

## **Supplemental Information**

March 31, 2014



**Horizon I  
Orlando, FL  
109,000 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.

|  | <b>March 31, 2014</b><br><b>(Unaudited)</b> | <b>December 31, 2013</b> |
|--|---|--------------------------|
| <b>ASSETS</b>  |   |                          |
| Real estate properties   | \$ 1,796,623                                | 1,778,559                |
| Development  | 151,125                                     | 148,767                  |
|  | <u>1,947,748</u>                            | <u>1,927,326</u>         |
| Less accumulated depreciation  | (562,185)                                   | (550,113)                |
|  | <u>1,385,563</u>                            | <u>1,377,213</u>         |
| Unconsolidated investment  | 2,858                                       | 2,764                    |
| Cash   | 1,880                                       | 8                        |
| Other assets   | <u>90,629</u>                               | <u>93,427</u>            |
| <b>TOTAL ASSETS</b>  | <b>\$ 1,480,930</b>                         | <b>1,473,412</b>         |
| <b>LIABILITIES AND EQUITY</b>  |   |                          |
| <b>LIABILITIES</b>   |   |                          |
| Secured debt   | \$ 494,256                                  | 499,793                  |
| Unsecured debt   | 305,000                                     | 305,000                  |
| Unsecured bank credit facilities   | 99,359                                      | 88,952                   |
| Accounts payable and accrued expenses  | 28,161                                      | 37,104                   |
| Other liabilities  | 25,336                                      | 23,858                   |
| Total Liabilities  | <u>952,112</u>                              | <u>954,707</u>           |
| <b>EQUITY</b>  |   |                          |
| Stockholders' Equity:  |   |                          |
| Common shares; \$.0001 par value; 70,000,000 shares authorized;<br>31,299,928 shares issued and outstanding at March 31, 2014<br>and 30,937,225 at December 31, 2013 | 3   | 3                        |
| Excess shares; \$.0001 par value; 30,000,000 shares<br>authorized; no shares issued  | -   | -                        |
| Additional paid-in capital on common shares  | 810,414                                     | 790,535                  |
| Distributions in excess of earnings  | (286,851)                                   | (278,169)                |
| Accumulated other comprehensive income   | 592   | 1,629                    |
| Total Stockholders' Equity   | <u>524,158</u>                              | <u>513,998</u>           |
| Noncontrolling interest in joint ventures  | <u>4,660</u>                                | <u>4,707</u>             |
| Total Equity   | <u>528,818</u>                              | <u>518,705</u>           |
| <b>TOTAL LIABILITIES AND EQUITY</b>  | <b>\$ 1,480,930</b>                         | <b>1,473,412</b>         |

|  | <b>Three Months Ended<br/>March 31,</b> |               |
|--|---|---------------|
|  | <b>2014</b>                             | <b>2013</b>   |
| <b>REVENUES</b>  |   |               |
| Income from real estate operations   | \$ 52,777                               | 48,153        |
| Other income   | 35                                      | 48            |
|  | <u>52,812</u>                           | <u>48,201</u> |
| <b>EXPENSES</b>  |   |               |
| Expenses from real estate operations   | 15,012                                  | 13,542        |
| Depreciation and amortization  | 17,168                                  | 15,562        |
| General and administrative   | 3,448                                   | 3,364         |
| Acquisition costs  | -                                       | 29            |
|  | <u>35,628</u>                           | <u>32,497</u> |
| <b>OPERATING INCOME</b>  | 17,184                                  | 15,704        |
| <b>OTHER INCOME (EXPENSE)</b>  |   |               |
| Interest expense   | (8,986)                                 | (8,621)       |
| Other  | 316                                     | 224           |
| <b>INCOME FROM CONTINUING OPERATIONS</b>   | <u>8,514</u>                            | <u>7,307</u>  |
| <b>INCOME FROM DISCONTINUED OPERATIONS</b>   | <u>-</u>                                | <u>1</u>      |
| <b>NET INCOME</b>  | 8,514                                   | 7,308         |
| Net income attributable to noncontrolling interest in joint ventures   | <u>(142)</u>                            | <u>(154)</u>  |
| <b>NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS</b>                                   | 8,372                                   | 7,154         |
| Other comprehensive income (loss) - cash flow hedges   | <u>(1,037)</u>                          | <u>222</u>    |
| <b>TOTAL COMPREHENSIVE INCOME</b>  | <u>\$ 7,335</u>                         | <u>7,376</u>  |
| <b>BASIC PER COMMON SHARE DATA FOR NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS</b>   |   |               |
| Income from continuing operations  | \$ 0.27                                 | 0.24          |
| Income from discontinued operations  | 0.00                                    | 0.00          |
| Net income attributable to common stockholders   | <u>\$ 0.27</u>                          | <u>0.24</u>   |
| Weighted average shares outstanding  | <u>30,806</u>                           | <u>29,809</u> |
| <b>DILUTED PER COMMON SHARE DATA FOR NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS</b> |   |               |
| Income from continuing operations  | \$ 0.27                                 | 0.24          |
| Income from discontinued operations  | 0.00                                    | 0.00          |
| Net income attributable to common stockholders   | <u>\$ 0.27</u>                          | <u>0.24</u>   |
| Weighted average shares outstanding  | <u>30,886</u>                           | <u>29,890</u> |
| <b>AMOUNTS ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS</b>                                      |   |               |
| Income from continuing operations  | \$ 8,372                                | 7,153         |
| Income from discontinued operations  | -                                       | 1             |
| Net income attributable to common stockholders   | <u>\$ 8,372</u>                         | <u>7,154</u>  |

