

COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES
CALCULATIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (1)
(in thousands, except per share amounts, percentages and ratios)

	2012	2013 1st	2013 2nd	2013 3rd	2013 4th	2013	2014 1st
<u>2ND GENERATION TI & LEASING COSTS & BUILDING CAPEX:</u>							
<u>TOTAL BY SEGMENT:</u>							
OFFICE:							
SECOND GENERATION LEASING RELATED COSTS	13,181	2,865	1,524	2,642	5,108	12,139	2,745
SECOND GENERATION BUILDING IMPROVEMENTS	1,271	79	1,589	200	1,946	3,814	550
	14,453	2,944	3,113	2,842	7,054	15,954	3,295
RETAIL:							
SECOND GENERATION LEASING RELATED COSTS	605	88	239	133	—	460	—
TOTAL 2ND GENERATION TI & LEASING COSTS & BUILDING CAPEX	15,058	3,032	3,352	2,976	7,054	16,414	3,295
<u>NET OPERATING INCOME:</u>							
OFFICE CONSOLIDATED PROPERTIES	63,555	17,526	18,841	25,175	41,083	102,625	42,225
RETAIL CONSOLIDATED PROPERTIES	320	389	390	364	151	1,294	402
NET OPERATING INCOME - CONSOLIDATED	63,875	17,915	19,231	25,539	41,234	103,919	42,627
RENTAL PROPERTY REVENUES	114,208	33,123	37,099	47,575	76,620	194,420	77,484
RENTAL PROPERTY OPERATING EXPENSES	(50,329)	(15,208)	(17,868)	(22,036)	(35,386)	(90,498)	(34,857)
NET OPERATING INCOME - CONSOLIDATED	63,879	17,915	19,231	25,539	41,234	103,919	42,627
<u>INCOME FROM DISCONTINUED OPERATIONS:</u>							
RENTAL PROPERTY REVENUES	33,918	3,000	2,940	2,870	1,742	10,552	1,356
RENTAL PROPERTY OPERATING EXPENSES	(10,935)	(1,194)	(1,182)	(1,118)	(668)	(4,162)	(464)
NET OPERATING INCOME	22,983	1,806	1,758	1,752	1,074	6,390	892
TERMINATION FEES	3,512	—	—	—	—	—	—
INTEREST AND OTHER INCOME (EXPENSE)	(3)	4	(1)	12	—	15	1
FFO FROM DISCONTINUED OPERATING PROPERTIES	26,492	1,810	1,757	1,764	1,074	6,405	893
THIRD PARTY MANAGEMENT AND LEASING REVENUES	16,365	74	2	—	—	76	—
THIRD PARTY MANAGEMENT AND LEASING EXPENSES	(13,675)	(53)	(27)	(14)	(3)	(97)	—
FFO FROM THIRD PARTY MANAGEMENT AND LEASING	2,690	21	(25)	(14)	(3)	(21)	—
FFO FROM DISCONTINUED OPERATIONS	29,182	1,831	1,732	1,750	1,071	6,384	893
DEPRECIATION AND AMORTIZATION OF REAL ESTATE	(13,479)	(1,053)	(1,046)	(492)	(494)	(3,085)	—
IMPAIRMENT LOSSES	(13,791)	—	—	—	—	—	—
INCOME FROM DISCONTINUED OPERATIONS	1,912	778	686	1,258	577	3,299	893
<u>RESIDENTIAL LOT, OUTPARCEL, TRACT AND OTHER INVESTMENT PROPERTY SALES AND COST OF SALES:</u>							
<u>CONSOLIDATED:</u>							
RESIDENTIAL LOT AND OUTPARCEL SALES - CONSOLIDATED:							
RESIDENTIAL LOT SALES	2,616	460	283	155	70	968	—
OUTPARCEL SALES	—	503	150	—	—	653	—
TOTAL RESIDENTIAL LOT AND OUTPARCEL SALES	2,616	963	433	155	70	1,621	—

