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EastGroup Properties Announces The Sale Of A Houston Asset And The Signing Of A New Loan Commitment

JACKSON, Miss., Feb. 18, 2016 /PRNewswire/ -- **EastGroup Properties (NYSE: EGP)** today announced the sale of its Northwest Point Distribution and Service Centers in Houston, on February 12, 2016. The sale of the properties, which contain 232,000 square feet, generated gross sales proceeds of approximately \$15.6 million. The Company expects to record a gain on the sale in the first quarter of 2016.

On February 10, 2016, EastGroup executed a commitment letter for a \$65 million senior unsecured term loan which is expected to close on April 1, 2016. The loan will have a seven-year term and interest only payments. It will bear interest at the annual rate of LIBOR plus an applicable margin (currently 1.65%) based on the Company's senior unsecured long-term debt rating. The Company also entered into an interest rate swap agreement to convert the loan's LIBOR rate component to a fixed interest rate for the entire term of the loan providing a total effective fixed interest rate of 2.863%. Closing of the loan and swap agreement are subject to customary closing conditions.

EastGroup Properties, Inc. is a self-administered equity real estate investment trust focused on the development, acquisition and operation of industrial properties in major Sunbelt markets throughout the United States with an emphasis in the states of Florida, Texas, Arizona, California and North Carolina. The Company's strategy for growth is based on its property portfolio orientation toward premier distribution facilities clustered near major transportation features. EastGroup's portfolio currently includes 36.3 million square feet.

Certain statements in this release are forward-looking and as such are based upon the Company's current belief as to the outcome and timing of future events. There can be no assurance that future developments affecting the Company will be those anticipated by the Company. These forward-looking statements involve risks and uncertainties (some of which are beyond the control of the Company) and are subject to change based upon various factors, including but not limited to the following risks and uncertainties: failure of the Company to satisfy one or more closing conditions for the loan or the swap agreement; changes in the real estate industry and in performance of the financial markets; the demand for and market acceptance of the Company's properties for rental purposes; the amount and growth of the Company's expenses; tenant financial difficulties; and general economic conditions, including interest rates, as well as economic conditions in those areas where the Company owns properties, the risks associated with the development of real property, and other risks and uncertainties detailed from time to time in the Company's SEC filings. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, the Company's results could differ materially from those expressed in the forward-looking statements.

EastGroup Properties, Inc. press releases are available on the Company's website at www.eastgroup.net.

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SOURCE EastGroup Properties, Inc.

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