|  | <b>Three Months Ended</b> |               |
|--|---------------------------|---------------|
|  | <b>March 31,</b>          |               |
|  | <b>2014</b>               | <b>2013</b>   |
| <b>NET INCOME</b>  | \$ 8,514                  | 7,308         |
| Interest income  | (127)                     | (133)         |
| Gain on sales of real estate investments   | (95)                      | -             |
| Equity in earnings of unconsolidated investment  | (94)                      | (91)          |
| Other income   | (35)                      | (48)          |
| Income from discontinued operations  | -                         | (1)           |
| Depreciation and amortization from continuing operations   | 17,168                    | 15,562        |
| Interest expense <sup>(1)</sup>  | 8,986                     | 8,621         |
| General and administrative expense <sup>(2)</sup>  | 3,448                     | 3,364         |
| Acquisition costs  | -                         | 29            |
| <b>PROPERTY NET OPERATING INCOME (PNOI)</b>  | <b>\$ 37,765</b>          | <b>34,611</b> |
| <b>COMPONENTS OF PNOI:</b>   |                           |               |
| PNOI from Same Properties  | \$ 34,589                 | 34,109        |
| PNOI from 2013 Acquisitions  | 1,174                     | -             |
| PNOI from 2013 and 2014 Development Properties   | 2,000                     | 465           |
| PNOI from 2014 Dispositions  | 38                        | 77            |
| Other PNOI   | (36)                      | (40)          |
| <b>TOTAL PNOI</b>  | <b>\$ 37,765</b>          | <b>34,611</b> |
| <b>NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC.</b>   |                           |               |
| <b>COMMON STOCKHOLDERS</b>   | \$ 8,372                  | 7,154         |
| Depreciation and amortization from continuing operations   | 17,168                    | 15,562        |
| Depreciation and amortization from discontinued operations   | -                         | 53            |
| Depreciation from unconsolidated investment  | 33                        | 33            |
| Depreciation and amortization from noncontrolling interest   | (52)                      | (62)          |
| Gain on sales of real estate investments   | (95)                      | -             |
| <b>FUNDS FROM OPERATIONS (FFO) ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>   | <b>\$ 25,426</b>          | <b>22,740</b> |
| <b>NET INCOME</b>  | \$ 8,514                  | 7,308         |
| Interest expense <sup>(1)</sup>  | 8,986                     | 8,621         |
| Interest expense from unconsolidated investment  | 71                        | 74            |
| Depreciation and amortization from continuing operations   | 17,168                    | 15,562        |
| Depreciation and amortization from discontinued operations   | -                         | 53            |
| Depreciation from unconsolidated investment  | 33                        | 33            |
| Gain on sales of real estate investments   | (95)                      | -             |
| <b>EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)</b>                                     | <b>\$ 34,677</b>          | <b>31,651</b> |
| <b>DILUTED PER COMMON SHARE DATA FOR NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS</b> |                           |               |
| Income from continuing operations  | \$ 0.27                   | 0.24          |
| Income from discontinued operations  | 0.00                      | 0.00          |
| Net income attributable to common stockholders   | <b>\$ 0.27</b>            | <b>0.24</b>   |
| Funds from operations (FFO) attributable to common stockholders  | <b>\$ 0.82</b>            | <b>0.76</b>   |
| Weighted average shares outstanding for EPS and FFO purposes   | <b>30,886</b>             | <b>29,890</b> |

<sup>(1)</sup> Net of capitalized interest of \$1,110 and \$1,291 for the three months ended March 31, 2014 and 2013, respectively.

<sup>(2)</sup> Net of capitalized development costs of \$1,147 and \$1,069 for the three months ended March 31, 2014 and 2013, respectively.

|  | <b>Three Months Ended March 31,</b> |                 |
|--|-------------------------------------|-----------------|
|  | <b>2014</b>                         | <b>2013</b>     |
| <b>OPERATING ACTIVITIES</b>  |                                     |                 |
| Net income   | \$ 8,514                            | 7,308           |
| Adjustments to reconcile net income to net cash provided by operating activities:                        |                                     |                 |
| Depreciation and amortization from continuing operations   | 17,168                              | 15,562          |
| Depreciation and amortization from discontinued operations   | -                                   | 53              |
| Stock-based compensation expense   | 1,677                               | 1,370           |
| Gain on sales of land and real estate investments  | (95)                                | -               |
| Changes in operating assets and liabilities:   |                                     |                 |
| Accrued income and other assets  | 1,768                               | (24)            |
| Accounts payable, accrued expenses and prepaid rent  | (11,320)                            | (6,910)         |
| Other  | (101)                               | (98)            |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>   | <b>17,611</b>                       | <b>17,261</b>   |
| <b>INVESTING ACTIVITIES</b>  |                                     |                 |
| Real estate development  | (21,231)                            | (17,254)        |
| Real estate improvements   | (4,258)                             | (4,577)         |
| Proceeds from sales of real estate investments   | 3,471                               | -               |
| Repayments on mortgage loans receivable  | 39                                  | 26              |
| Changes in accrued development costs   | 3,413                               | 473             |
| Changes in other assets and other liabilities  | (2,325)                             | (2,214)         |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>   | <b>(20,891)</b>                     | <b>(23,546)</b> |
| <b>FINANCING ACTIVITIES</b>  |                                     |                 |
| Proceeds from unsecured bank credit facilities   | 64,078                              | 66,325          |
| Repayments on unsecured bank credit facilities   | (53,671)                            | (50,890)        |
| Repayments on secured debt   | (5,532)                             | (6,106)         |
| Debt issuance costs  | (21)                                | (1,441)         |
| Distributions paid to stockholders (not including dividends accrued on unvested restricted stock)        | (17,322)                            | (15,975)        |
| Proceeds from common stock offerings   | 19,602                              | 13,798          |
| Proceeds from dividend reinvestment plan   | 50                                  | 50              |
| Other  | (2,032)                             | (710)           |
| <b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>   | <b>5,152</b>                        | <b>5,051</b>    |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>  | <b>1,872</b>                        | <b>(1,234)</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>\$ 1,880</b>                     | <b>24</b>       |
| <b>SUPPLEMENTAL CASH FLOW INFORMATION</b>  |                                     |                 |
| Cash paid for interest, net of amount capitalized of \$1,110 and \$1,291 for 2014 and 2013, respectively | \$ 9,701                            | 8,257           |

|   | Three Months Ended<br>March 31, |               |             |
|---|---------------------------------|---------------|-------------|
|   | 2014                            | 2013          | % Change    |
| <b>COMPONENTS OF PROPERTY NET OPERATING INCOME (PNOI)</b> |                                 |               |             |
| Same property   | \$ 34,558                       | 34,142        | 1.2%        |
| 2013 acquisitions   | 1,089                           | -             |             |
| 2014 development  | 131                             | (1)           |             |
| 2013 development  | 1,378                           | 318           |             |
| 2014 dispositions   | 28                              | 86            |             |
| Other   | (36)                            | (40)          |             |
| <b>TOTAL PNOI WITHOUT STRAIGHT-LINE RENT ADJUSTMENTS</b>  | <b>37,148</b>                   | <b>34,505</b> |             |
| Straight-Line rent adjustments (continuing operations)    | 617                             | 106           |             |
| <b>TOTAL PNOI <sup>(1)</sup></b>                          | <b>\$ 37,765</b>                | <b>34,611</b> |             |
| <b>SAME PROPERTY NOI</b>                                  |                                 |               |             |
| Same property without straight-line rent adjustments      | \$ 34,558                       | 34,142        | 1.2%        |
| Same property straight-line rent adjustments              | 31                              | (33)          |             |
| Total same property NOI                                   | <b>\$ 34,589</b>                | <b>34,109</b> | <b>1.4%</b> |
| <b>REAL ESTATE INCOME &amp; EXPENSE</b>                   |                                 |               |             |
| Income from real estate operations                        | \$ 52,777                       | 48,153        |             |
| Expenses from real estate operations                      | (15,012)                        | (13,542)      |             |
| <b>TOTAL PNOI <sup>(1)</sup></b>                          | <b>\$ 37,765</b>                | <b>34,611</b> |             |
| <b>EXPENSE TO REVENUE RATIO</b>                           | <b>28.4%</b>                    | <b>28.1%</b>  |             |

<sup>(1)</sup> Total PNOI includes 100% of the revenues and expenses of EastGroup's two 80% owned joint ventures.

