

## **Supplemental Information**

September 30, 2014



**Steele Creek III**  
**Charlotte, NC**  
**108,000 Square Feet**

Consolidated Balance Sheets .....	3
Consolidated Statements of Income and Comprehensive Income ..	4
Reconciliations of GAAP to Non-GAAP Measures .....	5
Consolidated Statements of Cash Flows .....	6
Property Net Operating Income By Type .....	7
Additional Financial Information .....	8
Development Summary .....	9
Unconsolidated Investment Information .....	10
Debt-to-Total Market Capitalization .....	11
Debt Repayment Schedule.....	12
Continuous Equity Program.....	13
Property Acquisitions and Sales.....	14
Capital Expenditures and Leasing Costs.....	15
Leasing Statistics Summary .....	16
Core Market Operating Statistics.....	17
Lease Expiration Summary .....	18
Top 10 Customers By Square Footage .....	19
Adjusted Debt-to-EBITDA Reconciliation .....	20
Financial Statistics.....	21
Glossary of REIT Terms .....	22

**FORWARD-LOOKING STATEMENTS**

The Company's assumptions and financial projections in this supplemental package are based upon "forward-looking" information and are being made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are inherently subject to known and unknown risks and uncertainties, many of which the Company cannot predict, including, without limitation: changes in general economic conditions; the extent of customer defaults or of any early lease terminations; the Company's ability to lease or re-lease space at current or anticipated rents; the availability of financing; changes in the supply of and demand for industrial/warehouse properties; increases in interest rate levels; increases in operating costs; natural disasters, terrorism, riots and acts of war, and the Company's ability to obtain adequate insurance; changes in governmental regulation, tax rates and similar matters; and other risks associated with the development and acquisition of properties, including risks that development projects may not be completed on schedule, development or operating costs may be greater than anticipated or acquisitions may not close as scheduled. Although the Company believes the expectations reflected in the forward-looking statements are based upon reasonable assumptions at the time made, the Company can give no assurance that such expectations will be achieved. The Company assumes no obligation whatsoever to publicly update or revise any forward-looking statements. See also the information contained in the Company's reports filed or to be filed from time to time with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

	<u>September 30, 2014</u> <u>(Unaudited)</u>	<u>December 31, 2013</u>
<b>ASSETS</b>		
Real estate properties	\$ 1,875,826	1,778,559
Development	169,623	148,767
	<u>2,045,449</u>	<u>1,927,326</u>
Less accumulated depreciation	<u>(588,059)</u>	<u>(550,113)</u>
	1,457,390	1,377,213
Unconsolidated investment	2,796	2,764
Cash	323	8
Other assets	<u>102,468</u>	<u>93,427</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,562,977</u>	<u>1,473,412</u>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Secured debt	\$ 456,511	499,793
Unsecured debt	380,000	305,000
Unsecured bank credit facilities	84,520	88,952
Accounts payable and accrued expenses	52,704	37,104
Other liabilities	<u>26,788</u>	<u>23,858</u>
Total Liabilities	<u>1,000,523</u>	<u>954,707</u>
<b>EQUITY</b>		
Stockholders' Equity:		
Common shares; \$.0001 par value; 70,000,000 shares authorized; 31,930,012 shares issued and outstanding at September 30, 2014 and 30,937,225 at December 31, 2013	3	3
Excess shares; \$.0001 par value; 30,000,000 shares authorized; no shares issued	-	-
Additional paid-in capital on common shares	853,198	790,535
Distributions in excess of earnings	(295,202)	(278,169)
Accumulated other comprehensive income (loss)	<u>(85)</u>	<u>1,629</u>
Total Stockholders' Equity	557,914	513,998
Noncontrolling interest in joint ventures	<u>4,540</u>	<u>4,707</u>
Total Equity	<u>562,454</u>	<u>518,705</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 1,562,977</u>	<u>1,473,412</u>