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<u>RESIDENTIAL LOT AND OUTPARCEL COST OF SALES - CONSOLIDATED:</u>							
RESIDENTIAL LOT COST OF SALES	1,421	460	283	147	65	955	—
OUTPARCEL COST OF SALES	—	503	150	—	—	653	—
TOTAL RESIDENTIAL LOT AND OUTPARCEL COST OF SALES-CONSOLIDATED	1,421	963	433	147	65	1,608	—
<u>TRACT SALES INCLUDED IN GAIN ON SALE OF INVESTMENT PROPERTIES</u>							
RESIDENTIAL LOT, OUTPARCEL, TRACT AND OTHER INVESTMENT PROPERTY SALES LESS COST OF SALES - CONSOLIDATED	4,915	243	276	610	29	1,158	160
<u>SUMMARY - CONSOLIDATED:</u>							
RESIDENTIAL LOT SALES LESS COST OF SALES	1,195	—	—	8	5	13	—
OUTPARCEL SALES LESS COST OF SALES	—	—	—	—	—	—	—
TRACT SALES LESS COST OF SALES	3,720	243	276	602	24	1,145	160
TOTAL CONSOLIDATED SALES LESS COST OF SALES	4,915	243	276	610	29	1,158	160
<u>OTHER SALES AND COST OF SALES:</u>							
<u>CONSOLIDATED:</u>							
<u>OTHER SALES - CONSOLIDATED:</u>							
OTHER SALES	694	340	—	—	—	340	—
OTHER COST OF SALES	(413)	(182)	—	—	37	(145)	—
OTHER SALES LESS COST OF SALES - CONSOLIDATED	281	158	—	—	37	195	—
<u>UNCONSOLIDATED:</u>							
<u>OTHER SALES - UNCONSOLIDATED:</u>							
OTHER SALES	—	—	—	—	—	—	—
OTHER COST OF SALES	—	—	—	—	—	—	—
OTHER, NET	28	10	(8)	(6)	—	(4)	—
OTHER SALES LESS COST OF SALES - SHARE OF UNCONSOLIDATED	28	10	(8)	(6)	—	(4)	—
TOTAL OTHER SALES FFO	309	168	(8)	(6)	37	191	—
<u>UNCONSOLIDATED:</u>							
<u>RESIDENTIAL LOT AND TRACT SALES - UNCONSOLIDATED:</u>							
RESIDENTIAL LOT SALES	—	—	—	—	—	—	—
OUTPARCEL SALES	—	—	—	475	—	475	—
TRACT SALES	176	—	—	90	—	90	57
TOTAL RESIDENTIAL LOT AND TRACT SALES	176	—	—	565	—	565	57
<u>RESIDENTIAL LOT AND TRACT COST OF SALES - UNCONSOLIDATED:</u>							
RESIDENTIAL LOT COST OF SALES	—	—	—	—	—	—	—
OUTPARCEL COST OF SALES	—	—	—	360	—	360	—
TRACT COST OF SALES	176	—	—	90	—	90	57
TOTAL RESIDENTIAL LOT AND TRACT COST OF SALES	176	—	—	450	—	450	57
RESIDENTIAL LOT AND TRACT SALES LESS COST OF SALES -UNCONSOLIDATED	—	—	—	115	—	115	—

