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## **EASTGROUP PROPERTIES ANNOUNCES FOURTH QUARTER AND YEAR 2006 RESULTS**

### **FOURTH QUARTER 2006 RESULTS**

- Funds from Operations of \$17.0 Million or \$.72 Per Share, an Increase of 5.9%
- Net Income Available to Common Stockholders of \$10.9 Million or \$.46 Per Share
- Same Property Net Operating Income Growth of 6.0%, 7.9% Before Straight-Line Rent Adjustments
- Percentage Leased 96.6%, Occupancy 95.9% – Highest Levels Since 2000
- Paid 108th Consecutive Quarterly Dividend – \$.49 Per Share
- \$49 Million Invested in Acquisitions and Development

### **YEAR 2006 RESULTS**

- Total Shareholder Return of 23% for 2006 and Average *Annual Total Returns* of 24% for 3 Years, 25% for 5 Years, 20% for 10 Years and 22% for 15 Years
- Funds from Operations of \$63.7 Million or \$2.81 Per Share, an Increase of 6.4%
- Net Income Available to Common Stockholders of \$26.6 Million or \$1.17 Per Share
- Same Property Net Operating Income Growth of 4.7%, 6.1% Before Straight-Line Rent Adjustments
- Paid Annual Dividends of \$1.96 Per Share – Fourteenth Consecutive Year of Dividend Growth With Average Annual Increase of 4.9%
- \$97 Million Invested in Acquisitions and Development During the Year
- Nineteen Development Projects with Projected Costs of \$108 Million Under Construction or In Lease-Up at Year End
- Debt-to-Total Market Capitalization of 25.5% at Year End
- Interest Coverage of 3.7x and Fixed Charge Coverage of 3.3x

**JACKSON, MISSISSIPPI**, February 14, 2007 - EastGroup Properties, Inc. (NYSE-EGP) announced today the results of its operations for the three months and year ended December 31, 2006.

#### **FUNDS FROM OPERATIONS**

For the quarter ended December 31, 2006, funds from operations (FFO) was \$.72 per share compared with \$.68 for the same period of 2005, an increase of 5.9% per share. The increase in FFO was mainly due to higher property net operating income (PNOI) of \$2,588,000 (an 11.7% increase in PNOI). This increase in PNOI was primarily attributable to \$1,327,000 from same property growth, \$917,000 from newly developed properties and \$253,000 from 2005 and 2006 acquisitions.

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For the year ended December 31, 2006, FFO was \$2.81 per share compared with \$2.64 per share for 2005, an increase of 6.4% per share. The increase in FFO for 2006 was primarily due to higher PNOI of \$9,576,000 (an 11.1% increase in PNOI). The increase in PNOI resulted mainly from \$3,795,000 from same property growth, \$3,148,000 from newly developed properties and \$2,455,000 attributable to 2005 and 2006 acquisitions.

PNOI from same properties increased 6.0% for the quarter. Before straight-line rent adjustments, the increase was 7.9%. Rental rate increases on new and renewal leases averaged 10.8% for the quarter. Before straight-line rent adjustments, rental rate increases on new and renewal leases averaged 5.8%.

For the year, PNOI from same properties increased 4.7%. Before straight-line rent adjustments, the increase was 6.1%. Rental rate increases on new and renewal leases averaged 11.2% for year, and, before straight-line rent adjustments, rental rate increases on new and renewal leases averaged 4.2%.

FFO and PNOI are non-GAAP financial measures, which are defined under *Definitions* later in this release. Reconciliations of FFO and PNOI to Net Income, the most directly comparable GAAP financial measure, are presented in the attached schedule "Reconciliations of Other Reporting Measures to Net Income."

David H. Hoster II, President and CEO, stated, "We are pleased with our increased occupancy of 95.9% at December 31, 2006 which is the highest occupancy level since the third quarter of 2000. In addition, we continue to experience growth in FFO per share with the fourth quarter of 2006 representing our tenth consecutive quarter of increased FFO as compared to the previous year's quarter. It was also the fourteenth consecutive quarter of positive same property results both with and without the straight-lining of rents which illustrates the ongoing strength of our property operations."

Mr. Hoster added, "We are proud of our consistent track record of creating value for our shareholders over both the short- and long-term. Total shareholder returns for one, three, five, ten and fifteen year periods all average 20% or greater per year."