**SELECTED INCOME STATEMENT INFORMATION**
**CONTINUING OPERATIONS**

|  | <b>Three Months Ended<br/>March 31,</b>                            |             |
|--|--|-------------|
|  | <b>2014</b>  | <b>2013</b> |
|  | <i>(Items below represent increases or<br/>(decreases) in FFO)</i> |             |
| Straight-line (S/L) rent income adjustment             | \$ 661   | 188         |
| Bad debt recovery (expense) on S/L rent                | 52   | (22)        |
| Net straight-line rent income adjustment               | 713  | 166         |
| Lease termination fee income                           | 119  | 427         |
| Bad debt expense (excluding S/L rent bad debt)         | (65)   | (25)        |
| Stock-based compensation expense                       | (1,677)  | (1,370)     |
| Loan costs amortization                                | (304)  | (323)       |
| Acquired leases - market rent adjustment amortization  | 87   | (37)        |
| Acquisition costs                                      | -  | (29)        |
| Assumed mortgages - fair value adjustment amortization | 5  | 5           |
| Amortization of discount on mortgage loan receivable   | 3  | 4           |

**DISCONTINUED OPERATIONS**

|   | <b>Three Months Ended<br/>March 31,</b> |             |
|---|---|-------------|
|   | <b>2014</b>                             | <b>2013</b> |
| Income from real estate operations (without S/L rent adjustment)  | \$ -                                    | 73          |
| S/L rent adjustment   | -                                       | 1           |
| Expenses from real estate operations                              | -                                       | (20)        |
| <b>PROPERTY NET OPERATING INCOME FROM DISCONTINUED OPERATIONS</b> | -                                       | 54          |
| Depreciation and amortization                                     | -                                       | (53)        |
| <b>INCOME FROM DISCONTINUED OPERATIONS</b>                        | \$ -                                    | 1           |

**WEIGHTED AVERAGE COMMON SHARES OUTSTANDING**

|  | <b>Three Months Ended<br/>March 31,</b> |             |
|--|---|-------------|
|  | <b>2014</b>                             | <b>2013</b> |
| Weighted average common shares                   | 30,806                                  | 29,809      |
| <b>BASIC SHARES FOR EARNINGS PER SHARE (EPS)</b> | 30,806                                  | 29,809      |
| Potential common shares:                         |   |             |
| Stock options                                    | -                                       | 3           |
| Unvested restricted stock                        | 80                                      | 78          |
| <b>DILUTED SHARES FOR EPS AND FFO</b>            | 30,886                                  | 29,890      |



|   |                  | Costs Incurred |            |             | NOI <sup>(1)</sup> | Completion Date | Anticipated Conversion Date <sup>(2)</sup> | Projected Stabilized Yield <sup>(3)</sup> | Projected Avg |     | % Leased 3/31/14     | % Leased 4/15/14 |
|---|------------------|----------------|------------|-------------|--------------------|-----------------|--|---|---------------|-----|----------------------|------------------|
|   | Square Feet (SF) | 1st Qtr        | Cumulative | Projected   | 1st Qtr            |                 |  |   | % Occupied    |     |                      |                  |
|   | at Completion    | 2014           | at 3/31/14 | Total Costs | 2014               |                 |  |   | 2Q 14 3Q 14   |     |                      |                  |
| <b>Lease-up</b>                               |                  |                |            |             |                    |                 |  |   |               |     |                      |                  |
| Thousand Oaks 3                               | San Antonio, TX  | 66             | \$ 86      | 4,386       | 5,000              |                 | 07/13                                      | 07/14                                     | 8.3%          | 14% | 14%                  | 14%              |
| Ten West Crossing 2                           | Houston, TX      | 46             | 79         | 4,168       | 5,300              |                 | 09/13                                      | 07/14                                     | 8.9%          | 53% | 86%                  | 86%              |
| World Houston 37                              | Houston, TX      | 101            | 693        | 6,072       | 7,100              |                 | 09/13                                      | 08/14                                     | 9.0%          | 49% | 84%                  | 79%              |
| Horizon I                                     | Orlando, FL      | 109            | 691        | 5,992       | 7,700              |                 | 02/14                                      | 02/15                                     | 8.5%          | 0%  | 0%                   | 0%               |
| Ten West Crossing 4                           | Houston, TX      | 68             | 541        | 4,002       | 4,800              |                 | 02/14                                      | 02/15                                     | 8.4%          | 23% | 54%                  | 54%              |
| Steele Creek II                               | Charlotte, NC    | 71             | 1,054      | 4,395       | 5,300              |                 | 03/14                                      | 03/15                                     | 8.5%          | 50% | 50%                  | 50%              |
| Total Lease-up                                |                  | 461            | 3,144      | 29,015      | 35,200             | 107             |  |   |               |     | 33%                  | 35%              |
|   |                  |                |            |             |                    |                 |  |   |               |     | Weighted Avg %       |                  |
| <b>Under Construction</b>                     |                  |                |            |             |                    |                 |  |   |               |     |                      |                  |
| World Houston 39                              | Houston, TX      | 94             | 1,811      | 3,447       | 5,700              |                 | 05/14                                      | 05/15                                     | 8.5%          | 0%  | 0%                   | 0%               |
| Steele Creek III                              | Charlotte, NC    | 108            | 3,497      | 3,497       | 8,200              |                 | 08/14                                      | 08/15                                     | 8.7%          | 0%  | 28%                  | 42%              |
| Ten West Crossing 6                           | Houston, TX      | 64             | 1,531      | 1,531       | 4,800              |                 | 08/14                                      | 08/15                                     | 8.3%          | 0%  | 0%                   | 0%               |
| World Houston 41                              | Houston, TX      | 104            | 2,296      | 2,296       | 6,900              |                 | 08/14                                      | 08/15                                     | 8.7%          | 0%  | 0%                   | 0%               |
| Kyrene 202 I                                  | Phoenix, AZ      | 75             | 1,340      | 1,340       | 6,700              |                 | 09/14                                      | 09/15                                     | 8.4%          | 0%  | 0%                   | 0%               |
| Kyrene 202 II                                 | Phoenix, AZ      | 45             | 794        | 794         | 3,900              |                 | 09/14                                      | 09/15                                     | 8.4%          | 0%  | 0%                   | 0%               |
| Rampart IV                                    | Denver, CO       | 84             | 753        | 2,471       | 8,300              |                 | 09/14                                      | 09/15                                     | 8.6%          | 0%  | 0%                   | 0%               |
| Ten West Crossing 5                           | Houston, TX      | 101            | 1,158      | 2,570       | 7,000              |                 | 09/14                                      | 09/14                                     | 9.3%          | 0%  | 33%                  | 100%             |
| West Road I                                   | Houston, TX      | 63             | 1,699      | 1,699       | 4,900              |                 | 09/14                                      | 09/15                                     | 8.3%          | 0%  | 0%                   | 0%               |
| West Road II                                  | Houston, TX      | 100            | 2,716      | 2,716       | 6,500              |                 | 09/14                                      | 09/15                                     | 8.1%          | 0%  | 0%                   | 0%               |
| World Houston 40                              | Houston, TX      | 202            | 1,663      | 3,693       | 11,700             |                 | 09/14                                      | 09/14                                     | 9.0%          | 0%  | 33%                  | 100%             |
| Horizon II                                    | Orlando, FL      | 123            | 2,666      | 2,666       | 8,600              |                 | 10/14                                      | 10/15                                     | 8.5%          | 0%  | 33%                  | 33%              |
| Steele Creek IV                               | Charlotte, NC    | 54             | 1,014      | 1,014       | 4,000              |                 | 10/14                                      | 10/15                                     | 8.3%          | 0%  | 0%                   | 0%               |
| Alamo Ridge I                                 | San Antonio, TX  | 96             | 1,417      | 1,417       | 6,500              |                 | 11/14                                      | 11/15                                     | 8.3%          | 0%  | 0%                   | 0%               |
| Alamo Ridge II                                | San Antonio, TX  | 62             | 928        | 928         | 4,100              |                 | 11/14                                      | 11/15                                     | 8.3%          | 0%  | 0%                   | 0%               |
| Total Under Construction                      |                  | 1,375          | 25,283     | 32,079      | 97,800             | -               |  |   |               |     | 28%                  | 28%              |
|   |                  |                |            |             |                    |                 |  |   |               |     | Weighted Avg %       |                  |
| <b>Prospective Development <sup>(4)</sup></b> |                  |                |            |             |                    |                 |  |   |               |     |                      |                  |
|   | Acres            |                |            |             |                    |                 |  |   |               |     |                      |                  |
| Phoenix, AZ                                   | 21               | 286            | (1,380)    | 2,993       | 20,200             |                 |  |   |               |     |                      |                  |
| Tucson, AZ                                    | 4                | 70             | -          | 417         | 4,900              |                 |  |   |               |     | 32%                  | 33%              |
| Fort Myers, FL                                | 48               | 663            | -          | 17,858      | 50,000             |                 |  |   |               |     | Total Weighted Avg % |                  |
| Orlando, FL                                   | 119              | 1,144          | (2,092)    | 22,582      | 82,600             |                 |  |   |               |     |                      |                  |
| Tampa, FL                                     | 36               | 519            | 94         | 6,916       | 31,100             |                 |  |   |               |     |                      |                  |
| Jackson, MS                                   | 3                | 28             | -          | 706         | 2,000              |                 |  |   |               |     |                      |                  |
| Charlotte, NC                                 | 31               | 256            | (3,048)    | 4,306       | 17,600             |                 |  |   |               |     |                      |                  |
| Dallas, TX                                    | 38               | 445            | 3,024      | 4,273       | 30,800             |                 |  |   |               |     |                      |                  |
| El Paso, TX                                   | 13               | 251            | -          | 2,444       | 11,300             |                 |  |   |               |     |                      |                  |
| Houston, TX                                   | 107              | 1,558          | (4,106)    | 24,053      | 103,300            |                 |  |   |               |     |                      |                  |
| San Antonio, TX                               | 24               | 320            | (2,067)    | 3,483       | 21,700             |                 |  |   |               |     |                      |                  |
| Total Prospective Development                 | 444              | 5,540          | (9,575)    | 90,031      | 375,500            | -               |  |   |               |     |                      |                  |
|   | 444              | 7,376          | \$ 18,852  | 151,125     | 508,500            | 107             |  |   |               |     |                      |                  |