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
<b>REVENUES</b>				
Income from real estate operations	\$ 55,896	51,144	162,474	148,254
Other income	61	34	114	220
	<u>55,957</u>	<u>51,178</u>	<u>162,588</u>	<u>148,474</u>
<b>EXPENSES</b>				
Expenses from real estate operations	15,899	14,561	46,536	41,765
Depreciation and amortization	17,779	16,921	52,101	48,784
General and administrative	3,373	2,589	9,779	8,730
Acquisition costs	-	16	160	183
	<u>37,051</u>	<u>34,087</u>	<u>108,576</u>	<u>99,462</u>
<b>OPERATING INCOME</b>	18,906	17,091	54,012	49,012
<b>OTHER INCOME (EXPENSE)</b>				
Interest expense	(8,781)	(8,845)	(26,665)	(26,183)
Gain on sales of real estate investments	7,417	-	7,512	-
Other	319	249	758	728
<b>INCOME FROM CONTINUING OPERATIONS</b>	<u>17,861</u>	<u>8,495</u>	<u>35,617</u>	<u>23,557</u>
<b>DISCONTINUED OPERATIONS</b>				
Income from real estate operations	-	19	-	55
<b>INCOME FROM DISCONTINUED OPERATIONS</b>	<u>-</u>	<u>19</u>	<u>-</u>	<u>55</u>
<b>NET INCOME</b>	17,861	8,514	35,617	23,612
Net income attributable to noncontrolling interest in joint ventures	(132)	(151)	(398)	(452)
<b>NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS</b>	<u>17,729</u>	<u>8,363</u>	<u>35,219</u>	<u>23,160</u>
Other comprehensive income (loss) - cash flow hedges	1,063	(1,597)	(1,714)	743
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>\$ 18,792</u>	<u>6,766</u>	<u>33,505</u>	<u>23,903</u>
<b>BASIC PER COMMON SHARE DATA FOR NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS</b>				
Income from continuing operations	\$ 0.56	0.28	1.13	0.77
Income from discontinued operations	0.00	0.00	0.00	0.00
Net income attributable to common stockholders	<u>\$ 0.56</u>	<u>0.28</u>	<u>1.13</u>	<u>0.77</u>
Weighted average shares outstanding	<u>31,515</u>	<u>30,281</u>	<u>31,156</u>	<u>30,029</u>
<b>DILUTED PER COMMON SHARE DATA FOR NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS</b>				
Income from continuing operations	\$ 0.56	0.28	1.13	0.77
Income from discontinued operations	0.00	0.00	0.00	0.00
Net income attributable to common stockholders	<u>\$ 0.56</u>	<u>0.28</u>	<u>1.13</u>	<u>0.77</u>
Weighted average shares outstanding	<u>31,644</u>	<u>30,400</u>	<u>31,256</u>	<u>30,124</u>
<b>AMOUNTS ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS</b>				
Income from continuing operations	\$ 17,729	8,344	35,219	23,105
Income from discontinued operations	-	19	-	55
Net income attributable to common stockholders	<u>\$ 17,729</u>	<u>8,363</u>	<u>35,219</u>	<u>23,160</u>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
<b>NET INCOME</b>	\$ 17,861	8,514	35,617	23,612
Interest income	(127)	(133)	(379)	(401)
Gain on sales of real estate investments	(7,417)	-	(7,512)	-
Company's share of interest expense from unconsolidated investment	71	73	213	221
Company's share of depreciation from unconsolidated investment	34	33	100	100
Other income	(61)	(34)	(114)	(220)
Interest rate swap ineffectiveness	-	-	1	(29)
Gain on sales of non-operating real estate	(98)	(24)	(98)	(24)
Income from discontinued operations	-	(19)	-	(55)
Depreciation and amortization from continuing operations	17,779	16,921	52,101	48,784
Interest expense <sup>(1)</sup>	8,781	8,845	26,665	26,183
General and administrative expense <sup>(2)</sup>	3,373	2,589	9,779	8,730
Acquisition costs	-	16	160	183
Noncontrolling interest in PNOI of consolidated 80% joint ventures	(209)	(235)	(636)	(721)
<b>PROPERTY NET OPERATING INCOME (PNOI)</b>	<b>\$ 39,987</b>	<b>36,546</b>	<b>115,897</b>	<b>106,363</b>
<b>COMPONENTS OF PNOI:</b>				
PNOI from Same Properties	\$ 37,460	36,118	103,947	101,834
PNOI from 2013 and 2014 Acquisitions	648	-	4,369	1,525
PNOI from 2013 and 2014 Development Properties	1,701	180	6,981	2,244
PNOI from 2014 Dispositions	217	301	719	891
Other PNOI	(39)	(53)	(119)	(131)
<b>TOTAL PNOI</b>	<b>\$ 39,987</b>	<b>36,546</b>	<b>115,897</b>	<b>106,363</b>
<b>NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC.</b>				
<b>COMMON STOCKHOLDERS</b>	\$ 17,729	8,363	35,219	23,160
Depreciation and amortization from continuing operations	17,779	16,921	52,101	48,784
Depreciation and amortization from discontinued operations	-	27	-	107
Company's share of depreciation from unconsolidated investment	34	33	100	100
Depreciation and amortization from noncontrolling interest	(50)	(58)	(153)	(186)
Gain on sales of real estate investments	(7,417)	-	(7,512)	-
<b>FUNDS FROM OPERATIONS (FFO) ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>	<b>\$ 28,075</b>	<b>25,286</b>	<b>79,755</b>	<b>71,965</b>
<b>NET INCOME</b>	\$ 17,861	8,514	35,617	23,612
Interest expense <sup>(1)</sup>	8,781	8,845	26,665	26,183
Company's share of interest expense from unconsolidated investment	71	73	213	221
Depreciation and amortization from continuing operations	17,779	16,921	52,101	48,784
Depreciation and amortization from discontinued operations	-	27	-	107
Company's share of depreciation from unconsolidated investment	34	33	100	100
Gain on sales of real estate investments	(7,417)	-	(7,512)	-
<b>EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)</b>	<b>\$ 37,109</b>	<b>34,413</b>	<b>107,184</b>	<b>99,007</b>
<b>DILUTED PER COMMON SHARE DATA FOR NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS</b>				
Income from continuing operations	\$ 0.56	0.28	1.13	0.77
Income from discontinued operations	0.00	0.00	0.00	0.00
Net income attributable to common stockholders	<b>\$ 0.56</b>	<b>0.28</b>	<b>1.13</b>	<b>0.77</b>
Funds from operations (FFO) attributable to common stockholders	<b>\$ 0.89</b>	<b>0.83</b>	<b>2.55</b>	<b>2.39</b>
Weighted average shares outstanding for EPS and FFO purposes	31,644	30,400	31,256	30,124

<sup>(1)</sup> Net of capitalized interest of \$1,346 and \$1,281 for the three months ended September 30, 2014 and 2013, respectively; and \$3,682 and \$3,841 for the nine months ended September 30, 2014 and 2013, respectively.

<sup>(2)</sup> Net of capitalized development costs of \$897 and \$1,028 for the three months ended September 30, 2014 and 2013, respectively; and \$3,077 and \$2,873 for the nine months ended September 30, 2014 and 2013, respectively.

	<b>Nine Months Ended September 30,</b>	
	<b>2014</b>	<b>2013</b>
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 35,617	23,612
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization from continuing operations	52,101	48,784
Depreciation and amortization from discontinued operations	-	107
Stock-based compensation expense	4,005	3,204
Gain on sales of land and real estate investments	(7,610)	(24)
Changes in operating assets and liabilities:		
Accrued income and other assets	2,197	2,222
Accounts payable, accrued expenses and prepaid rent	8,658	10,765
Other	(53)	(71)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>94,915</b>	<b>88,599</b>
<b>INVESTING ACTIVITIES</b>		
Real estate development	(80,748)	(61,561)
Purchases of real estate	(41,751)	(72,397)
Real estate improvements	(12,931)	(16,053)
Proceeds from sales of land and real estate investments	17,269	1,313
Repayments on mortgage loans receivable	118	78
Changes in accrued development costs	7,483	2,062
Changes in other assets and other liabilities	(15,529)	(9,431)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(126,089)</b>	<b>(155,989)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from unsecured bank credit facilities	251,033	307,725
Repayments on unsecured bank credit facilities	(255,465)	(272,218)
Repayments on secured debt	(43,268)	(51,920)
Proceeds from unsecured debt	75,000	100,000
Debt issuance costs	(434)	(1,650)
Distributions paid to stockholders (not including dividends accrued on unvested restricted stock)	(52,231)	(48,252)
Proceeds from common stock offerings	59,110	33,490
Proceeds from exercise of stock options	-	120
Proceeds from dividend reinvestment plan	154	156
Other	(2,410)	(1,112)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>31,489</b>	<b>66,339</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>315</b>	<b>(1,051)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>8</b>	<b>1,258</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 323</b>	<b>207</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for interest, net of amount capitalized of \$3,682 and \$3,841 for 2014 and 2013, respectively	\$ 26,788	24,852

	Three Months Ended			Nine Months Ended		
	September 30,			September 30,		
	2014	2013	% Change	2014	2013	% Change
<b>COMPONENTS OF PROPERTY NET OPERATING INCOME (PNOI)</b>						
Same property	\$ 37,636	35,536	5.9%	104,277	101,390	2.8%
2014 acquisitions	587	-		758	-	
2013 acquisitions	-	-		3,371	1,418	
2014 development	528	-		996	(1)	
2013 development	776	47		4,653	1,655	
2014 dispositions	226	295		736	926	
Other	(39)	(53)		(119)	(131)	
<b>TOTAL PNOI WITHOUT STRAIGHT-LINE RENT ADJUSTMENTS</b>	<b>39,714</b>	<b>35,825</b>		<b>114,672</b>	<b>105,257</b>	
Straight-Line rent adjustments (continuing operations)	273	721		1,225	1,106	
<b>TOTAL PNOI</b>	<b>\$ 39,987</b>	<b>36,546</b>		<b>115,897</b>	<b>106,363</b>	
<b>SAME PROPERTY NOI</b>						
Same property without straight-line rent adjustments	\$ 37,636	35,536	5.9%	104,277	101,390	2.8%
Same property straight-line rent adjustments	(176)	582		(330)	444	
Total same property NOI	<b>\$ 37,460</b>	<b>36,118</b>	3.7%	<b>103,947</b>	<b>101,834</b>	2.1%
<b>REAL ESTATE INCOME &amp; EXPENSE</b>						
Income from real estate operations	\$ 55,896	51,144		162,474	148,254	
Expenses from real estate operations	(15,899)	(14,561)		(46,536)	(41,765)	
Noncontrolling interest in PNOI of consolidated 80% joint ventures	(209)	(235)		(636)	(721)	
PNOI from 50% owned unconsolidated investment	199	198		595	595	
<b>TOTAL PNOI</b>	<b>\$ 39,987</b>	<b>36,546</b>		<b>115,897</b>	<b>106,363</b>	
<b>EXPENSE TO REVENUE RATIO</b>	<b>28.4%</b>	<b>28.5%</b>		<b>28.6%</b>	<b>28.2%</b>	

