%	-8.2%	-2.4%
Kansas City	18.4%	2.7%	12.7%	2.0%
Memphis	1.6%	0.9%	1.5%	-0.8%
Nashville	2.8%	1.1%	6.7%	4.0%
Orlando	9.7%	2.4%	9.1%	5.5%
Piedmont Triad	3.2%	2.0%	0.9%	2.4%
Raleigh	4.9%	-2.0%	0.6%	-2.0%
Richmond	10.6%	7.3%	3.6%	1.9%
Tampa	-3.8%	0.4%	2.4%	1.3%
	<u>1.6%</u>	<u>0.6%</u>	<u>2.8%</u>	<u>0.9%</u>

1/ Excludes straight line rents and lease termination fees.

2/ Straight-line rent write-offs related to lease terminations are reflected here as a reduction of lease termination fees.

Acquisition Activity

Dollars in thousands

Name	Market	Type	Date Acquired	Square Footage	Total Cost	
First quarter 2012:						
None						
Second quarter 2012:						
11000 Weston	Raleigh	O	04/27/12	178,000	\$ 20,300	1/
Third quarter 2012:						
Church Street I, II, and III	Triad	O	07/13/12	149,000	\$ 29,800	2/
Two Alliance Center	Atlanta	O	09/21/12	492,000	146,700	3/
				641,000	\$ 176,500	
Fourth quarter 2012:						
EQT Plaza	Pittsburgh	O	12/04/12	616,000	\$ 99,200	4/
2012 totals				1,435,000	\$ 296,000	

1/ We purchased our partners' 77.19% interest in this property.

2/ We closed the acquisition of Church Street I on October 18, 2012 after final lender approval. Purchase cost includes \$220K of planned near-term capital improvements.

3/ Purchase cost includes \$1.8 million of planned near-term capital improvements.

4/ Purchase cost includes \$8.0 million of planned near-term capital improvements.

Disposition Activity

Dollars in thousands

Name	Market	Type 1/	Date Sold	Square Footage	Occupancy	Gross Sales Price
<u>First quarter 2012:</u>						
Neptune Apartments	Kansas City	M	3/12/12	96 Units	0.0%	\$ 11,000
<u>Second quarter 2012:</u>						
Feather Sound	Tampa	O	4/25/12	80,000	98.8%	\$ 9,525
<u>Third quarter 2012:</u>						
Nashville Airport Assets	Nashville	O	7/13/12	484,000	86.1%	\$ 41,000
GSA Assets	Atlanta, Jackson (MS)	O/I	7/25/12	553,000	100.0%	86,500
One Ward Parkway	Kansas City	O	8/6/12	62,000	39.8%	6,450
				1,099,000	90.5%	\$ 133,950
<u>Fourth quarter 2012:</u>						
None						
2012 totals				1,179,000	91.0%	\$ 154,475

1/ The letters "M," "O," and "I" represent Multi-Family, Office, and Industrial respectively.

Development Activity

Dollars in thousands

<u>Property</u>	<u>Market</u>	<u>Type</u>	<u>Rentable Square Feet</u>	<u>Anticipated Total Investment</u>	<u>Investment As Of 12/31/2012 2/</u>	<u>Pre Leased %</u>	<u>Estimated Completion Date</u>	<u>Estimated Stabilization Date</u>
<u>In - Process</u>								
Office:								
LifePoint	Nashville	O	203,000	\$ 42,113	\$ 21,240	100%	4Q 13	4Q 13
LifePoint 1/	Nashville	O	25,000	6,287	1,307	0%	4Q 13	1Q 15
Darden Restaurants 1/	Memphis	O	18,177	7,720	307	100%	4Q 13	4Q 13
In - Process Total			<u>246,177</u>	<u>\$ 56,120</u>	<u>\$ 22,854</u>	<u>90%</u>		

For Sale Residential Condominiums

		<u>Units For Sale</u>	<u>Units Sold</u>	<u>Gross Sale Proceeds</u>	<u>Net Gain 5/</u>
PNC Condominiums 3/ 4/	Raleigh	0	139	\$ 55,608	\$ 6,486

1/ Office amenity retail space.

2/ Includes deferred lease commissions which are not classified as development in process on our Balance Sheet.

3/ Units Sold, Gross Sale Proceeds and Net Gain are as of 12/31/12.

4/ As of 12/31/12, 139 units were sold, Gross Sale Proceeds were \$55.6 million and Net Gain was \$6.5 Million. 4Q12 Net Gain to the Company was \$189K.

