

COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES
FUNDS FROM OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011

(Unaudited, in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Net Income (Loss) Available to Common Stockholders	\$ 9,444	\$ 188	\$ 2,733	\$ (12,375)
Depreciation and amortization:				
Consolidated properties	11,567	8,719	32,526	25,562
Discontinued properties	2,575	4,650	8,622	14,721
Share of unconsolidated joint ventures	2,480	2,444	7,646	7,790
Depreciation of furniture, fixtures and equipment:				
Consolidated properties	(256)	(388)	(843)	(1,323)
Discontinued properties	-	-	-	-
Share of unconsolidated joint ventures	(5)	(5)	(15)	(15)
Impairment loss on depreciable investment property net of amounts attributable to noncontrolling interests	-	-	10,190	-
(Gain) loss on sale of investment properties:				
Consolidated properties including amounts attributable to noncontrolling interests	(60)	(59)	(146)	(177)
Discontinued properties	(7,444)	(1,240)	(8,204)	(856)
Share of unconsolidated joint ventures	-	-	(7,509)	-
Gain on sale of third party management and leasing business	7,384	-	7,384	-
Other	-	-	(59)	-
Funds From Operations Available to Common Stockholders	\$ 25,685	\$ 14,309	\$ 52,325	\$ 33,327
Per Common Share - Basic and Diluted:				
Net Income (Loss) Available	\$ 0.09	\$ 0.00	\$ 0.03	\$ (0.12)
Funds From Operations	\$ 0.25	\$ 0.14	\$ 0.50	\$ 0.32
Weighted Average Shares - Basic	104,193	103,715	104,120	103,631
Weighted Average Shares - Diluted	104,203	103,718	104,125	103,642

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, 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.

Management believes that FFO before special items provides analysts and investors with appropriate information related to its core operations and for the comparability of the results of its operations with other real estate companies.