

COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES
FUNDS FROM OPERATIONS

(Unaudited, in thousands, except per share amounts)

	Three Months Ended		Years Ended	
	December 31,		December 31,	
	2011	2010	2011	2010
Net Loss Available to Common Stockholders	\$ (128,957)	\$ (8,930)	\$ (141,332)	\$ (27,480)
Depreciation and amortization:				
Consolidated properties	13,559	16,000	50,174	53,313
Discontinued properties	219	1,501	3,887	6,643
Share of unconsolidated joint ventures	2,566	2,586	10,356	9,683
Depreciation of non-real estate assets:				
Consolidated properties	(365)	(414)	(1,688)	(1,884)
Discontinued properties	-	-	-	(5)
Share of unconsolidated joint ventures	(5)	(5)	(20)	(22)
Impairment loss on depreciable investment property	7,632	-	7,632	-
Gain on sale of investment properties:				
Consolidated properties	(3,317)	(63)	(3,494)	(1,938)
Discontinued properties, net of noncontrolling interests	(4,792)	(654)	(5,648)	(7,226)
Share of unconsolidated joint ventures	-	-	-	-
Gain (loss) on sale of undepreciated investment properties	3,258	(1)	3,258	1,697
Funds From Operations Available to Common Stockholders	\$ (110,202)	\$ 10,020	\$ (76,875)	\$ 32,781
Per Common Share - Basic and Diluted:				
Net Loss Available	\$ (1.24)	\$ (.09)	\$ (1.36)	\$ (.27)
Funds From Operations	\$ (1.06)	\$.10	\$ (.74)	\$.32
Weighted Average Shares - Basic	103,712	102,761	103,651	101,440
Weighted Average Shares - Diluted	103,712	102,761	103,655	101,440

The table above shows Funds From Operations Available to Common Stockholders ("FFO") and the related reconciliation to Net Income (Loss) Available to Common Stockholders for Cousins Properties Incorporated and Subsidiaries. The Company calculated FFO in accordance with the National Association of Real Estate Investment Trusts' ("NAREIT") definition, which is net income (loss) available to common stockholders (computed in accordance with accounting principles generally accepted in the United States ("GAAP")), excluding extraordinary items, cumulative effect of change in accounting principle and gains or losses from sales of depreciable property, plus depreciation and amortization of real estate assets, impairment losses on depreciable investment property and after adjustments for unconsolidated partnerships and joint ventures to reflect FFO on the same basis.

FFO is used by industry analysts and investors as a supplemental measure of an equity REIT's operating performance. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry investors and analysts have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. Thus, NAREIT created FFO as a supplemental measure of REIT operating performance that excludes historical cost depreciation, among other items, from GAAP net income. Management believes that the use of FFO, combined with the required primary GAAP presentations, has been fundamentally beneficial, improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful. Company management evaluates operating performance in part based on FFO. Additionally, the Company uses FFO along with other measures, to assess performance in connection with evaluating and granting incentive compensation to its officers and other key employees.