5/ Gains include any forfeited deposits.

Land Held for Development

December 31, 2012

Dollars in thousands

	<u>Market</u>	<u>Usable</u> <u>Acres</u>	<u>Square Footage Buildout of Core</u> <u>Development Land 1/</u>	
			<u>Office</u>	<u>Industrial</u>
Atlanta		234	125,000	1,874,000
Raleigh		171	2,113,000	-
Tampa		53	1,232,000	-
Greensboro		47	240,000	492,000
Richmond		31	344,000	-
Orlando		16	640,000	-
Nashville		79	1,605,000	-
Memphis		10	145,000	-
Baltimore		7	-	-
Kansas City		1	175,000	-
Total		649	6,619,000	2,366,000
Cost Basis		\$	117,784	

The 649 acres of Development Land has an estimated market value of between \$135M to \$145M

1/ Developable square footage on core land holdings, which constitute 566 of the total 649 acres. This represents approximately \$1.3 billion in total development.

Unconsolidated Joint Ventures Assets, Debt and Liabilities

December 31, 2012

Dollars in thousands

<u>Joint Venture</u>	<u>Type 1/</u>	<u>Own %</u>	<u>Venture's Books</u>		
			<u>Total Assets</u>	<u>Debt</u>	<u>Total Liabilities</u>
Board of Trade Investment Company	O	49.0%	\$ 7,431	\$ -	\$ 92
Kessinger/Hunter, LLC	-	26.5%	8,994	-	3,381
4600 Madison Associates, LP	O	12.5%	12,374	9,449	9,973
Highwoods DLF 98/29, LLC	O	22.8%	86,716	27,650	30,681
Highwoods DLF 97/26 DLF 99/32, LP	O	42.9%	93,381	50,000	52,270
Concourse Center Associates, LLC	O	50.0%	12,160	8,175	8,263
Plaza Colonnade, LLC	O/R	50.0%	64,771	60,175	61,104
Highwoods KC Glenridge Office, LLC	O	40.0%	22,568	15,305	16,352
Highwoods KC Glenridge Land, LLC	O	39.9%	765	-	157
HIW-KC Orlando, LLC	O	40.0%	191,764	127,850	134,375
Highwoods DLF Forum, LLC	O	25.0%	102,186	67,500	71,885
Lofts at Weston, LLC 2/	M	50.0%	15,239	4,289	6,387
Total			\$ 618,349	\$ 370,393	\$ 394,920

<u>Joint Venture</u>	<u>Type 1/</u>	<u>Own %</u>	<u>Highwoods' Share of Joint Venture</u>		
			<u>Total Assets</u>	<u>Debt</u>	<u>Total Liabilities</u>
Board of Trade Investment Company	O	49.0%	\$ 3,641	\$ -	\$ 45
Kessinger/Hunter, LLC	-	26.5%	2,383	-	896
4600 Madison Associates, LP	O	12.5%	1,547	1,181	1,247
Highwoods DLF 98/29, LLC	O	22.8%	19,780	6,307	6,998
Highwoods DLF 97/26 DLF 99/32, LP	O	42.9%	40,091	21,466	22,441
Concourse Center Associates, LLC	O	50.0%	6,080	4,088	4,132
Plaza Colonnade, LLC	O/R	50.0%	32,386	30,088	30,552
Highwoods KC Glenridge Office, LLC	O	40.0%	9,026	6,121	6,540
Highwoods KC Glenridge Land, LLC	O	39.9%	306	-	63
HIW-KC Orlando, LLC	O	40.0%	76,704	51,136	53,749
Highwoods DLF Forum, LLC	O	25.0%	25,544	16,874	17,970
Lofts at Weston, LLC 2/	M	50.0%	7,620	-	3,194
Total 3/			\$ 225,108	\$ 137,261	\$ 147,827

1/ The letters "O", "R", and "M" represent Office, Retail, and Multi-Family, respectively.

2/ The project related to this joint venture is currently under development. This debt represents a construction loan that is the responsibility of our partner.

3/ Our share of equity from these tables will not equal investments in unconsolidated affiliates on the Consolidated Balance Sheets due to various purchase accounting and related adjustments, which are not reflected in the joint ventures' stand-alone financial statements.