### **EARNINGS PER SHARE**

On a diluted per share basis, earnings per common share (EPS) was \$.46 for the three months ended December 31, 2006 compared to \$.19 per share in the same period of 2005. Gain on sales of real estate was \$.20 per share in the fourth quarter of 2006 compared to zero in the same period of 2005. Diluted EPS was \$1.17 in 2006 compared to \$.89 in 2005 with increased gain on the sales of real estate of \$.21 per share in 2006.

### **DEVELOPMENT**

During the fourth quarter, the Company acquired 5.1 acres of land in Houston, Texas for future development for \$835,000. This land is located in EastGroup's World Houston International Business Center and will complement EastGroup's existing presence there.

The Company also purchased the remaining 20 acres of SunCoast Commerce Park land in Fort Myers, Florida that had been under contract since 2005 as part of a total 30-acre purchase. The 20 acres was purchased for \$3,126,000 and is adjacent to a 10-acre tract of land that the Company purchased for development in 2005. Construction on the first two SunCoast Commerce Park buildings (126,000 square feet) began in September.

Also during the quarter, EastGroup purchased 35 additional acres of land with extensive frontage on I-75 in Fort Myers for \$9,310,000 which is located in the same submarket as our existing SunCoast Commerce Park. Fort Myers is strategically located to serve the distribution requirements in southwestern Florida between Sarasota and Naples along the I-75 corridor.

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During the fourth quarter, EastGroup transferred two Houston properties (168,000 square feet; one 100% and one 54% leased) and one San Antonio property (66,000 square feet and 100% leased) to the portfolio with a combined investment of \$12,617,000. In January 2007, the Company transferred a Chandler, Arizona property (85,000 square feet and 100% leased) to the portfolio.

At December 31, 2006, EastGroup had 19 development properties containing 1,451,000 square feet with a projected total cost of approximately \$108 million either in lease-up or under construction. These properties were collectively 39% leased at December 31, 2006 and       % at February 13, 2007.

Mr. Hoster stated, "We are continuing to expand EastGroup's development program to reflect both the strong leasing activity at our development properties and the overall firming of our development submarkets. Our development program has been and, we believe, will continue to be a creator of shareholder value and a major contributor to our future growth in FFO."

### **PROPERTY ACQUISITIONS**

In mid-December 2006, EastGroup acquired four business distribution buildings in Charlotte, North Carolina for a purchase price of \$19,510,000. The buildings, which were constructed in 1987 through 1989, contain a total of 322,000 square feet and are located in the NorthPark Business Park. The multi-tenant properties are currently 93.4% leased to 18 customers and are projected to generate a 7.0% stabilized unleveraged cash yield at 95% occupancy.

David H. Hoster II, President and CEO stated, "This acquisition is our first in Charlotte and represents EastGroup's entry into our third new market over the past three years. As a growth Sunbelt market with a good industrial base, we believe Charlotte offers an excellent fit with our investment and operating strategies. The NorthPark buildings are high quality distribution properties in Charlotte's strongest industrial submarket and give us a good base from which to expand our ownership in the market."

In January 2007, EastGroup continued its expansion into the Charlotte market and acquired three additional business distribution buildings there for a purchase price of \$9,300,000. Westinghouse Distribution Center, which was constructed in 1983, contains 104,000 square feet and is 100% leased to three customers. Lindbergh Business Park I and II, built in 2001 and 2003, have 77,000 square feet in two buildings and is 69% leased to five customers. In total, the buildings are 87% leased and are projected to generate an 8.1% stabilized unleveraged cash yield at 95% occupancy.

David H. Hoster II, President and CEO stated, "The purchase of Westinghouse and Lindbergh is EastGroup's second acquisition in Charlotte since mid-December and increases our ownership to 503,000 square feet in seven buildings. Charlotte is an attractive growth market in which we plan to make additional investments as opportunities become available."

Also in January 2007, the Company purchased North Stemmons III (60,000 square feet) in Dallas for \$2,850,000. North Stemmons III is located in an existing EastGroup submarket in Dallas and will complement EastGroup's current presence there. The building is 100% leased and is projected to generate a 7.8% unleveraged cash yield.

EastGroup is currently under separate contracts to purchase properties with 456,000 square feet in Charlotte, 231,000 square feet in San Antonio and 68,000 square feet in Denver. All of these acquisitions are expected to close during the first quarter of 2007.

### **PROPERTY SALES**

In December, EastGroup sold two properties in separate transactions. The Company's Auburn Hills building (114,000 square feet), a single tenant office/R&D facility located in the Detroit, Michigan metro area, was sold for a price of \$17,850,000. The sale generated a gain of \$4,224,000 and a deferred gain of \$329,000 which we project to realize in the first quarter of 2007.