**SELECTED INCOME STATEMENT INFORMATION**

**CONTINUING OPERATIONS**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	<i>(Items below represent increases or (decreases) in FFO)</i>			
Straight-line (S/L) rent income adjustment	\$ 221	742	1,209	1,246
Bad debt recovery (expense) on S/L rent	151	(21)	211	(80)
Net straight-line rent adjustment	372	721	1,420	1,166
Cash received for lease terminations	733	3	967	490
Less S/L rent write-offs	(99)	-	(195)	(60)
Net lease termination fee income	634	3	772	430
Bad debt expense (excluding S/L rent bad debt)	(69)	(37)	(122)	(74)
Stock-based compensation expense	(1,181)	(877)	(4,005)	(3,204)
Loan costs amortization	(316)	(317)	(922)	(963)
Interest rate swap ineffectiveness	-	-	(1)	29
Acquired leases - market rent adjustment amortization	119	99	295	89
Acquisition costs	-	(16)	(160)	(183)
Assumed mortgages - fair value adjustment amortization	5	5	14	15
Amortization of discount on mortgage loan receivable	2	2	8	9

**WEIGHTED AVERAGE COMMON SHARES**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Weighted average common shares	31,515	30,281	31,156	30,029
<b>BASIC SHARES FOR EARNINGS PER SHARE (EPS)</b>	31,515	30,281	31,156	30,029
Potential common shares:				
Stock options	-	-	-	1
Unvested restricted stock	129	119	100	94
<b>DILUTED SHARES FOR EPS AND FFO</b>	31,644	30,400	31,256	30,124

	Square Feet (SF) at Completion	Costs Incurred			NOI <sup>(1)</sup>		Completion Date	Anticipated Conversion Date <sup>(2)</sup>	Projected Stabilized Yield <sup>(3)</sup>	Projected Avg % Occupied		% Leased 9/30/14	% Leased 10/15/14
		3rd Qtr 2014	Cumulative at 9/30/14	Projected Total Costs	3rd Qtr 2014	YTD 9/30/14				4Q 14	1Q 15		
<b>Lease-up</b>													
Horizon I	109	\$ 432	6,946	7,700			02/14	02/15	8.4%	64%	69%	56%	69%
Steele Creek II	71	213	4,774	5,300			03/14	03/15	8.5%	50%	50%	50%	50%
World Houston 39	94	138	4,874	5,700			06/14	06/15	8.5%	0%	33%	0%	50%
Steele Creek III	108	287	6,823	8,200			07/14	07/15	8.5%	42%	42%	42%	42%
World Houston 41	104	660	5,181	6,900			08/14	08/15	8.7%	0%	11%	0%	16%
Horizon II	123	1,543	7,412	8,600			09/14	09/15	8.5%	66%	66%	66%	66%
Total Lease-up	609	3,273	36,010	42,400	223	301						37%	49%
												Weighted Avg %	
<b>Under Construction</b>													
Kyrene 202 I	75	1,764	5,403	6,900			10/14	10/15	8.4%	45%	67%	67%	67%
Kyrene 202 II	45	818	3,024	3,900			10/14	10/15	8.4%	0%	0%	0%	0%
Rampart IV	84	1,584	6,388	8,300			10/14	10/15	8.6%	0%	0%	0%	0%
Ten West Crossing 6	64	1,208	3,795	4,800			10/14	10/15	8.3%	20%	30%	30%	30%
West Road I	63	755	3,795	4,900			10/14	10/15	8.3%	9%	26%	26%	26%
West Road II	100	1,416	6,019	6,800			10/14	10/14	8.3%	100%	100%	100%	100%
Steele Creek IV	57	1,178	3,344	4,300			11/14	11/15	8.3%	0%	0%	0%	0%
Alamo Ridge I	96	1,690	4,621	6,500			12/14	12/15	8.3%	0%	0%	0%	0%
Alamo Ridge II	62	1,027	2,600	4,100			12/14	12/15	8.3%	0%	0%	0%	0%
West Road III	78	2,320	2,320	5,000			02/15	02/16	8.2%	0%	0%	0%	0%
Thousand Oaks 4	66	1,405	1,405	5,100			03/15	03/16	8.2%	0%	0%	0%	0%
Ten West Crossing 7	68	1,401	1,401	4,900			04/15	04/16	8.3%	0%	0%	0%	0%
Madison II & III	127	1,306	1,306	8,000			05/15	05/16	8.1%	0%	0%	26%	26%
Total Under Construction	985	17,872	45,421	73,500	-	-						22%	22%
												Weighted Avg %	
<b>Prospective Development (4)</b>													
	<b>Acres</b>												
Phoenix, AZ	21	286	217	3,277	20,200								
Tucson, AZ	4	70	-	417	4,900							28%	33%
Fort Myers, FL	48	663	-	17,858	50,000							Total Weighted Avg %	
Orlando, FL	119	1,144	372	23,507	82,600								
Tampa, FL	27	392	(864)	6,143	23,100								
Jackson, MS	3	28	-	706	2,000								
Charlotte, NC	31	256	112	4,517	17,600								
Dallas, TX	38	445	600	5,116	30,800								
El Paso, TX	13	251	-	2,444	11,300								
Houston, TX	98	1,369	(1,657)	21,421	92,200								
San Antonio, TX	16	254	(764)	2,786	16,700								
Total Prospective Development	418	5,158	(1,984)	88,192	351,400	-	-						
	418	6,752	\$ 19,161	169,623	467,300	223	301						
<b>Completed Development and Transferred to Real Estate Properties During 2014</b>													
<b>1st Quarter</b>													
Chandler Freeways	Phoenix, AZ	126	\$ 96	8,906			11/13		8.0%	100%	100%	100%	100%
Steele Creek I	Charlotte, NC	71	7	5,168			02/14		8.5%	100%	100%	100%	100%
Ten West Crossing 3	Houston, TX	68	3	4,952			09/13		9.2%	100%	100%	100%	100%
		265	106	19,026									
<b>2nd Quarter</b>													
None													
<b>3rd Quarter</b>													
Thousand Oaks 3	San Antonio, TX	66	235	5,219			07/13		8.3%	94%	100%	100%	100%
Ten West Crossing 2	Houston, TX	46	246	5,204			09/13		9.4%	100%	100%	100%	100%
Ten West Crossing 4	Houston, TX	68	519	4,991			02/14		8.6%	88%	88%	88%	88%
Ten West Crossing 5	Houston, TX	101	1,321	6,696			09/14		9.3%	100%	100%	100%	100%
World Houston 37	Houston, TX	101	85	6,774			09/13		9.4%	87%	100%	100%	100%
World Houston 40	Houston, TX	202	2,743	10,421			09/14		9.0%	100%	100%	100%	100%
		584	5,149	39,305									
Total Transferred to Real Estate Properties		849	\$ 5,255	58,331									
													784 1,747

(1) Computed with rents on a straight-line basis.