Unconsolidated Joint Ventures Income

For the Three Months Ended December 31, 2012

Dollars in thousands

<u>Joint Venture</u>	<u>Own %</u>	<u>Venture's Books</u>					<u>Gain on Sale</u>	<u>Net Income/ (Loss)</u>
		<u>Revenue</u>	<u>Operating Exp</u>	<u>Interest</u>	<u>Depr/Amort</u>			
Board of Trade Investment Company	49.0%	\$ 574	\$ 333	\$ -	\$ 143	\$ -	\$ 98	
Kessinger/Hunter, LLC	26.5%	3,607	2,532	-	152	-	923	
4600 Madison Associates, LP	12.5%	1,004	566	163	312	-	(37)	
Highwoods DLF 98/29, LLC	22.8%	2,943	1,381	535	791	4,909	5,145	
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	2,922	1,263	478	1,020	-	161	
Concourse Center Associates, LLC	50.0%	199	131	64	100	-	(96)	
Plaza Colonnade, LLC	50.0%	2,937	985	882	610	-	460	
Highwoods KC Glenridge Office, LLC	40.0%	706	417	196	211	-	(118)	
Highwoods KC Glenridge Land, LLC	39.9%	-	3	-	-	-	(3)	
HIW-KC Orlando, LLC	40.0%	6,797	3,214	1,686	1,853	-	44	
Highwoods DLF Forum, LLC	25.0%	3,627	1,231	872	1,367	-	157	
Lofts at Weston, LLC 1/	50.0%	-	-	-	-	-	-	
Total		\$ 25,316	\$ 12,056	\$ 4,876	\$ 6,559	\$ 4,909	\$ 6,734	

<u>Joint Venture</u>	<u>Own %</u>	<u>Highwoods' Share of Joint Venture</u>					<u>Gain on Sale</u>	<u>Net Income/ (Loss)</u>
		<u>Revenue</u>	<u>Operating Exp</u>	<u>Interest</u>	<u>Depr/Amort</u>			
Board of Trade Investment Company	49.0%	\$ 281	\$ 163	\$ -	\$ 70	\$ -	\$ 48	
Kessinger/Hunter, LLC	26.5%	956	671	-	40	-	245	
4600 Madison Associates, LP	12.5%	125	70	20	39	-	(4)	
Highwoods DLF 98/29, LLC	22.8%	671	315	101	180	1,120	1,195	
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	1,254	542	205	438	-	69	
Concourse Center Associates, LLC	50.0%	100	66	32	50	-	(48)	
Plaza Colonnade, LLC	50.0%	1,468	493	441	305	-	229	
Highwoods KC Glenridge Office, LLC	40.0%	282	167	79	84	-	(48)	
Highwoods KC Glenridge Land, LLC	39.9%	-	1	-	-	-	(1)	
HIW-KC Orlando, LLC	40.0%	2,719	1,285	674	741	-	19	
Highwoods DLF Forum, LLC	25.0%	907	308	218	342	-	39	
Lofts at Weston, LLC 1/	50.0%	-	-	-	-	-	-	
Total 2/ 3/		\$ 8,763	\$ 4,081	\$ 1,770	\$ 2,289	\$ 1,120	\$ 1,743	

1/ The project related to this joint venture is currently under development.

2/ Our share of depreciation and amortization from these tables will not equal depreciation and amortization of real estate assets for unconsolidated affiliates on the Statement of Funds from Operations due to various purchase accounting and related adjustments, which are not reflected in the joint ventures' stand-alone financial statements.

3/ Our share of net income/(loss) from these tables will not equal equity in earnings of unconsolidated affiliates on the Consolidated Statements of Income due to various purchase accounting and related adjustments, which are not reflected in the joint ventures' stand-alone financial statements.