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Also in December, EastGroup sold its Crowfarn Distribution Center (106,000 square feet) in Memphis for \$2,750,000 which generated a gain of \$387,000. This transaction reduced the Company's ownership in Memphis to 264,000 square feet with a net investment of less than \$5,000,000.

David H. Hoster II, President and CEO stated, "The sales of Auburn Hills and Crowfarn are part of our ongoing strategy to dispose of non-core assets as market conditions permit. Both of these properties were originally acquired through a merger, and the sale proceeds will be reinvested in new development and core market acquisitions."

In addition, the Company sold a small portion of its Sun Coast land for \$270,000 to the City of Fort Myers for right of way purposes in lieu of eminent domain. The sale generated a gain of \$123,000.

### **DIVIDENDS**

EastGroup paid dividends of \$.49 per share of common stock in the fourth quarter of 2006, which was the 108th consecutive quarterly distribution to EastGroup's common stockholders. The annualized dividend rate of \$1.96 per share yields           % on the closing stock price of \$           on February 13, 2007.

EastGroup also paid quarterly dividends of \$.4969 per share on its Series D Preferred Stock on January 15, 2007 to stockholders of record as of December 29, 2006.

### **STRONG FINANCIAL POSITION**

EastGroup's balance sheet continues to be strong and flexible with debt-to-total market capitalization of 25.5% at December 31, 2006. For the year, the Company had an interest coverage ratio of 3.7x and a fixed charge coverage ratio of 3.3x. Total debt at December 31, 2006 was \$446.5 million with floating rate bank debt comprising \$29.1 million of that total.

As previously announced, in October, the Company closed on a \$78 million, nonrecourse first mortgage loan secured by properties containing 1,316,000 square feet. The loan has a fixed interest rate of 5.97%, a ten-year term and an amortization schedule of 20 years. The proceeds of the note were used to repay a maturing \$20.5 million mortgage and to reduce floating rate bank borrowings.

### **OUTLOOK FOR 2007**

EastGroup confirms its previously issued FFO guidance for the first quarter and the year 2007. FFO per share for 2007 is estimated to be in the range of \$2.93 to \$3.03. Diluted EPS for 2007 is estimated to be in the range of \$1.12 to \$1.22. The table below reconciles projected net income to projected FFO.

	<b>Low Range</b>		<b>High Range</b>	
	<b>Q1 2007</b>	<b>Y/E 2007</b>	<b>Q1 2007</b>	<b>Y/E 2007</b>
Net income	\$6,710	29,262	7,186	31,638
Dividends on preferred shares	(656)	(2,624)	(656)	(2,624)
Net income available to common stockholders	6,054	26,638	6,530	29,014
Depreciation and amortization	10,747	42,963	10,747	42,963
Funds from operations available to common stockholders	\$ 16,801	69,601	17,277	71,977
Diluted shares	23,754	23,758	23,754	23,758
Per share data (diluted):				
Net income available to common stockholders	\$ 0.25	1.12	0.27	1.22
Funds from operations available to common stockholders	\$ 0.71	2.93	0.73	3.03

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The following assumptions were used:

- Average occupancy of 94.0% to 96.5%.
- Same property NOI increase of 1% to 4%.
- Non-same property NOI:
  - Development properties not transferred to the portfolio by January 1, 2006 contributing PNOI of \$.37 per share.
  - Dispositions of operating properties totaling \$10 million on July 1, 2007.
  - Operating property acquisitions of \$19 million in December 2006 and \$9 million in January 2007, which have closed.
  - Additional operating property acquisitions of \$50 million on July 1, 2007.
- No lease termination fees.
- No sales of nondepreciable real estate.
- Floating rate bank debt at an average rate of 6%.
- New fixed rate debt of \$50 million on August 15, 2007 at 5.7%.

## **DEFINITIONS**

The Company's chief decision makers use two primary measures of operating results in making decisions: property net operating income (PNOI), defined as income from real estate operations less property operating expenses (before interest expense and depreciation and amortization), and funds from operations available to common stockholders (FFO). EastGroup defines FFO consistent with the National Association of Real Estate Investment Trusts' definition, as net income (loss) computed in accordance with U.S. generally accepted accounting principles (GAAP), excluding gains or losses from sales of depreciable real estate property, plus real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO as defined by the Company refers to FFO available to common stockholders as it excludes dividends on preferred stock.