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SUMMARY - UNCONSOLIDATED:							
RESIDENTIAL LOT SALES LESS COST OF SALES	—	—	—	—	—	—	—
OUTPARCEL SALES LESS COST OF SALES	—	—	—	115	—	115	—
TRACT SALES LESS COST OF SALES	—	—	—	—	—	—	—
RESIDENTIAL LOT AND TRACT SALES LESS COST OF SALES - SHARE OF UNCONSOLIDATED	—	—	—	115	—	115	—
TOTAL RESIDENTIAL LOT AND TRACT SALES LESS COST OF SALES	4,915	243	276	725	29	1,273	160
<u>INCOME (LOSS) FROM UNCONSOLIDATED JOINT VENTURES:</u>							
NET OPERATING INCOME:							
OFFICE PROPERTIES	12,755	3,373	4,206	4,289	4,327	16,195	4,493
RETAIL PROPERTIES	10,719	3,031	3,000	2,392	849	9,272	888
OTHER PROPERTIES	122	43	376	861	1,020	2,300	1,118
NET OPERATING INCOME	23,596	6,447	7,582	7,542	6,196	27,767	6,499
RESIDENTIAL LOT, OUTPARCEL AND TRACT SALES LESS COST OF SALES	—	—	—	115	—	115	—
OTHER SALES LESS COST OF SALES	28	10	(8)	(6)	—	(4)	—
TERMINATION FEES	62	19	—	—	—	19	—
INTEREST EXPENSE	(4,221)	(1,710)	(2,332)	(2,075)	(1,846)	(7,963)	(1,845)
OTHER EXPENSE	(639)	112	82	187	132	513	28
IMPAIRMENT LOSSES	—	—	—	—	—	—	—
DEPRECIATION AND AMORTIZATION OF NON-REAL ESTATE ASSETS	(15)	(22)	(24)	(27)	39	(34)	(11)
FUNDS FROM OPERATIONS - UNCONSOLIDATED JOINT VENTURES	18,811	4,856	5,300	5,736	4,521	20,413	4,671
GAIN ON SALE OF DEPRECIATED INVESTMENT PROPERTIES, NET	30,662	—	—	60,421	(77)	60,344	(387)
DEPRECIATION AND AMORTIZATION OF REAL ESTATE	(10,215)	(3,204)	(4,167)	(3,079)	(2,985)	(13,435)	(2,998)
NET INCOME (LOSS) FROM UNCONSOLIDATED JOINT VENTURES	39,258	1,652	1,133	63,078	1,459	67,322	1,286
<u>MARKET CAPITALIZATION</u>							
COMMON STOCK PRICE AT PERIOD END	8.35	10.69	10.10	10.29	10.30	10.30	11.47
NUMBER OF COMMON SHARES OUTSTANDING AT PERIOD END	104,090	104,127	120,688	189,660	189,666	189,666	198,423
COMMON STOCK CAPITALIZATION	869,152	1,113,118	1,218,949	1,951,601	1,953,560	1,953,560	2,275,912
PREFERRED STOCK-SERIES A-PRICE AT LIQUIDATION VALUE	74,827	74,827	—	—	—	—	—
PREFERRED STOCK-SERIES B-PRICE AT LIQUIDATION VALUE	94,775	94,775	94,775	94,775	94,775	94,775	94,775
PREFERRED STOCK AT LIQUIDATION VALUE	169,602	169,602	94,775	94,775	94,775	94,775	94,775
DEBT	425,410	344,832	340,374	642,834	630,094	630,094	587,442
SHARE OF UNCONSOLIDATED DEBT	170,480	266,069	281,960	230,280	228,489	228,489	226,574
DEBT (2)	595,890	610,901	622,334	873,114	858,583	858,583	814,016
TOTAL MARKET CAPITALIZATION	1,634,644	1,893,620	1,936,057	2,919,490	2,906,918	2,906,918	3,184,703

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	2012	2013 1st	2013 2nd	2013 3rd	2013 4th	2013	2014 1st
<u>LEVERAGE RATIOS</u>							
DEBT (2)	595,890	610,901	622,334	873,114	858,583	858,583	814,016
TOTAL MARKET CAPITALIZATION	1,634,644	1,893,620	1,936,057	2,919,490	2,906,918	2,906,918	3,184,703
DEBT (2) / TOTAL MARKET CAPITALIZATION	36.5%	32.3%	32.1%	29.9%	29.5%	29.5%	25.6%
TOTAL ASSETS-CONSOLIDATED	1,124,242	1,096,444	1,200,788	2,263,766	2,273,206	2,273,206	2,294,011
ACCUMULATED DEPRECIATION-CONSOLIDATED	258,258	221,429	245,608	238,297	257,151	257,151	270,753
UNDEPRECIATED ASSETS-UNCONSOLIDATED (2)	403,141	575,323	562,475	432,750	441,928	441,928	446,890
LESS: INVESTMENT IN UNCONSOLIDATED JOINT VENTURES	(97,868)	(128,541)	(127,948)	(98,183)	(107,082)	(107,082)	(107,106)
TOTAL UNDEPRECIATED ASSETS (2)	1,687,773	1,764,655	1,880,923	2,836,630	2,865,203	2,865,203	2,904,548
DEBT (2)	595,890	610,901	622,334	873,114	858,583	858,583	814,016
UNDEPRECIATED ASSETS (2)	1,687,773	1,764,655	1,880,923	2,836,630	2,865,203	2,865,203	2,904,548
DEBT (2) / TOTAL UNDEPRECIATED ASSETS (2)	35.3%	34.6%	33.1%	30.8%	30.0%	30.0%	28.0%
DEBT (2)	595,890	610,901	622,334	873,114	858,583	858,583	814,016
PREFERRED STOCK AT LIQUIDATION VALUE	169,602	169,602	94,775	94,775	94,775	94,775	94,775
DEBT (2) + PREFERRED	765,492	780,503	717,109	967,889	953,358	953,358	908,791
TOTAL MARKET CAPITALIZATION	1,634,644	1,893,620	1,936,057	2,919,490	2,906,918	2,906,918	3,184,703
DEBT (2) + PREFERRED / TOTAL MARKET CAPITALIZATION	46.8%	41.2%	37.0%	33.2%	32.8%	32.8%	28.5%
DEBT (2) + PREFERRED	765,492	780,503	717,109	967,889	953,358	953,358	908,791
TOTAL UNDEPRECIATED ASSETS (2)	1,687,773	1,764,655	1,880,923	2,836,630	2,865,203	2,865,203	2,904,548
DEBT (2) + PREFERRED / TOTAL UNDEPRECIATED ASSETS (2)	45.4%	44.2%	38.1%	34.1%	33.3%	33.3%	31.3%
<u>EBITDA (2)</u>							
FFO	66,492	11,461	14,158	17,226	34,289	77,134	36,182
INTEREST EXPENSE	28,154	6,645	6,573	7,224	9,230	29,672	9,012
NON-REAL ESTATE DEPRECIATION AND AMORTIZATION	1,090	205	213	219	150	787	196
INCOME TAX PROVISION (BENEFIT)	90	1	1	1	(26)	(23)	(12)
IMPAIRMENT LOSSES	488	—	—	—	—	—	—
LOSS ON DEBT EXTINGUISHMENT	94	—	—	—	—	—	—
GAIN ON SALE OF THIRD PARTY BUSINESS	(7,459)	—	—	(4,531)	(45)	(4,576)	(7)
PARTICIPATION INTEREST INCOME	(3,366)	—	—	—	—	—	—
ACQUISITION AND RELATED COSTS	794	235	333	6,859	57	7,484	22
PREFERRED STOCK DIVIDENDS AND ORIGINAL ISSUANCE COSTS	12,907	3,227	5,883	1,777	1,777	12,664	1,777
EBITDA (2)	99,284	21,774	27,161	28,775	45,432	123,142	47,170
<u>COVERAGE RATIOS (2)</u>							
EBITDA	99,284	21,774	27,161	28,775	45,432	123,142	47,170
INTEREST EXPENSE	28,154	6,645	6,573	7,224	9,230	29,672	9,012
INTEREST COVERAGE RATIO (2)	3.53	3.28	4.13	3.98	4.92	4.15	5.23