(2) Transferred from Development to the Portfolio-earlier of 80% occupied or one year after completion date.

(3) Based on 100% occupancy and rents computed on a straight-line basis.

(4) Negative amounts represent land inventory costs transferred to *Under Construction*.

Property	Industry Distribution Center II
Acquisition Date	November 23, 2004
Percent Leased	100%
Total Square Feet (100%)	309,000
Company Ownership	50%
Mortgage Debt Interest Rate	5.31%
Mortgage Debt Maturity Date	June 30, 2015

**Selected Financial Information**

**Balance Sheet Information as of September 30, 2014**

**ASSETS**

Real estate properties	\$ 9,231
Less accumulated depreciation	(1,310)
	<u>7,921</u>
Other assets	145
<b>TOTAL ASSETS</b>	<b>\$ 8,066</b>

**LIABILITIES AND EQUITY**

Mortgage note payable	\$ 5,126
Other liabilities	144
Equity	2,796
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 8,066</b>

**EastGroup's Net Investment at September 30, 2014**

**\$ 2,796** <sup>(1)</sup>

**EastGroup's 50% Ownership**

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
	<i>(In thousands)</i>			
<b>Income Statement Information</b>				
Property NOI	\$ 199	198	595	595
Interest Expense	(71)	(73)	(213)	(221)
Depreciation Expense	(34)	(33)	(100)	(100)
<b>Equity in Earnings</b> <sup>(2)</sup>	<b>\$ 94</b>	<b>92</b>	<b>282</b>	<b>274</b>
<b>Funds From Operations</b>	<b>\$ 128</b>	<b>125</b>	<b>382</b>	<b>374</b>

<sup>(1)</sup> Presented as *Unconsolidated investment* on the Consolidated Balance Sheets.

<sup>(2)</sup> Included in *Other* on the Consolidated Statements of Income and Comprehensive Income.

	Interest Rate	Maturity Date	Balance at September 30, 2014	Annualized Interest
<b>UNSECURED BANK CREDIT FACILITIES</b>				
\$25MM Line - Variable Rate	1.332%	01/05/17	\$ 6,520	87
\$225MM Line - Variable Rate	1.330%	01/05/17	78,000	1,037
Total Unsecured Bank Credit Facilities			<u>84,520</u>	<u>1,124</u>
<b>UNSECURED DEBT</b>				
\$80MM Loan	2.770%	08/15/18	80,000	2,216
\$50MM Loan	3.910%	12/21/18	50,000	1,955
\$75MM Loan	2.846%	07/31/19	75,000	2,135
\$75MM Loan	3.752%	12/20/20	75,000	2,814
\$100MM Loan	3.800%	08/28/25 <sup>(1)</sup>	100,000	3,800
Total Unsecured Debt			<u>380,000</u>	<u>12,920</u>
<b>SECURED DEBT</b>				
Beltway II, III & IV, Commerce Park 1, Eastlake, Fairgrounds I-IV, Nations Ford I-IV, Techway Southwest III, Wetmore I-IV and World Houston 15 & 22	5.500%	04/05/15	59,063	3,248
Country Club I, Lake Pointe, Techway Southwest II and World Houston 19 & 20	4.980%	12/05/15	26,517	1,321
Huntwood and Wiegman I-IV Distribution Centers	5.680%	09/05/16	27,651	1,571
Alamo Downs, Arion 1-15 & 17, Rampart I, II, III & IV, Santan 10 and World Houston 16	5.970%	11/05/16	57,759	3,448
Arion 16, Broadway VI, Chino, East University I & II, Northpark I-IV, Santan 10 II, 55th Avenue and World Houston 1 & 2, 21 & 23	5.570%	09/05/17	55,052	3,066
Dominguez, Industry I & III, Kingsview, Shaw, Walnut and Washington	7.500%	05/05/19	57,515	4,314
Blue Heron Distribution Center II	5.390%	02/29/20	920	50
40th Avenue, Beltway V, Centennial Park, Executive Airport, Ocean View, Techway Southwest IV, Wetmore V-VIII and World Houston 26, 28, 29 & 30	4.390%	01/05/21	64,802	2,845
America Plaza, Central Green, Glenmont I & II, Interstate I, II & III, Rojas, Stemmons Circle, Venture, West Loop I & II and World Houston 3-9	4.750%	06/05/21	58,151	2,762
Arion 18, Beltway VI & VII, Commerce Park II & III, Concord Distribution Center, Interstate Distribution Center V, VI & VII, Lakeview Business Center, Ridge Creek Distribution Center II, Southridge IV & V and World Houston 32	4.090%	01/05/22	49,081	2,007
Total Secured Debt			<u>456,511</u>	<u>24,632</u>
<b>TOTAL DEBT</b>			<u>\$ 921,031</u>	<u>38,676</u>
<b>EQUITY MARKET CAPITALIZATION</b>				
Shares Outstanding - Common			31,930,012	
Price per share			<u>\$ 60.59</u>	
<b>TOTAL EQUITY MARKET CAPITALIZATION</b>			<u>\$ 1,934,639</u>	
<b>TOTAL MARKET CAPITALIZATION (DEBT AND EQUITY)</b>			<u>\$ 2,855,670</u>	
<b>TOTAL DEBT ÷ TOTAL MARKET CAPITALIZATION</b>				<u>32.3%</u>
Weighted Average Interest Rate - Unsecured Bank Credit Facilities				<u>1.3%</u>
Weighted Average Interest Rate - Unsecured Debt				<u>3.4%</u>
Weighted Average Interest Rate - Secured Debt				<u>5.4%</u>
Weighted Average Interest Rate - Total Debt				<u>4.2%</u>

<sup>(1)</sup> This loan requires principal payments of \$30 million on August 28, 2020, \$50 million on August 28, 2023, and \$20 million on August 28, 2025.