### Completed Development and Transferred to Real Estate Properties During 2014

|   |               |     |          |        |  |       |  |      |      |      |      |      |
|---|---------------|-----|----------|--------|--|-------|--|------|------|------|------|------|
| <b>1st Quarter</b>                          |               |     |          |        |  |       |  |      |      |      |      |      |
| Chandler Freeways                           | Phoenix, AZ   | 126 | \$ 548   | 8,406  |  | 11/13 |  | 8.0% | 100% | 100% | 100% | 100% |
| Steele Creek I                              | Charlotte, NC | 71  | 852      | 5,119  |  | 02/14 |  | 8.5% | 100% | 100% | 100% | 100% |
| Ten West Crossing 3                         | Houston, TX   | 68  | 580      | 4,949  |  | 09/13 |  | 9.2% | 100% | 100% | 100% | 100% |
|   |               | 265 | 1,980    | 18,474 |  |       |  |      |      |      |      |      |
| Total Transferred to Real Estate Properties |               | 265 | \$ 1,980 | 18,474 |  |       |  |      |      |      |      |      |

<sup>(1)</sup> Computed with rents on a straight-line basis.

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

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

<sup>(4)</sup> 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, 2030 <sup>(1)</sup>    |

**Selected Financial Information**
**EastGroup's  
Basis in 50%  
Ownership**
*(In thousands)*
**Balance Sheet Information as of March 31, 2014**
**ASSETS**

|                               |                 |
|-------------------------------|-----------------|
| Real estate properties        | \$ 9,231        |
| Less accumulated depreciation | (1,243)         |
|                               | <u>7,988</u>    |
| Other assets                  | 130             |
| <b>TOTAL ASSETS</b>           | <b>\$ 8,118</b> |

**LIABILITIES AND EQUITY**

|                                     |                 |
|-------------------------------------|-----------------|
| Mortgage note payable               | \$ 5,229        |
| Other liabilities                   | 31              |
| Equity                              | 2,858           |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>\$ 8,118</b> |

**EastGroup's Net Investment at March 31, 2014**
**\$ 2,858**
**EastGroup's 50% Ownership**
**Three Months Ended**
**March 31,**
**2014 2013**
*(In thousands)*
**Income Statement Information**

|                           |              |           |
|---------------------------|--------------|-----------|
| Property NOI              | \$ 198       | 198       |
| Interest Expense          | (71)         | (74)      |
| Depreciation Expense      | (33)         | (33)      |
| <b>Equity in Earnings</b> | <b>\$ 94</b> | <b>91</b> |

**Funds From Operations**
**\$ 127 124**

<sup>(1)</sup> The lender has the option to call the note on June 30, 2015. EastGroup's share of this mortgage is expected to be \$4,967,000 on that date.