Unconsolidated Joint Ventures Income

For the the Year Ended December 31, 2012

Dollars in thousands

<u>Joint Venture</u>	<u>Venture's Books</u>							<u>Gain on Sale</u>	<u>Net Income/ (Loss)</u>
	<u>Own %</u>	<u>Revenue</u>	<u>Operating Exp</u>	<u>Interest</u>	<u>Depr/Amort</u>	<u>Impairment</u>	<u>Gain on Sale</u>		
Board of Trade Investment Company	49.0%	\$ 2,353	\$ 1,457	\$ -	\$ 572	\$ -	\$ -	\$ 324	
Kessinger/Hunter, LLC	26.5%	12,105	10,014	-	581	-	-	1,510	
4600 Madison Associates, LP	12.5%	4,008	2,371	657	1,246	-	-	(266)	
Highwoods DLF 98/29, LLC 1/	22.8%	14,040	5,717	2,910	3,565	7,180	11,184	5,852	
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	12,061	4,917	2,491	3,923	-	-	730	
Concourse Center Associates, LLC	50.0%	887	507	259	396	-	-	(275)	
Plaza Colonnade, LLC	50.0%	11,574	3,897	3,542	2,444	-	-	1,691	
Highwoods KC Glenridge Office, LLC	40.0%	2,901	1,527	787	840	-	-	(253)	
Highwoods KC Glenridge Land, LLC	39.9%	-	26	-	-	-	-	(26)	
HIW-KC Orlando, LLC	40.0%	26,981	12,534	6,801	7,147	-	-	499	
Highwoods DLF Forum, LLC	25.0%	14,384	4,795	3,506	5,224	-	-	859	
Lofts at Weston, LLC 2/	50.0%	-	-	-	-	-	-	-	
Total		\$ 101,294	\$ 47,762	\$ 20,953	\$ 25,938	\$ 7,180	\$ 11,184	\$ 10,645	

<u>Joint Venture</u>	<u>Highwoods' Share of Joint Venture</u>							<u>Gain on Sale</u>	<u>Net Income/ (Loss)</u>
	<u>Own %</u>	<u>Revenue</u>	<u>Operating Exp</u>	<u>Interest</u>	<u>Depr/Amort</u>	<u>Impairment</u>	<u>Gain on Sale</u>		
Board of Trade Investment Company	49.0%	\$ 1,153	\$ 714	\$ -	\$ 280	\$ -	\$ -	\$ 159	
Kessinger/Hunter, LLC	26.5%	3,208	2,654	-	154	-	-	400	
4600 Madison Associates, LP	12.5%	501	296	82	156	-	-	(33)	
Highwoods DLF 98/29, LLC	22.8%	3,202	1,304	405	813	1,002	1,120	798	
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	5,178	2,111	1,069	1,684	-	-	314	
Concourse Center Associates, LLC	50.0%	444	254	130	198	-	-	(138)	
Plaza Colonnade, LLC	50.0%	5,787	1,949	1,771	1,222	-	-	845	
Highwoods KC Glenridge Office, LLC	40.0%	1,160	611	315	336	-	-	(102)	
Highwoods KC Glenridge Land, LLC	39.9%	-	10	-	-	-	-	(10)	
HIW-KC Orlando, LLC	40.0%	10,792	5,013	2,720	2,859	-	-	200	
Highwoods DLF Forum, LLC	25.0%	3,596	1,199	876	1,306	-	-	215	
Lofts at Weston, LLC 2/	50.0%	-	-	-	-	-	-	-	
Total 3/ 4/		\$ 35,021	\$ 16,115	\$ 7,368	\$ 9,008	\$ 1,002	\$ 1,120	\$ 2,648	

1/ \$6.3M of the gain on sale relates to an office property purchased by the Company and therefore our share of the gain is deferred.

2/ The project related to this joint venture is currently under development.

3/ Our share of depreciation and amortization from these tables will not equal depreciation and amortization of real estate assets for unconsolidated affiliates on the Statement of Funds from Operations due to various purchase accounting and related adjustments, which are not reflected in the joint ventures' stand-

4/ Our share of net income/(loss) from these tables will not equal equity in earnings of unconsolidated affiliates on the Consolidated Statements of Income due to various purchase accounting and related adjustments, which are not reflected in the joint ventures' stand-alone financial statements.

Unconsolidated Joint Ventures Mortgage Debt Detail 1/

Dollars in thousands

<u>Joint Venture</u>	<u>Own %</u>	<u>Lender</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Loan Balance 12/31/12</u>
Plaza Colonnade, LLC	50.0%	Met Life	5.72%	Jan-17	\$ 44,670
Plaza Colonnade, LLC	50.0%	Tax Incremental Financing	5.90%	Mar-24	12,345
Plaza Colonnade, LLC	50.0%	Tax Incremental Financing	6.00%	Mar-16	3,160
			5.77%		60,175
Highwoods KC Orlando, LLC	40.0%	Met Life	5.21%	Jul-14	127,850
Highwoods DLF Forum, LLC	25.0%	Jackson National Life Insurance Company	5.13%	Nov-13	67,500
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	Jackson National Life Insurance Company	3.45%	Apr-15	50,000
Highwoods DLF 98/29, LP	22.8%	Goldman Sachs	6.11%	Jul-17	27,650
Highwoods KC Glenridge Office	40.0%	Wells Fargo	4.84%	May-14	15,305
4600 Madison Associates, LLC	12.5%	State Farm	6.85%	Apr-18	9,449
Concourse Center Associates, LLC	50.0%	Wells Fargo	2.72%	Jul-13	8,175
			4.95%		305,929
			<u>5.09%</u>		<u>\$ 366,104</u>
Highwoods' share of the above					<u>\$ 137,261</u>

1/ Excludes loans related to two "consolidated" joint ventures.