Year	Amortization		Balloon Payments		Total	
	Repayments	Weighted Average Interest Rate	Repayments	Weighted Average Interest Rate	Repayments	Weighted Average Interest Rate
<b>SECURED</b>						
remainder of 2014 .....	\$ 5,580	5.408%	\$ -	N/A	\$ 5,580	5.408%
2015 .....	20,433	5.406%	81,854	5.345%	102,287	5.357%
2016 .....	17,736	5.427%	74,981	5.876%	92,717	5.790%
2017 .....	13,076	5.273%	45,069	5.570%	58,145	5.503%
2018 .....	11,218	5.224%	-	N/A	11,218	5.224%
2019 and beyond .....	22,584	4.553%	163,980	5.286%	186,564	5.197%
<b>SECURED TOTAL / WEIGHTED AVERAGE</b>	<b>90,627</b>	<b>5.156%</b>	<b>365,884</b>	<b>5.455%</b>	<b>456,511</b>	<b>5.396%</b>
<b>UNSECURED</b>						
2018 .....	-	N/A	130,000	3.208%	130,000	3.208%
2019 and beyond .....	-	N/A	250,000	3.499%	250,000	3.499%
<b>UNSECURED TOTAL / WEIGHTED AVERAGE</b>	<b>-</b>	<b>N/A</b>	<b>380,000</b>	<b>3.400%</b>	<b>380,000</b>	<b>3.400%</b>
<b>TOTAL / WEIGHTED AVERAGE</b>	<b>\$ 90,627</b>	<b>5.156%</b>	<b>\$ 745,884</b>	<b>4.408%</b>	<b>\$ 836,511</b>	<b>4.489%</b>

Note: Excludes bank credit facilities and debt from unconsolidated investment.

	<b>Shares Issued and Sold</b>	<b>Sales Price (Per Share)</b>	<b>Gross Proceeds</b>	<b>Offering-Related Fees and Expenses</b>	<b>Net Proceeds</b>
1 <sup>st</sup> Quarter 2014	321,645	\$ 62.18	\$ 20,000	\$ 398	\$ 19,602
2 <sup>nd</sup> Quarter 2014	312,493	64.00	19,999	242	19,757
3 <sup>rd</sup> Quarter 2014	310,410	64.41	19,994	243	19,751
<b>TOTAL 2014</b>	<b>944,548</b>	<b>\$ 63.52</b>	<b>\$ 59,993</b>	<b>\$ 883</b>	<b>\$ 59,110</b>

**Sales Agency Financing Agreements  
 Dated February 2014**

Total Shares Authorized for Issuance	10,000,000
Total Shares Issued Through September 30, 2014	944,548
Shares Remaining for Issuance as of September 30, 2014	<u>9,055,452</u>

**ACQUISITIONS**

Date	Property Name	Location	Size	Purchase Price <sup>(1)</sup>	Allocation of Purchase Price			
					Land, Building and Tenant Improvements	In-Place Lease Value <sup>(2)</sup>	Net Above (Below) Market Lease Value <sup>(3)</sup>	
<b>1<sup>st</sup> Quarter</b>								
03/28/14	ParkView Commerce Center Land	Dallas, TX	28.6 Acres	\$ 3,022	3,022	-	-	
<b>2<sup>nd</sup> Quarter</b>								
05/12/14	Ridge Creek Distribution Center III	Charlotte, NC	270,000 SF	14,549	13,606	941	2	
06/11/14	Colorado Crossing Distribution Center	Austin, TX	265,000 SF	27,202	24,358	3,719	(875)	
<b>3<sup>rd</sup> Quarter</b>								
	None							
			28.6 Acres					
Total Acquisitions			535,000 SF	\$ 44,773	40,986	4,660	(873)	

<sup>(1)</sup> Represents acquisition price plus closing costs for land purchases; represents acquisition price for property purchases.

<sup>(2)</sup> Intangible asset representing the value of the leases in place at the acquisition date; calculated in accordance with ASC 805, Business Combinations, and included in Other Assets.

<sup>(3)</sup> Intangible asset representing the net value of the above and below market rate leases in place at the acquisition date; calculated in accordance with ASC 805 and included in Other Assets (Above Market Lease Value) and Other Liabilities (Below Market Lease Value).

**SALES**

Date	Property Name	Location	Size	Gross			Realized Gain
				Sales Price	Basis	Closing Costs	
<b>1<sup>st</sup> Quarter</b>							
03/28/14	Northpoint Commerce Center	Oklahoma City, OK	58,000 SF	\$ 3,600	3,376	129	95 <sup>(4)</sup>
<b>2<sup>nd</sup> Quarter</b>							
	None						
<b>3<sup>rd</sup> Quarter</b>							
07/08/14	Tampa West Distribution Center VI	Tampa, FL	9,000 SF	743	446	61	236 <sup>(4)</sup>
09/24/14	Altamonte Land	Orlando, FL	0.1 Acres	141	20	23	98 <sup>(5)</sup>
09/30/14	Clay Campbell Distribution Center	Houston, TX	118,000 SF	7,900	2,826	210	4,864 <sup>(4)</sup>
09/30/14	Kirby Business Center	Houston, TX	125,000 SF	5,450	2,989	144	2,317 <sup>(4)</sup>
			0.1 Acres				
Total Sales			310,000 SF	\$ 17,834	9,657	567	7,610

<sup>(4)</sup> Included in *Gain on sales of real estate investments* on the Consolidated Statements of Income and Comprehensive Income.

<sup>(5)</sup> Included in *Other* on the Consolidated Statements of Income and Comprehensive Income.

CAPITAL EXPENDITURES	Estimated Useful Life	Three Months Ended September 30,		Nine Months Ended September 30,	
		2014	2013	2014	2013
Upgrade on Acquisitions	40 Yrs	\$ 128	185	182	434
Tenant Improvements:					
New Tenants	Lease Life	947	1,884	4,921	6,380
New Tenants (first generation) <sup>(1)</sup>	Lease Life	173	(7)	174	75
Renewal Tenants	Lease Life	475	886	1,728	2,184
Other:					
Building Improvements	5-40 Yrs	961	1,426	2,345	3,027
Roofs	5-15 Yrs	1,009	598	3,159	2,991
Parking Lots	3-5 Yrs	48	184	265	745
Other	5 Yrs	147	23	267	239
<b>TOTAL CAPITAL EXPENDITURES</b> <sup>(5)</sup>		<b>\$ 3,888</b>	<b>5,179</b>	<b>13,041</b>	<b>16,075</b>
<b>CAPITALIZED LEASING COSTS</b> <sup>(2)</sup>					
Development	Lease Life	\$ 717	1,513	1,816	3,032
New Tenants	Lease Life	1,265	1,841	2,897	3,591
New Tenants (first generation) <sup>(1)</sup>	Lease Life	190	92	190	96
Renewal Tenants	Lease Life	1,522	881	3,619	3,152
<b>TOTAL CAPITALIZED LEASING COSTS</b>		<b>\$ 3,694</b>	<b>4,327</b>	<b>8,522</b>	<b>9,871</b>
<b>AMORTIZATION OF LEASING COSTS</b> <sup>(3) (4)</sup>		<b>\$ 2,060</b>	<b>1,838</b>	<b>5,982</b>	<b>5,453</b>

<sup>(1)</sup> First generation refers only to space that has never been occupied under EastGroup's ownership.

<sup>(2)</sup> Included in *Other Assets*.

<sup>(3)</sup> Included in *Depreciation and Amortization*.

<sup>(4)</sup> Includes discontinued operations.