|   | Interest Rate | Maturity Date | Balance at March 31, 2014 | Annualized Interest  |
|---|---------------|---------------|---------------------------|----------------------|
| <b>UNSECURED BANK CREDIT FACILITIES</b>   |               |               |                           |                      |
| \$25MM Line - Variable Rate   | 1.327%        | 01/05/17      | \$ 7,359,000              | \$ 98,000            |
| \$225MM Line - Variable Rate  | 1.329%        | 01/05/17      | 92,000,000                | 1,223,000            |
| Total Unsecured Bank Credit Facilities  |               |               | 99,359,000                | 1,321,000            |
| <b>UNSECURED DEBT</b>   |               |               |                           |                      |
| \$80MM Loan   | 2.770%        | 08/15/18      | 80,000,000                | 2,216,000            |
| \$50MM Loan   | 3.910%        | 12/21/18      | 50,000,000                | 1,955,000            |
| \$75MM Loan   | 3.752%        | 12/20/20      | 75,000,000                | 2,814,000            |
| \$100MM Loan  | 3.800%        | 08/28/25      | 100,000,000               | 3,800,000            |
| Total Unsecured Debt  |               |               | 305,000,000               | 10,785,000           |
| <b>SECURED DEBT</b>   |               |               |                           |                      |
| Kyrene Distribution Center  | 9.000%        | 07/01/14      | 44,000                    | 4,000                |
| Americas Ten I, Kirby, Palm River North I, II & III, Shady Trail, Westlake I & II and World Houston 17  | 5.680%        | 10/10/14      | 26,762,000                | 1,520,000            |
| 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      | 60,633,000                | 3,335,000            |
| Country Club I, Lake Pointe, Techway Southwest II and World Houston 19 & 20   | 4.980%        | 12/05/15      | 27,386,000                | 1,364,000            |
| Huntwood and Wiegman Distribution Centers   | 5.680%        | 09/05/16      | 28,444,000                | 1,616,000            |
| Alamo Downs, Arion 1-15 & 17, Rampart I, II, III & IV, Santan 10 and World Houston 16   | 5.970%        | 11/05/16      | 59,352,000                | 3,543,000            |
| 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      | 56,607,000                | 3,153,000            |
| Dominguez, Industry I & III, Kingsview, Shaw, Walnut and Washington   | 7.500%        | 05/05/19      | 58,572,000                | 4,393,000            |
| Blue Heron Distribution Center II   | 5.390%        | 02/29/20      | 991,000                   | 53,000               |
| 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      | 66,145,000                | 2,904,000            |
| 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      | 59,275,000                | 2,816,000            |
| 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      | 50,045,000                | 2,047,000            |
| Total Secured Debt  |               |               | 494,256,000               | 26,748,000           |
| <b>TOTAL DEBT</b>   |               |               | <b>\$ 898,615,000</b>     | <b>\$ 38,854,000</b> |
| <b>EQUITY MARKET CAPITALIZATION</b>   |               |               |                           |                      |
| Shares Outstanding - Common   |               |               | 31,299,928                |                      |
| Price per share   |               |               | \$ 62.91                  |                      |
| <b>TOTAL EQUITY MARKET CAPITALIZATION</b>   |               |               | <b>\$ 1,969,078,000</b>   |                      |
| <b>TOTAL MARKET CAPITALIZATION (DEBT AND EQUITY)</b>  |               |               | <b>\$ 2,867,693,000</b>   |                      |
| <b>TOTAL DEBT ÷ TOTAL MARKET CAPITALIZATION</b>   |               |               | <b>31.3%</b>              |                      |
| Weighted Average Interest Rate - Unsecured Bank Credit Facilities   |               |               |                           | 1.3%                 |
| Weighted Average Interest Rate - Unsecured Debt   |               |               |                           | 3.5%                 |
| Weighted Average Interest Rate - Secured Debt   |               |               |                           | 5.4%                 |
| Weighted Average Interest Rate - Total Debt   |               |               |                           | 4.3%                 |

| 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 .....                   | \$ 16,859,000  | 5.421%                         | \$ 26,466,000    | 5.680%                         | \$ 43,325,000  | 5.579%                         |
| 2015 .....                                | 20,433,000     | 5.406%                         | 81,854,000       | 5.345%                         | 102,287,000    | 5.357%                         |
| 2016 .....                                | 17,736,000     | 5.427%                         | 74,981,000       | 5.876%                         | 92,717,000     | 5.790%                         |
| 2017 .....                                | 13,076,000     | 5.273%                         | 45,069,000       | 5.570%                         | 58,145,000     | 5.503%                         |
| 2018 .....                                | 11,218,000     | 5.224%                         | -                | N/A                            | 11,218,000     | 5.224%                         |
| 2019 and beyond .....                     | 22,584,000     | 4.553%                         | 163,980,000      | 5.286%                         | 186,564,000    | 5.197%                         |
| <b>SECURED TOTAL / WEIGHTED AVERAGE</b>   | 101,906,000    | 5.186%                         | 392,350,000      | 5.470%                         | 494,256,000    | 5.412%                         |
| <b>UNSECURED</b>                          |                |                                |                  |                                |                |                                |
| 2018 .....                                | -              | N/A                            | 130,000,000      | 3.208%                         | 130,000,000    | 3.208%                         |
| 2019 and beyond .....                     | -              | N/A                            | 175,000,000      | 3.779%                         | 175,000,000    | 3.779%                         |
| <b>UNSECURED TOTAL / WEIGHTED AVERAGE</b> | -              | N/A                            | 305,000,000      | 3.536%                         | 305,000,000    | 3.536%                         |
| <b>TOTAL / WEIGHTED AVERAGE</b>           | \$ 101,906,000 | 5.186%                         | \$ 697,350,000   | 4.624%                         | \$ 799,256,000 | 4.696%                         |

|                              | <b>Shares Issued<br/>and Sold</b> | <b>Sales Price<br/>(Per Share)</b> | <b>Gross Proceeds</b> | <b>Offering-Related<br/>Fees and Expenses</b> | <b>Net Proceeds</b> |
|------------------------------|-----------------------------------|------------------------------------|-----------------------|---|---------------------|
| 1 <sup>st</sup> Quarter 2014 | 321,645                           | \$ 62.18                           | \$ 20,000,000         | \$ 398,000                                    | \$ 19,602,000       |

**Sales Agency Financing Agreements  
Dated February 2014**

|  |                  |
|--|------------------|
| Total Shares Authorized for Issuance               | 10,000,000       |
| Total Shares Issued Through March 31, 2014         | 321,645          |
| Shares Remaining for Issuance as of March 31, 2014 | <u>9,678,355</u> |

**ACQUISITIONS**

| Date                          | Property Name                 | Location   | Size       | Purchase Price <sup>(1)</sup> |
|-------------------------------|-------------------------------|------------|------------|-------------------------------|
| <b>1<sup>st</sup> Quarter</b> |                               |            |            |                               |
| 03/28/14                      | ParkView Commerce Center Land | Dallas, TX | 28.6 Acres | \$ 3,022,000                  |

<sup>(1)</sup> Represents acquisition price plus closing costs.

**SALES**

| Date                          | Property Name              | Location          | Size      | Gross Sales Price | Basis     | Closing Costs | Realized Gain <sup>(2)</sup> |
|-------------------------------|----------------------------|-------------------|-----------|-------------------|-----------|---------------|------------------------------|
| <b>1<sup>st</sup> Quarter</b> |                            |                   |           |                   |           |               |                              |
| 03/28/14                      | Northpoint Commerce Center | Oklahoma City, OK | 58,000 SF | \$ 3,600,000      | 3,376,000 | 129,000       | 95,000                       |