Joint Ventures Portfolio Summary 1/

As of December 31, 2012

Summary by Location:

<u>Market</u>	<u>Rentable Square Feet</u>	<u>Occupancy</u>	<u>Percentage of Annualized Cash Revenue 2/ 3/</u>
Orlando	1,793,000	82.8%	39.8%
Kansas City	719,000	82.1%	17.8%
Atlanta	840,000	80.7%	16.0%
Raleigh	635,000	95.2%	10.5%
Richmond	411,000	98.5%	9.7%
Piedmont Triad	208,000	68.8%	2.6%
Tampa	205,000	76.7%	2.4%
Charlotte	148,000	100.0%	1.2%
Total 4/	<u>4,959,000</u>	<u>84.9%</u>	<u>100.0%</u>

1/ Highwoods' in-service joint venture portfolio consists of office properties exclusively.

2/ Annualized Cash Revenue is December, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

3/ Annualized Cash Revenue is based on Highwoods' share only.

4/ Includes 618,000 square feet of properties in joint ventures that are consolidated.

Joint Ventures Lease Expirations

December 31, 2012

Dollars in thousands

<u>Year</u>	<u>Rentable Square Feet Expiring 1/</u>	<u>Percent of Rentable Square Feet 1/</u>	<u>Annualized Cash Revenue 2/</u>	<u>Average Rental Rate</u>	<u>Percent of Annualized Cash Revenue 2/</u>
Total					
2013	547,468	13.0%	\$ 9,989	\$ 18.25	10.5%
2014	591,533	14.0%	14,781	24.99	15.5%
2015	768,233	18.2%	15,945	20.76	16.7%
2016	377,357	9.0%	8,065	21.37	8.5%
2017	804,576	19.1%	20,170	25.07	21.1%
2018	320,374	7.6%	7,299	22.78	7.7%
2019	252,531	6.0%	5,546	21.96	5.8%
2020	95,357	2.3%	2,146	22.50	2.2%
2021	185,339	4.4%	4,191	22.61	4.4%
2022	27,526	0.7%	765	27.79	0.8%
2023 and thereafter	240,952	5.7%	6,510	27.02	6.8%
	<u>4,211,246</u>	<u>100.0%</u>	<u>\$ 95,407</u>	<u>\$ 22.66</u>	<u>100.0%</u>

1/ Includes square feet expiring in properties in joint ventures that are consolidated.

2/ Annualized Cash Revenue is December, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Joint Venture Acquisition and Disposition Activity

Dollars in thousands

Acquisitions

Name	Own %	Market	Type	Date Acquired	Square Footage	Total Cost
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First quarter 2012:

None

Second quarter 2012:

None

Third quarter 2012:

None

Fourth quarter 2012:

None

Dispositions

Name	Own %	Market	Type	Date Sold	Square Footage	Occupancy	Gross Sales Price
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First quarter 2012:

None

Second quarter 2012:

None

Third quarter 2012:

None

Fourth quarter 2012:

6100 Old Park Lane/ 7914 Thorndike Road	23%	Orlando/Triad	O	11/01/12	112,505	100%	\$ 3,536 ^{1/}
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1/ The \$3,536K sale price only includes our pro rata share.

Joint Venture Development Activity

Dollars in thousands

<u>In Progress</u>								
<u>Property</u>	<u>%</u>	<u>Market</u>	<u>Rentable Square Feet</u>	<u>Anticipated Total Investment</u>	<u>Investment As Of 12/31/12</u>	<u>Pre- Leasing</u>	<u>Estimated Completion Date</u>	<u>Estimated Stabilization Date</u>
Weston Lofts 1/	50%	Raleigh	215 units	\$ 25,852	\$ 15,239	0%	4Q 13	1Q 14
In Progress Total				<u>\$ 25,852</u>	<u>\$ 15,239</u>			
Highwoods' Share of above				<u>\$ 12,926</u>	<u>\$ 7,620</u>			

1/ Estimated completion date is the date the last unit is expected to be delivered. Estimated Stabilization date is when lease-up is expected to exceed 95%