<sup>(5)</sup> Reconciliation of Total Capital Expenditures to *Real Estate Improvements* on the Consolidated Statements of Cash Flows:

	Nine Months Ended September 30,	
	2014	2013
Total Capital Expenditures	\$ 13,041	16,075
Change in Real Estate Property Payables	(110)	(22)
Real Estate Improvements	<b>\$ 12,931</b>	<b>16,053</b>

	Three Months Ended September 30, 2014				Nine Months Ended September 30, 2014			
	# of Leases	% of # Expiring	Total Square Feet	% of SF Expiring	# of Leases	% of # Expiring	Total Square Feet	% of SF Expiring
Percentage Leased			96.8%				96.8%	
Percentage Occupied			96.2%				96.2%	
<b>Total Square Feet Operating Properties</b>								
Beginning of Period			32,999,000				32,257,000	
Acquisitions			-				535,000	
Dispositions			(253,000)				(311,000)	
Development Transfers			584,000				849,000	
End of Period			<u>33,330,000</u>				<u>33,330,000</u>	
<b>Vacancy</b>								
Unoccupied Beginning of Period			1,648,000	5.0% of Total Portfolio			1,454,000	4.5% of Total Portfolio
Less New Leases Signed with Terms Commencing after end of Prior Period	12		<u>(231,000)</u>		10		<u>(209,000)</u>	
Not Leased Beginning of Period			<u>1,417,000</u>	4.3% of Total Portfolio			<u>1,245,000</u>	3.9% of Total Portfolio
Leases Expiring	97		1,411,000	4.2% of Total Portfolio	249		3,778,000	11.3% of Total Portfolio
Early Terminations/Bankruptcies	7		281,000		28		636,000	
New Development/Acquisition Vacancy			<u>22,000</u>				<u>144,000</u>	
			<u>1,714,000</u>				<u>4,558,000</u>	
Renewal Leases Signed of Expiring SF	68	70%	(1,148,000)	81% Renewed of Expiring SF	174	70%	(2,768,000)	73% Renewed of Expiring SF
New Leases Signed of Expiring SF	9		(105,000)	7% Re-Leased of Expiring SF	27		(399,000)	11% Re-Leased of Expiring SF
New Leases Signed of Early Terminations/Bankruptcies	4		(199,000)		18		(490,000)	
New Leases Signed of Vacancy SF	36		(614,000)		69		(951,000)	
	<u>117</u>		<u>(2,066,000)</u>		<u>288</u>		<u>(4,608,000)</u>	
Net Change in Month to Month Leases			9,000				(121,000)	
Dispositions			-				-	
Not Leased End of Period			<u>1,074,000</u>	3.2% of Total Portfolio			<u>1,074,000</u>	3.2% of Total Portfolio
Plus New Leases Signed with Terms Commencing after end of Current Period	19		<u>195,000</u>		19		<u>195,000</u>	
Unoccupied End of Period			<u>1,269,000</u>	3.8% of Total Portfolio			<u>1,269,000</u>	3.8% of Total Portfolio
Renewals Signed after 09/30/14			149,000					
New Leases Signed after 09/30/14			<u>32,000</u>					
			<u>181,000</u>					

Based on Leases Signed During the Period	New Leases (1)	Renewal Leases	New & Renewal Leases (1)	New Leases (1)	Renewal Leases	New & Renewal Leases (1)
Weighted Average Term in Years	4.5	3.9	4.1	4.4	4.0	4.1
Average Lease Size	16,842	16,882	16,866	15,444	15,903	15,727
Rental Change	2.2%	9.8%	6.9%	4.5%	10.0%	8.0%
Rental Change without S/L Rent	-3.1%	1.2%	-0.4%	-0.8%	1.0%	0.3%
Tenant Improvement PSF (2)	\$ 2.12	\$ 0.75	\$ 1.30	\$ 2.64	\$ 0.77	\$ 1.47
Leasing Commission PSF (2)	\$ 1.51	\$ 1.27	\$ 1.37	\$ 1.44	\$ 1.15	\$ 1.26

(1) Does not include 1st generation space on properties developed or acquired by EastGroup.  
(2) Per Square Foot (PSF) amounts represent total amounts for the life of the lease.

	Total Square Feet of Properties	% of Total	Annualized Base Rent (1)	% Leased	% Occupied	Same Property (Without S/L Rent) PNOI Change		Rental Change (Without S/L Rent) New and Renewals		Lease Expirations in Square Feet	
						QTR	YTD	QTR	YTD	2014 (2)	2015
<b>Florida</b>											
Jacksonville	1,915,000	5.7%	4.4%	96.5%	94.3%	27.0%	27.3%	5.6%	5.0%	21,000	413,000
Orlando	2,414,000	7.2%	7.7%	97.9%	97.3%	3.4%	-1.1%	-5.2%	-5.9%	10,000	380,000
Tampa	3,860,000	11.6%	10.7%	94.5%	94.4%	2.9%	2.5%	-4.9%	-2.0%	40,000	660,000
Ft. Lauderdale	937,000	2.8%	3.7%	99.1%	99.1%	9.0%	3.8%	1.1%	-2.1%	11,000	297,000
Ft. Myers	218,000	0.7%	0.8%	100.0%	94.0%	-2.6%	1.9%	55.3%	33.8%	-	31,000
	<b>9,344,000</b>	<b>28.0%</b>	<b>27.3%</b>	<b>96.4%</b>	<b>95.6%</b>	<b>7.0%</b>	<b>5.0%</b>	<b>-0.8%</b>	<b>-1.3%</b>	<b>82,000</b>	<b>1,781,000</b>
<b>Texas</b>											
Dallas	2,936,000	8.8%	6.7%	98.0%	98.0%	4.4%	-5.3%	5.7%	5.5%	86,000	400,000
Houston	6,119,000	18.4%	20.8%	96.7%	96.4%	3.5%	0.6%	0.6%	2.8%	73,000	669,000
El Paso	958,000	2.9%	2.1%	96.7%	94.6%	-2.8%	-4.9%	3.4%	2.6%	29,000	258,000
San Antonio	2,045,000	6.1%	7.3%	98.7%	95.9%	6.2%	2.2%	2.3%	0.0%	42,000	322,000
Austin	265,000	0.8%	1.0%	100.0%	100.0%	NA	NA	NA	NA	-	-
	<b>12,323,000</b>	<b>37.0%</b>	<b>37.9%</b>	<b>97.4%</b>	<b>96.7%</b>	<b>3.9%</b>	<b>-0.2%</b>	<b>1.8%</b>	<b>2.7%</b>	<b>230,000</b>	<b>1,649,000</b>
<b>California</b>											
San Francisco	1,045,000	3.1%	3.0%	100.0%	100.0%	42.9%	14.5%	-2.5%	-2.5%	-	229,000
Los Angeles (3)	2,040,000	6.1%	7.5%	100.0%	99.6%	11.0%	5.1%	2.9%	1.7%	48,000	695,000
Santa Barbara (3)	214,000	0.7%	2.3%	87.8%	86.8%	-9.9%	-12.9%	-12.9%	-5.8%	2,000	21,000
Fresno	398,000	1.2%	0.8%	90.8%	89.8%	-19.8%	-8.1%	2.2%	8.0%	-	144,000
San Diego	465,000	1.4%	1.4%	93.7%	93.7%	9.3%	19.3%	-31.3%	-5.2%	12,000	40,000
	<b>4,162,000</b>	<b>12.5%</b>	<b>15.0%</b>	<b>97.8%</b>	<b>97.4%</b>	<b>12.6%</b>	<b>4.5%</b>	<b>-4.0%</b>	<b>-0.9%</b>	<b>62,000</b>	<b>1,129,000</b>
<b>Arizona</b>											
Phoenix	2,165,000	6.5%	5.7%	93.0%	92.5%	-4.3%	-1.4%	-2.1%	-2.6%	20,000	550,000
Tucson	750,000	2.3%	2.1%	100.0%	100.0%	5.8%	9.0%	-12.5%	-14.4%	10,000	17,000
	<b>2,915,000</b>	<b>8.8%</b>	<b>7.8%</b>	<b>94.8%</b>	<b>94.4%</b>	<b>-1.4%</b>	<b>1.5%</b>	<b>-3.2%</b>	<b>-3.7%</b>	<b>30,000</b>	<b>567,000</b>
<b>North Carolina</b>											
Charlotte	2,638,000	7.9%	5.8%	95.8%	95.8%	8.8%	-0.3%	-4.3%	-1.1%	108,000	496,000
	<b>2,638,000</b>	<b>7.9%</b>	<b>5.8%</b>	<b>95.8%</b>	<b>95.8%</b>	<b>8.8%</b>	<b>-0.3%</b>	<b>-4.3%</b>	<b>-1.1%</b>	<b>108,000</b>	<b>496,000</b>
<b>Total Core Markets</b>	<b>31,382,000</b>	<b>94.2%</b>	<b>93.8%</b>	<b>96.8%</b>	<b>96.2%</b>	<b>6.1%</b>	<b>2.4%</b>	<b>-0.7%</b>	<b>0.1%</b>	<b>512,000</b>	<b>5,622,000</b>
<b>Total Other Markets</b>	<b>1,948,000</b>	<b>5.8%</b>	<b>6.2%</b>	<b>97.0%</b>	<b>96.6%</b>	<b>3.4%</b>	<b>9.7%</b>	<b>6.2%</b>	<b>4.7%</b>	<b>41,000</b>	<b>362,000</b>
<b>Total Operating Properties</b>	<b>33,330,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>96.8%</b>	<b>96.2%</b>	<b>5.9%</b>	<b>2.8%</b>	<b>-0.4%</b>	<b>0.3%</b>	<b>553,000</b>	<b>5,984,000</b>