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

| CAPITAL EXPENDITURES                                    | Estimated<br>Useful Life | Three Months Ended<br>March 31, |              |
|---|--------------------------|---------------------------------|--------------|
|   |                          | 2014                            | 2013         |
| Upgrade on Acquisitions                                 | 40 Yrs                   | \$ 26                           | 83           |
| Tenant Improvements:                                    |                          |                                 |              |
| New Tenants   | Lease Life               | 1,629                           | 2,260        |
| New Tenants (first generation) <sup>(1)</sup>           | Lease Life               | -                               | 68           |
| Renewal Tenants   | Lease Life               | 1,035                           | 815          |
| Other:  |                          |                                 |              |
| Building Improvements                                   | 5-40 Yrs                 | 654                             | 585          |
| Roofs   | 5-15 Yrs                 | 602                             | 937          |
| Parking Lots  | 3-5 Yrs                  | 154                             | 148          |
| Other   | 5 Yrs                    | 30                              | 64           |
| <b>TOTAL CAPITAL EXPENDITURES</b> <sup>(5)</sup>        |                          | <b>\$ 4,130</b>                 | <b>4,960</b> |
|   |                          |                                 |              |
| CAPITALIZED LEASING COSTS <sup>(2)</sup>                |                          | Three Months Ended<br>March 31, |              |
|   |                          | 2014                            | 2013         |
| Development   | Lease Life               | \$ 439                          | 606          |
| New Tenants   | Lease Life               | 707                             | 665          |
| New Tenants (first generation) <sup>(1)</sup>           | Lease Life               | -                               | 2            |
| Renewal Tenants   | Lease Life               | 1,370                           | 1,078        |
| <b>TOTAL CAPITALIZED LEASING COSTS</b>                  |                          | <b>\$ 2,516</b>                 | <b>2,351</b> |
|   |                          |                                 |              |
| <b>AMORTIZATION OF LEASING COSTS</b> <sup>(3) (4)</sup> |                          | <b>\$ 1,983</b>                 | <b>1,780</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:

|   | Three Months Ended<br>March 31, |              |
|---|---------------------------------|--------------|
|   | 2014                            | 2013         |
| Total Capital Expenditures              | \$ 4,130                        | 4,960        |
| Change in Real Estate Property Payables | 128                             | (383)        |
| Real Estate Improvements                | <b>\$ 4,258</b>                 | <b>4,577</b> |

**Three Months Ended  
March 31, 2014**

|  | <b># of<br/>Leases</b> | <b>% of #<br/>Expiring</b> | <b>Total<br/>Square Feet</b> | <b>% of SF<br/>Expiring</b>        |
|--|------------------------|----------------------------|------------------------------|------------------------------------|
| <b>Percentage Leased</b>   |                        |                            | <b>96.0%</b>                 |                                    |
| <b>Percentage Occupied</b>   |                        |                            | <b>95.1%</b>                 |                                    |
| <b>Total Square Feet Operating Properties</b>                            |                        |                            |                              |                                    |
| Beginning of Period  |                        |                            | 32,464,000                   |                                    |
| Acquisitions   |                        |                            | -                            |                                    |
| Dispositions   |                        |                            | (58,000)                     |                                    |
| Development Transfers  |                        |                            | 265,000                      |                                    |
| End of Period  |                        |                            | <u>32,671,000</u>            |                                    |
| <b>Vacancy</b>   |                        |                            |                              |                                    |
| Unoccupied Beginning of Period   |                        |                            | 1,456,000                    | <b>4.5% of Total Portfolio</b>     |
| Less New Leases Signed with Terms Commencing after end of Prior Period   | 10                     |                            | <u>(209,000)</u>             |                                    |
| Not Leased Beginning of Period   |                        |                            | <u>1,247,000</u>             | <b>3.8% of Total Portfolio</b>     |
| Leases Expiring  | 76                     |                            | 1,376,000                    | <b>4.2% of Total Portfolio</b>     |
| Early Terminations/Bankruptcies  | 10                     |                            | 152,000                      |                                    |
| New Development/Acquisition Vacancy                                      |                        |                            | -                            |                                    |
|  |                        |                            | <u>1,528,000</u>             |                                    |
| Renewal Leases Signed of Expiring SF                                     | 52                     | <b>68%</b>                 | (1,077,000)                  | <b>78% Renewed of Expiring SF</b>  |
| New Leases Signed of Expiring SF   | 8                      |                            | (104,000)                    | <b>8% Re-Leased of Expiring SF</b> |
| New Leases Signed of Early Terminations/Bankruptcies                     | 6                      |                            | (116,000)                    |                                    |
| New Leases Signed of Vacancy SF  | 15                     |                            | (149,000)                    |                                    |
|  | <u>81</u>              |                            | <u>(1,446,000)</u>           |                                    |
| Net Change in Month to Month Leases                                      |                        |                            | (23,000)                     |                                    |
| Dispositions   |                        |                            | -                            |                                    |
| Not Leased End of Period   |                        |                            | <u>1,306,000</u>             | <b>4.0% of Total Portfolio</b>     |
| Plus New Leases Signed with Terms Commencing after end of Current Period | 22                     |                            | <u>284,000</u>               |                                    |
| Unoccupied End of Period   |                        |                            | <u>1,590,000</u>             | <b>4.9% of Total Portfolio</b>     |
| Renewals Signed after 03/31/14   |                        |                            | 202,000                      |                                    |
| New Leases Signed after 03/31/14   |                        |                            | <u>65,000</u>                |                                    |
|  |                        |                            | <u>267,000</u>               |                                    |

| <b>Based on Leases Signed<br/>During the Period</b> | <b>New<br/>Leases (1)</b> | <b>Renewal<br/>Leases</b> | <b>New &amp; Renewal<br/>Leases (1)</b> |
|---|---------------------------|---------------------------|---|
| Weighted Average Term in Years                      | 4.5                       | 4.3                       | <b>4.4</b>                              |
| Average Lease Size                                  | 13,199                    | 20,706                    | <b>18,140</b>                           |
| Rental Change                                       | -0.9%                     | 8.7%                      | <b>6.2%</b>                             |
| Rental Change without S/L Rent                      | -6.1%                     | -0.4%                     | <b>-1.9%</b>                            |
| Tenant Improvement PSF (2)                          | \$ 2.96                   | \$ 0.81                   | <b>\$ 1.35</b>                          |
| Leasing Commission PSF (2)                          | \$ 1.44                   | \$ 1.10                   | <b>\$ 1.19</b>                          |