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INTEREST EXPENSE	28,154	6,645	6,573	7,224	9,230	29,672	9,012
SCHEDULED PRINCIPAL PAYMENTS	7,769	1,855	1,728	1,528	1,922	7,032	2,445
PREFERRED STOCK DIVIDENDS	12,907	3,227	3,227	1,777	1,777	10,008	1,777
FIXED CHARGES	48,830	11,727	11,528	10,529	12,929	46,712	13,234
EBITDA	99,284	21,774	27,161	28,775	45,432	123,142	47,170
FIXED CHARGES COVERAGE RATIO (2)	2.03	1.86	2.36	2.73	3.51	2.64	3.56
DEBT (2)	595,890	610,901	622,334	873,114	858,583	858,583	814,016
ANNUALIZED EBITDA (3)	99,324	87,096	108,644	115,100	181,728	181,728	188,680
DEBT (2) / ANNUALIZED EBITDA (3)	6.00	7.01	5.73	7.59	4.72	4.72	4.31
<u>DIVIDEND RATIOS</u>							
REGULAR COMMON DIVIDENDS:							
CASH COMMON DIVIDENDS	18,748	4,689	5,431	8,536	8,536	27,192	14,232
FFO	66,492	11,461	14,158	17,226	34,289	77,134	36,182
FFO PAYOUT RATIO	28.2%	40.9%	38.4%	49.6%	24.9%	35.3%	39.3%
<u>FFO BEFORE CERTAIN CHARGES</u>							
FFO	66,492	11,461	14,158	17,226	34,289	77,134	36,182
PREFERRED STOCK ORIGINAL ISSUANCE COSTS	—	—	2,656	—	—	2,656	—
IMPAIRMENT LOSSES (2)	488	—	—	—	—	—	—
PREDEVELOPMENT & OTHER CHARGES	(1,185)	—	—	—	—	—	—
LOSS ON DEBT EXTINGUISHMENT	94	—	—	—	—	—	—
ACQUISITION AND RELATED COSTS	794	235	333	6,859	57	7,484	22
GAIN ON SALE OF THIRD PARTY BUSINESS	(7,459)	—	—	(4,531)	(45)	(4,576)	(7)
PARTICIPATION INTEREST INCOME	(3,366)	—	—	—	—	—	—
SEPARATION CHARGES	1,985	—	—	520	—	520	84
FFO BEFORE CERTAIN CHARGES	57,843	11,696	17,147	20,074	34,301	83,218	36,281
FFO BEFORE CERTAIN CHARGES PAYOUT RATIO	32.4%	40.1%	31.7%	42.5%	24.9%	32.7%	39.2%
<u>FAD (2)</u>							
FFO	66,492	11,461	14,158	17,226	34,289	77,134	36,182
FAS 13	(8,319)	(2,346)	(2,204)	(3,244)	(5,032)	(12,826)	(7,648)
ABOVE AND BELOW MARKET RENTS	493	(185)	(586)	(994)	(2,020)	(3,785)	(1,952)
SECOND GENERATION CAPEX	(15,058)	(3,032)	(3,352)	(2,976)	(7,054)	(16,414)	(3,295)
FAD (2)	43,608	5,897	8,016	10,012	20,183	44,109	23,286
COMMON DIVIDENDS	18,748	4,689	5,431	8,536	8,536	27,192	14,232
FAD PAYOUT RATIO (2)	43.0%	79.5%	67.7%	85.3%	42.3%	61.6%	61.1%

