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EastGroup Properties Announces Updated Estimates For General And Administrative Costs For 2017

JACKSON, Miss., March 6, 2017 /[PRNewswire](#)/ -- **EastGroup Properties** (NYSE: EGP) announced today an update to its initial 2017 estimates for general and administrative (G&A) costs disclosed in its Fourth Quarter and Year 2016 earnings press release dated February 1, 2017. The Company's initial estimates included G&A expenses of \$4.8 million for the three months ending March 31, 2017, and \$12.3 million for the twelve months ending December 31, 2017. The Company disclosed in its February 1, 2017, release that the estimated G&A expenses did not include expense for an anticipated change in the structure of the Company's equity compensation plans for its executive officers. The new plans are expected to include bright-line tests for performance metrics and market conditions, resulting in a grant date upon approval of the forward-looking plans, which is anticipated to occur in May 2017. This will cause the Company to begin expensing the equity compensation earlier than it has for prior year plans, resulting in a one time overlap of expenses of approximately \$.03 per share in 2017.

EastGroup has adjusted its estimated 2017 G&A expenses for the anticipated costs associated with the 2017 equity compensation plans for its executive officers, which are expected to be approved by the Compensation Committee of the Company's Board of Directors in May 2017. The Company has also adjusted its estimated G&A expenses for personnel costs related to recently announced executive transitions.

The Company's updated estimates for G&A expenses are \$5.5 million for the three months ending March 31, 2017, and \$14.4 million for the twelve months ending December 31, 2017. The increased G&A expenses reduce the Company's estimated diluted earnings per share and funds from operations by \$.02 per share for the first quarter and \$.06 per share for the year.

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 ownership of premier distribution facilities generally clustered near major transportation features in supply-constrained submarkets. EastGroup's portfolio, including development projects in lease-up and under construction, currently includes over 38 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: the risks associated with property acquisitions; the failure to acquire properties as and when anticipated; 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 at www.eastgroup.net.

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/eastgroup-properties-announces-updated-estimates-for-general-and-administrative-costs-for-2017-300418352.html>

SOURCE EastGroup Properties, Inc.

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<https://investor.eastgroup.net/2017-03-06-EastGroup-Properties-Announces-Updated-Estimates-For-General-And-Administrative-Costs-For-2017>

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