(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<br>Square Feet<br>of Properties | %<br>of Total | Annualized<br>Base Rent (1) | %<br>Leased  | %<br>Occupied | Same Property<br>(Without S/L Rent)<br>PNOI Change<br>QTR | Rental Change<br>(Without S/L Rent)<br>New and Renewals<br>QTR | Lease Expirations<br>in Square Feet<br>2014 (2)2015 |                  |
|-----------------------------------|---------------------------------------|---------------|-----------------------------|--------------|---------------|---|--|---|------------------|
| <b>Florida</b>                    |                                       |               |                             |              |               |   |  |   |                  |
| Jacksonville                      | 1,915,000                             | 5.8%          | 4.5%                        | 93.3%        | 93.3%         | 29.7%   | 5.8%   | 269,000   | 437,000          |
| Orlando                           | 2,414,000                             | 7.4%          | 8.2%                        | 97.2%        | 95.4%         | -5.7%   | -6.7%  | 136,000   | 351,000          |
| Tampa                             | 3,869,000                             | 11.8%         | 11.4%                       | 92.7%        | 92.6%         | 0.3%  | -0.6%  | 354,000   | 640,000          |
| Ft. Lauderdale                    | 937,000                               | 2.9%          | 3.7%                        | 96.8%        | 95.3%         | 0.4%  | -4.6%  | 91,000  | 288,000          |
| Ft. Myers                         | 218,000                               | 0.7%          | 0.8%                        | 94.0%        | 94.0%         | 15.1%   | NA   | 15,000  | 31,000           |
|                                   | <b>9,353,000</b>                      | <b>28.6%</b>  | <b>28.6%</b>                | <b>94.4%</b> | <b>93.8%</b>  | <b>2.7%</b>   | <b>-2.2%</b>   | <b>865,000</b>                                      | <b>1,747,000</b> |
| <b>Texas</b>                      |                                       |               |                             |              |               |   |  |   |                  |
| Dallas                            | 2,936,000                             | 9.0%          | 6.9%                        | 95.8%        | 94.0%         | -0.8%   | 4.8%   | 192,000   | 455,000          |
| Houston                           | 5,845,000                             | 17.9%         | 19.9%                       | 97.5%        | 97.2%         | -1.7%   | 1.4%   | 240,000   | 928,000          |
| El Paso                           | 958,000                               | 2.9%          | 2.2%                        | 96.9%        | 96.9%         | -2.9%   | 1.1%   | 129,000   | 300,000          |
| San Antonio                       | 1,979,000                             | 6.1%          | 7.1%                        | 94.6%        | 93.3%         | 3.1%  | -3.1%  | 90,000  | 355,000          |
|                                   | <b>11,718,000</b>                     | <b>35.9%</b>  | <b>36.1%</b>                | <b>96.5%</b> | <b>95.7%</b>  | <b>-0.6%</b>  | <b>0.5%</b>  | <b>651,000</b>                                      | <b>2,038,000</b> |
| <b>California</b>                 |                                       |               |                             |              |               |   |  |   |                  |
| San Francisco                     | 1,044,000                             | 3.2%          | 3.2%                        | 100.0%       | 100.0%        | -3.3%   | NA   | 49,000  | 393,000          |
| Los Angeles (3)                   | 2,194,000                             | 6.7%          | 7.9%                        | 99.6%        | 99.6%         | 2.5%  | -0.7%  | 188,000   | 822,000          |
| Santa Barbara (4)                 | 268,000                               | 0.8%          | 2.9%                        | 84.8%        | 84.8%         | -10.7%  | 4.7%   | 3,000   | 34,000           |
| Fresno                            | 398,000                               | 1.2%          | 0.9%                        | 91.9%        | 86.7%         | 5.8%  | 7.0%   | 48,000  | 155,000          |
| San Diego                         | 465,000                               | 1.5%          | 1.4%                        | 97.4%        | 96.2%         | 28.8%   | 5.0%   | 68,000  | 40,000           |
|                                   | <b>4,369,000</b>                      | <b>13.4%</b>  | <b>16.3%</b>                | <b>97.9%</b> | <b>97.3%</b>  | <b>0.4%</b>   | <b>3.3%</b>  | <b>356,000</b>                                      | <b>1,444,000</b> |
| <b>Arizona</b>                    |                                       |               |                             |              |               |   |  |   |                  |
| Phoenix                           | 2,165,000                             | 6.6%          | 5.6%                        | 95.5%        | 91.3%         | 1.1%  | -16.7%   | 219,000   | 543,000          |
| Tucson                            | 750,000                               | 2.3%          | 2.2%                        | 100.0%       | 99.4%         | 12.5%   | -10.3%   | 27,000  | 23,000           |
|                                   | <b>2,915,000</b>                      | <b>8.9%</b>   | <b>7.8%</b>                 | <b>96.7%</b> | <b>93.4%</b>  | <b>4.3%</b>   | <b>-16.4%</b>  | <b>246,000</b>                                      | <b>566,000</b>   |
| <b>North Carolina</b>             |                                       |               |                             |              |               |   |  |   |                  |
| Charlotte                         | 2,368,000                             | 7.2%          | 4.7%                        | 94.9%        | 94.9%         | -14.2%  | NA   | 277,000   | 390,000          |
|                                   | <b>2,368,000</b>                      | <b>7.2%</b>   | <b>4.7%</b>                 | <b>94.9%</b> | <b>94.9%</b>  | <b>-14.2%</b>   | <b>NA</b>  | <b>277,000</b>                                      | <b>390,000</b>   |
| <b>Total Core Markets</b>         | <b>30,723,000</b>                     | <b>94.0%</b>  | <b>93.5%</b>                | <b>96.0%</b> | <b>95.1%</b>  | <b>0.2%</b>   | <b>-2.0%</b>   | <b>2,395,000</b>                                    | <b>6,185,000</b> |
| <b>Total Other Markets</b>        | <b>1,948,000</b>                      | <b>6.0%</b>   | <b>6.5%</b>                 | <b>96.7%</b> | <b>96.3%</b>  | <b>17.7%</b>  | <b>-0.1%</b>   | <b>173,000</b>                                      | <b>289,000</b>   |
| <b>Total Operating Properties</b> | <b>32,671,000</b>                     | <b>100.0%</b> | <b>100.0%</b>               | <b>96.0%</b> | <b>95.1%</b>  | <b>1.2%</b>   | <b>-1.9%</b>   | <b>2,568,000</b>                                    | <b>6,474,000</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 100% sf and 100% Base Rent of a 50% owned unconsolidated investment property.

(4) Includes 100% sf and 100% Base Rent of 80% owned joint venture properties.

| LEASE EXPIRATION         | Square Footage of<br>Leases Expiring | % of<br>Total SF | Annualized Current<br>Base Rent of<br>Leases Expiring<br>(without S/L Rent) | % of Total<br>Base Rent of<br>Leases Expiring<br>(without S/L Rent) |
|--------------------------|--------------------------------------|------------------|---|---|
| Month-to-Month           | 254,000                              | 0.8%             | \$ 1,365,000  | 0.9%  |
| Vacancy (1)              | 1,306,000                            | 4.0%             | -   | 0.0%  |
| 2014 - remainder of year | 2,568,000                            | 7.9%             | 13,477,000  | 8.4%  |
| 2015                     | 6,474,000                            | 19.8%            | 33,786,000  | 21.2%   |
| 2016                     | 5,923,000                            | 18.1%            | 29,760,000  | 18.6%   |
| 2017                     | 4,968,000                            | 15.2%            | 26,981,000  | 16.9%   |
| 2018                     | 3,561,000                            | 10.9%            | 18,818,000  | 11.8%   |
| 2019                     | 1,994,000                            | 6.1%             | 9,252,000   | 5.8%  |
| 2020                     | 1,651,000                            | 5.0%             | 9,748,000   | 6.1%  |
| 2021                     | 1,557,000                            | 4.8%             | 6,367,000   | 3.9%  |
| 2022                     | 992,000                              | 3.0%             | 4,781,000   | 3.0%  |
| 2023 and beyond          | 1,423,000                            | 4.4%             | 5,442,000   | 3.4%  |
| <b>TOTAL</b>             | <b>32,671,000</b>                    | <b>100.0%</b>    | <b>\$ 159,777,000</b>   | <b>100.0%</b>   |

|  |                  |
|--|------------------|
| (1) Vacancy, end of period                                     | 1,590,000        |
| New leases signed with terms<br>commencing after end of period | (284,000)        |
| Vacancy, based on leases signed                                | <u>1,306,000</u> |

Total SF as of 03/31/14 for Operating Properties

32,671,000

Total Annualized Base Rent as of 03/31/14 for Operating Properties (without S/L Rent)