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<u>FAD BEFORE CERTAIN CHARGES</u>							
FAD (2)	43,608	5,897	8,016	10,012	20,183	44,109	23,286
PREFERRED STOCK ORIGINAL ISSUANCE COSTS	—	—	2,656	—	—	2,656	—
IMPAIRMENT LOSSES (2)	488	—	—	—	—	—	—
PREDEVELOPMENT & OTHER CHARGES	(1,185)	—	—	—	—	—	—
LOSS ON DEBT EXTINGUISHMENT	94	—	—	—	—	—	—
ACQUISITION AND RELATED COSTS	794	235	333	6,859	57	7,484	22
GAIN ON SALE OF THIRD PARTY BUSINESS	(7,459)	—	—	(4,531)	(45)	(4,576)	(7)
PARTICIPATION INTEREST INCOME	(3,366)	—	—	—	—	—	—
SEPARATION CHARGES	1,984	—	—	520	—	520	84
FAD BEFORE CERTAIN CHARGES	34,958	6,132	11,005	12,860	20,195	50,193	23,385
FAD BEFORE CERTAIN CHARGES PAYOUT RATIO	53.6%	76.5%	49.3%	66.4%	42.3%	54.2%	60.9%
<u>OPERATIONS RATIOS</u>							
REVENUES	136,846	38,262	42,521	50,434	79,520	210,741	81,723
REVENUES FROM DISCONTINUED OPERATIONS	53,839	3,082	2,951	2,888	1,750	10,668	1,363
REVENUES INCLUDING DISCONTINUED OPERATIONS	190,685	41,344	45,472	53,322	81,270	221,409	83,086
GENERAL AND ADMINISTRATIVE EXPENSES	23,208	6,069	4,552	6,635	4,684	21,940	5,611
REVENUES INCLUDING DISCONTINUED OPERATIONS	190,685	41,344	45,472	53,322	81,270	221,409	83,086
GENERAL AND ADMINISTRATIVE EXPENSES/REVENUES INCLUDING DISCONTINUED OPERATIONS	12.2%	14.7%	10.0%	12.4%	5.8%	9.9%	6.8%
TOTAL UNDEPRECIATED ASSETS (2)	1,687,773	1,764,655	1,880,923	2,836,630	2,865,203	2,865,203	2,904,548
ANNUALIZED GENERAL AND ADMINISTRATIVE EXPENSES (3) / TOTAL UNDEPRECIATED ASSETS	1.3%	1.4%	1.0%	0.9%	0.7%	0.7%	0.8%

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	Three Months Ended		
	March 31, 2014	March 31, 2013	December 31, 2013
Consolidated Property Net Operating Income			
Same Property	\$ 15,247	\$ 14,917	\$ 14,711
Non-Same Property	34,771	11,253	33,795
	\$ 50,018	\$ 26,170	\$ 48,506
Less: Non-Cash Items			
Straight-line rent	\$ 7,648	\$ 2,611	\$ 5,032
Other	1,583	(108)	1,679
	9,231	2,503	6,711
Cash Basis Property Net Operating Income			
Same Property	14,650	13,300	13,551
Non-Same Property	26,137	10,367	28,244
	\$ 40,787	\$ 23,667	\$ 41,795
Net Operating Income (4)			
Operating Properties	\$ 42,627	\$ 17,917	\$ 41,234
Discontinued Operations	892	1,806	1,076
Share of Unconsolidated Joint Ventures	6,499	6,447	6,196
	\$ 50,018	\$ 26,170	\$ 48,506

(1) Amounts may differ slightly from other schedules contained herein due to rounding.

(2) Includes Company share of unconsolidated joint ventures.

(3) Annualized represents quarter amount annualized.

(4) See reconciliation above within previous pages of the Calculations and Reconciliations of Non-GAAP Financial Measures.