(1) Based on the Annualized Base Rent as of the reporting period for occupied square feet (without S/L Rent).

(2) Square Feet expiring during the remainder of the year.

(3) Includes the Company's share of its less-than-wholly-owned real estate investments.

LEASE EXPIRATION	Square Footage of Leases Expiring	% of Total SF	Annualized Current Base Rent of Leases Expiring (without S/L Rent)	% of Total Base Rent of Leases Expiring (without S/L Rent)
Month-to-Month	362,000	1.1%	\$ 1,687,000	1.0%
Vacancy (1)	1,074,000	3.2%	-	0.0%
2014 - remainder of year	553,000	1.7%	3,039,000	1.8%
2015	5,984,000	18.0%	32,596,000	19.3%
2016	6,058,000	18.2%	30,972,000	18.4%
2017	5,436,000	16.3%	29,366,000	17.4%
2018	3,848,000	11.5%	20,482,000	12.2%
2019	2,910,000	8.7%	12,329,000	7.3%
2020	2,203,000	6.6%	12,651,000	7.5%
2021	1,921,000	5.8%	9,682,000	5.7%
2022	1,115,000	3.3%	5,557,000	3.3%
2023 and beyond	1,866,000	5.6%	10,198,000	6.1%
<b>TOTAL</b>	<b>33,330,000</b>	<b>100.0%</b>	<b>\$ 168,559,000</b>	<b>100.0%</b>

(1) Vacancy, end of period	1,269,000
New leases signed with terms commencing after end of period	<u>(195,000)</u>
Vacancy, based on leases signed	<u>1,074,000</u>

Total SF as of 09/30/14 for Operating Properties 33,330,000

Total Annualized Base Rent as of 09/30/14 for Operating Properties (without S/L Rent) \$ 168,559,000

Customer	# of Leases	Location	Total SF Leased	% of Total Portfolio	Customer Annualized Base Rent (1)	% of Total Annualized Base Rent (2)	Expiration Date (3)
<b>1 United Stationers Supply Co.</b>	1	Orlando, FL	404,000	1.2%	2,135,000	1.3%	04/19/18
<b>2 Kuehne &amp; Nagel, Inc.</b>	1	Houston, TX	125,000		869,000		04/30/17
	1	Charlotte, NC	71,000		447,000		07/31/22
	1	Houston, TX	160,000	1.1%	874,000	1.3%	02/28/23
<b>3 Iron Mountain Information Management, Inc.</b>	1	Ft. Lauderdale, FL	45,000		239,000		01/31/16
	1	Phoenix, AZ	39,000		141,000		01/31/18
	1	Jacksonville, FL	40,000		139,000		09/30/19
	2	Tampa, FL	184,000	0.9%	811,000	0.8%	09/30/21
<b>4 Repet, Inc.</b>	1	Los Angeles, CA	300,000	0.9%	1,030,000	0.6%	01/31/22
<b>5 Conn's, Inc.</b>	1	Charlotte, NC	300,000	0.9%	1,215,000	0.7%	03/31/24
<b>6 Tower Automotive</b>	1	Madison, MS	280,000	0.8%	970,000	0.6%	12/31/15
<b>7 The Mattress Firm</b>	2	Ft. Myers, FL	25,000		138,000		09/30/16
	2	Jacksonville, FL	44,000		221,000		10/31/16
	1	Houston, TX	202,000	0.8%	992,000	0.8%	09/30/24
<b>8 U.S. Postal Service</b>	1	New Orleans, LA	99,000		458,000		02/28/19
	1	Tampa, FL	39,000		276,000		06/30/19
	1	Houston, TX	110,000		564,000		06/30/19
	1	Tampa, FL	19,000	0.8%	139,000	0.9%	09/02/19
<b>9 Federal Express Corporation and Subsidiaries</b>	1	Jackson, MS	6,000		44,000		02/28/15
	1	Jacksonville, FL	72,000		209,000		09/30/15
	1	Los Angeles, CA	24,000		183,000		07/31/16
	1	Ft. Myers, FL	63,000		547,000		12/31/16
	1	Ft. Lauderdale, FL	50,000		437,000		01/31/17
	1	Houston, TX	35,000		168,000		05/31/18
	1	San Diego, CA	15,000	0.8%	97,000	1.0%	11/30/22
<b>10 Price Transfer, Inc.</b>	1	Los Angeles, CA	262,000	0.8%	1,681,000	1.0%	01/31/15
	<u>29</u>		<u>3,013,000</u>	<u>9.0%</u>	<u>15,024,000</u>	<u>9.0%</u>	

(1) Based on the Annualized Base Rent as of 09/30/14 (without S/L Rent).

(2) Calculation: Customer Annualized Base Rent / Total Annualized Base Rent (without S/L Rent).

(3) Expiration date reflects renewals as of 10/15/14.