\$ 160,131,000

| 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%                 | 2,082,000                         | 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                           | 1.4%                                | 02/28/23            |
| <b>3 Universal Wilkes Company</b>                      | 1           | Los Angeles, CA    | 309,000 (4)      | 0.9%                 | 835,000 (4)                       | 0.5%                                | 12/31/14            |
| <b>4 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          | 1.0%                 | 811,000                           | 0.8%                                | 09/30/21            |
| <b>5 Repet, Inc.</b>                                   | 1           | Los Angeles, CA    | 300,000          | 0.9%                 | 1,001,000                         | 0.6%                                | 01/31/22            |
| <b>6 Conn's, Inc.</b>                                  | 1           | Charlotte, NC      | 300,000          | 0.9%                 | 1,215,000                         | 0.8%                                | 03/31/24            |
| <b>7 Tower Automotive</b>                              | 1           | Madison, MS        | 280,000          | 0.9%                 | 970,000                           | 0.6%                                | 12/31/15            |
| <b>8 U.S. Postal Service</b>                           | 1           | Tampa, FL          | 39,000           |                      | 333,000                           |                                     | 06/30/14            |
|  | 1           | Tampa, FL          | 19,000           |                      | 145,000                           |                                     | 09/02/14            |
|  | 1           | New Orleans, LA    | 99,000           |                      | 458,000                           |                                     | 02/28/19            |
|  | 1           | Houston, TX        | 110,000          | 0.8%                 | 548,000                           | 0.9%                                | 06/30/19            |
| <b>9 International Paper Company</b>                   | 2           | San Francisco, CA  | 265,000          | 0.8%                 | 1,658,000                         | 1.0%                                | 10/31/15            |
| <b>10 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                            | 1.1%                                | 11/30/22            |
|  | <u>26</u>   |                    | <u>3,054,000</u> | <u>9.3%</u>          | <u>14,341,000</u>                 | <u>9.0%</u>                         |                     |

(1) Based on the Annualized Base Rent as of 03/31/14 (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 04/15/14.

(4) Lease represents EastGroup's 100% interest in square feet and 50% of base rent.

|   | <b>Three Months Ended<br/>March 31, 2014</b> |
|---|--|
| EBITDA for the period   | \$ 34,677,000                                |
| Adjust NOI for significant acquisitions as if owned for entire period | -  |
| Subtract NOI from developments in lease-up or under construction      | (107,000)                                    |
| Subtract NOI from properties sold during the period                   | (38,000)                                     |
| Adjusted EBITDA   | <u>\$ 34,532,000</u>                         |
| Adjusted EBITDA - Annualized  | <u>\$ 138,128,000</u>                        |
| Debt at March 31, 2014  | \$ 898,615,000                               |
| Developments in lease-up or under construction                        | (61,094,000)                                 |
| Adjusted Debt   | <u>\$ 837,521,000</u>                        |
| ADJUSTED DEBT-TO-EBITDA RATIO   | <u>6.06</u>                                  |

|  | Quarter Ended    |               | Years Ended   |               |               |
|--|------------------|---------------|---------------|---------------|---------------|
|  | 3/31/2014        | 2013          | 2012          | 2011          | 2010          |
| <b>ASSETS/MARKET CAPITALIZATION</b>                                  |                  |               |               |               |               |
| Assets   | \$ 1,480,930,000 | 1,473,412,000 | 1,354,102,000 | 1,286,516,000 | 1,183,276,000 |
| Equity Market Capitalization   | 1,969,078,000    | 1,792,193,000 | 1,610,452,000 | 1,202,572,000 | 1,141,520,000 |
| Total Market Capitalization (Debt and Equity)                        | 2,867,693,000    | 2,685,938,000 | 2,424,378,000 | 2,035,258,000 | 1,877,239,000 |
| Shares Outstanding - Common  | 31,299,928       | 30,937,225    | 29,928,490    | 27,658,059    | 26,973,531    |
| Price per share  | 62.91            | 57.93         | 53.81         | 43.48         | 42.32         |
| <b>FFO CHANGE</b>  |                  |               |               |               |               |
| FFO per diluted share  | 0.82             | 3.23          | 3.08          | 2.96          | 2.86          |
| Change   | 7.9%             | 4.9%          | 4.1%          | 3.5%          | -8.9%         |
| <b>COMMON DIVIDEND PAYOUT RATIO</b>                                  |                  |               |               |               |               |
| Dividend distribution  | 0.54             | 2.14          | 2.10          | 2.08          | 2.08          |
| FFO per diluted share  | 0.82             | 3.23          | 3.08          | 2.96          | 2.86          |
| Dividend payout ratio  | 66%              | 66%           | 68%           | 70%           | 73%           |
| <b>COMMON DIVIDEND YIELD</b>   |                  |               |               |               |               |
| Dividend distribution  | 0.54             | 2.14          | 2.10          | 2.08          | 2.08          |
| Price per share  | 62.91            | 57.93         | 53.81         | 43.48         | 42.32         |
| Dividend yield   | 3.43%            | 3.69%         | 3.90%         | 4.78%         | 4.91%         |
| <b>FFO MULTIPLE</b>  |                  |               |               |               |               |
| FFO per diluted share  | 0.82             | 3.23          | 3.08          | 2.96          | 2.86          |
| Price per share  | 62.91            | 57.93         | 53.81         | 43.48         | 42.32         |
| Multiple   | 19.18            | 17.93         | 17.47         | 14.69         | 14.80         |
| <b>INTEREST COVERAGE RATIO</b>                                       |                  |               |               |               |               |
| EBITDA   | 34,677,000       | 133,965,000   | 124,626,000   | 115,441,000   | 112,730,000   |
| Interest expense   | 9,057,000        | 35,485,000    | 35,675,000    | 35,023,000    | 35,493,000    |
| Interest coverage ratio  | 3.83             | 3.78          | 3.49          | 3.30          | 3.18          |
| <b>FIXED CHARGE COVERAGE RATIO</b>                                   |                  |               |               |               |               |
| EBITDA   | 34,677,000       | 133,965,000   | 124,626,000   | 115,441,000   | 112,730,000   |
| Interest expense plus dividends<br>on nonconvertible preferred stock | 9,057,000        | 35,485,000    | 35,675,000    | 35,023,000    | 35,493,000    |
| Fixed charge coverage ratio  | 3.83             | 3.78          | 3.49          | 3.30          | 3.18          |
| <b>DEBT-TO-EBITDA RATIO</b>  |                  |               |               |               |               |
| Debt   | 898,615,000      | 893,745,000   | 813,926,000   | 832,686,000   | 735,718,000   |
| EBITDA   | 34,677,000       | 133,965,000   | 124,626,000   | 115,441,000   | 112,730,000   |
| Debt-to-EBITDA ratio   | 6.48             | 6.67          | 6.53          | 7.21          | 6.53          |
| <b>DEBT-TO-TOTAL MARKET CAPITALIZATION</b>                           |                  |               |               |               |               |
|  | 31%              | 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 property operating expenses (including market-based internal management fee expense and before interest expense and depreciation and amortization).

**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.