	<b>Three Months Ended September 30, 2014</b>	<b>Nine Months Ended September 30, 2014</b>
EBITDA for the period	\$ 37,109	107,184
Adjust NOI for significant acquisitions as if owned for entire period	-	1,098
Subtract NOI from developments in lease-up or under construction	(223)	(301)
Subtract NOI from properties sold during the period	(217)	(719)
Adjusted EBITDA	<u>\$ 36,669</u>	<u>107,262</u>
Adjusted EBITDA - Annualized	<u>\$ 146,676</u>	<u>143,016</u>
Debt at September 30, 2014	\$ 921,031	921,031
Developments in lease-up or under construction	(115,700)	(115,700)
Adjusted Debt	<u>\$ 805,331</u>	<u>805,331</u>
ADJUSTED DEBT-TO-EBITDA RATIO	<u>5.49</u>	<u>5.63</u>

	Quarter Ended		Years Ended		
	9/30/2014	2013	2012	2011	2010
<b>ASSETS/MARKET CAPITALIZATION</b>					
Assets	\$ 1,562,977	1,473,412	1,354,102	1,286,516	1,183,276
Equity Market Capitalization	1,934,639	1,792,193	1,610,452	1,202,572	1,141,520
Total Market Capitalization (Debt and Equity)	2,855,670	2,685,938	2,424,378	2,035,258	1,877,239
Shares Outstanding - Common	31,930,012	30,937,225	29,928,490	27,658,059	26,973,531
Price per share	60.59	57.93	53.81	43.48	42.32
<b>FFO CHANGE</b>					
FFO per diluted share	0.89	3.23	3.08	2.96	2.86
Change	7.2%	4.9%	4.1%	3.5%	-8.9%
<b>COMMON DIVIDEND PAYOUT RATIO</b>					
Dividend distribution	0.57	2.14	2.10	2.08	2.08
FFO per diluted share	0.89	3.23	3.08	2.96	2.86
Dividend payout ratio	64%	66%	68%	70%	73%
<b>COMMON DIVIDEND YIELD</b>					
Dividend distribution	0.57	2.14	2.10	2.08	2.08
Price per share	60.59	57.93	53.81	43.48	42.32
Dividend yield	3.76%	3.69%	3.90%	4.78%	4.91%
<b>FFO MULTIPLE</b>					
FFO per diluted share	0.89	3.23	3.08	2.96	2.86
Price per share	60.59	57.93	53.81	43.48	42.32
Multiple	17.02	17.93	17.47	14.69	14.80
<b>INTEREST COVERAGE RATIO</b>					
EBITDA	37,109	133,965	124,626	115,441	112,730
Interest expense	8,852	35,485	35,675	35,023	35,493
Interest coverage ratio	4.19	3.78	3.49	3.30	3.18
<b>FIXED CHARGE COVERAGE RATIO</b>					
EBITDA	37,109	133,965	124,626	115,441	112,730
Interest expense plus dividends on nonconvertible preferred stock	8,852	35,485	35,675	35,023	35,493
Fixed charge coverage ratio	4.19	3.78	3.49	3.30	3.18
<b>DEBT-TO-EBITDA RATIO</b>					
Debt	921,031	893,745	813,926	832,686	735,718
EBITDA	37,109	133,965	124,626	115,441	112,730
Debt-to-EBITDA ratio	6.20	6.67	6.53	7.21	6.53
<b>DEBT-TO-TOTAL MARKET CAPITALIZATION</b>					
	32%	33%	34%	41%	39%

Listed below are definitions of commonly used real estate investment trust (REIT) industry terms. For additional information on REITs, please see the National Association of Real Estate Investment Trusts (NAREIT) web site at [www.nareit.com](http://www.nareit.com).

**Real Estate Investment Trust:** A company that owns and, in most cases, operates income-producing real estate such as apartments, shopping centers, offices, hotels and warehouses. Some REITs also engage in financing real estate. The shares of most REITs are freely traded, usually on a major stock exchange.

To qualify as a REIT, a company must distribute at least 90 percent of its taxable income to its stockholders annually. A company that qualifies as a REIT is permitted to deduct dividends paid to its stockholders from its corporate taxable income. As a result, most REITs remit at least 100 percent of their taxable income to their stockholders and therefore owe no corporate federal income tax. Taxes are paid by stockholders on the dividends received. Most states honor this federal treatment and also do not require REITs to pay state income tax.

**Industrial Properties:** Generally consisting of four concrete walls tilted up on a slab of concrete. An internal office component is then added. Business uses include warehousing, distribution, light manufacturing and assembly, research and development, showroom, office, or a combination of some or all of the aforementioned.

**Property Net Operating Income (PNOI):** *Income from real estate operations less Expenses from real estate operations* (including market-based internal management fee expense) plus the Company's share of income and property operating expenses from its less-than-wholly-owned real estate investments.

**EBITDA:** Earnings, defined as Net Income excluding gains on sales of depreciable real estate property, before interest, taxes, depreciation and amortization.

**Debt-to-EBITDA Ratio:** A ratio calculated by dividing a company's debt by its EBITDA.

**Adjusted Debt-to-EBITDA Ratio:** A ratio calculated by dividing a company's adjusted debt by its adjusted EBITDA. Debt is adjusted by subtracting the cost of developments in lease-up or under construction. EBITDA is adjusted by adding an estimate of NOI for significant acquisitions as if the acquired properties were owned for the entire period, and by subtracting NOI from developments in lease-up or under construction and from properties sold during the period.

**Funds From Operations (FFO):** FFO is the most commonly accepted reporting measure of a REIT's operating performance, and the Company computes FFO in accordance with standards established by NAREIT. It is equal to a REIT's net income (loss) attributable to common stockholders computed in accordance with generally accepted accounting principles, excluding gains or losses from sales of depreciable real estate property and impairment losses, plus real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

**Total Return:** A stock's dividend income plus capital appreciation over a specified period as a percentage of the stock price at the beginning of the period.

**Straight-Lining:** The process of averaging the customer's rent payments over the life of the lease. Generally accepted accounting principles require real estate companies to "straight-line" rents.

**Debt-to-Total Market Capitalization Ratio:** A ratio calculated by dividing a company's debt by the total amount of a company's equity (at market value) and debt.

**Percentage Leased:** The percentage of total leasable square footage for which there is a signed lease, including month-to-month leases, as of the close of the reporting period. Space is considered leased upon execution of the lease.

**Percentage Occupied:** The percentage of total leasable square footage for which the lease term has commenced as of the close of the reporting period.

**Same Properties:** Operating properties owned during the entire current period and prior year reporting period. Development properties are excluded until stabilized for both the current and prior year reporting periods.

**Rental changes on new and renewal leases (before straight-line rents):** Rental changes are calculated as the difference, weighted by square feet, of the annualized base rent due the first month of the new customer's term and the annualized base rent of the rent due the last month of the former customer's term. If free rent is given, then the first positive full rent value is used. Rental amounts exclude base stop amounts, holdover rent, and premium or discounted rent amounts. This calculation excludes leases with terms less than 12 months, as well as first generation space acquired or developed by EastGroup Properties.