PNOI and FFO are supplemental industry reporting measurements used to evaluate the performance of the Company's investments in real estate assets and its operating results. The Company believes that the exclusion of depreciation and amortization in the industry's calculations of PNOI and FFO provides supplemental indicators of the properties' performance since real estate values have historically risen or fallen with market conditions. PNOI and FFO as calculated by the Company may not be comparable to similarly titled but differently calculated measures for other REITs. Investors should be aware that items excluded from or added back to FFO are significant components in understanding and assessing the Company's financial performance.

## **CONFERENCE CALL**

EastGroup will host a conference call and webcast to discuss the results of its fourth quarter and review the Company's current operations on Thursday, February 15, 2007, at 11:00 A.M. Eastern Time. A live broadcast of the conference call is available by dialing 1-800-795-1259 (conference ID EastGroup) or by webcast through a link on the Company's website at [www.eastgroup.net](http://www.eastgroup.net). If you are unable to listen to the live conference call, a telephone and webcast replay will be available on Thursday, February 15, 2007. The telephone replay will be available until Thursday, February 22, 2007, and can be accessed by dialing 1-888-219-1269. Also, the replay of the webcast can be accessed through a link on the Company's website at [www.eastgroup.net](http://www.eastgroup.net) and will be available until Thursday, February 22, 2007.

## **SUPPLEMENTAL INFORMATION**

Supplemental financial information is available by request by calling the Company at 601-354-3555, or by accessing the report in the reports section of the Company's website at [www.eastgroup.net](http://www.eastgroup.net).

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## **COMPANY INFORMATION**

EastGroup Properties, Inc. is a self-administered equity real estate investment trust focused on the development, acquisition and operation of industrial properties in major Sunbelt markets throughout the United States with an emphasis in the states of Florida, Texas, California and Arizona. The Company's goal is to maximize shareholder value by being the leading provider in its markets of functional, flexible, and quality business distribution space for location sensitive customers primarily in the 5,000 to 50,000 square foot range. The Company's strategy for growth is based on ownership of premier distribution facilities generally clustered near major transportation features in supply-constrained submarkets. EastGroup's portfolio currently includes 22.1 million square feet with an additional 1,458,000 square feet of properties under development. EastGroup Properties, Inc. press releases are also available on the Company's website.

## **FORWARD-LOOKING STATEMENTS**

The Company's assumptions and financial projections in this release 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 tenant defaults or of any early lease terminations;
- the Company's ability to lease or re-lease space at current or anticipated rents;
- changes in the supply of and demand for industrial/warehouse properties;
- increases in interest rate levels;
- increases in operating costs;
- the availability of financing;
- natural disasters 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 or that development or operating costs may be greater than anticipated.

Although the Company believes that 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.

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**EASTGROUP PROPERTIES, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(IN THOUSANDS, EXCEPT PER SHARE DATA)**  
**(UNAUDITED)**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2006	2005	2006	2005
<b>REVENUES</b>				
Income from real estate operations	\$ 34,503	31,141	133,144	120,710
Equity in earnings of unconsolidated investment	74	73	287	450
Other income (loss)	(73)	269	182	413
	<u>34,504</u>	<u>31,483</u>	<u>133,613</u>	<u>121,573</u>
<b>EXPENSES</b>				
Expenses from real estate operations	9,719	8,945	37,354	34,496
Depreciation and amortization	10,589	10,476	41,525	37,871
General and administrative	1,967	1,608	7,401	6,874
Minority interest in joint ventures	148	126	600	484
	<u>22,423</u>	<u>21,155</u>	<u>86,880</u>	<u>79,725</u>
<b>OPERATING INCOME</b>	12,081	10,328	46,733	41,848
<b>OTHER INCOME (EXPENSE)</b>				
Gain on sale of nonoperating real estate	123	-	123	-
Interest income	31	12	142	247
Interest expense	(5,570)	(5,936)	(24,616)	(23,444)
<b>INCOME FROM CONTINUING OPERATIONS</b>	<u>6,665</u>	<u>4,404</u>	<u>22,382</u>	<u>18,651</u>
<b>DISCONTINUED OPERATIONS</b>				
Income from real estate operations	276	516	1,125	2,376
Gain on sale of real estate investments	4,636	-	5,727	1,164
<b>INCOME FROM DISCONTINUED OPERATIONS</b>	<u>4,912</u>	<u>516</u>	<u>6,852</u>	<u>3,540</u>
<b>NET INCOME</b>	11,577	4,920	29,234	22,191
Preferred dividends-Series D	656	656	2,624	2,624
<b>NET INCOME AVAILABLE TO COMMON STOCKHOLDERS</b>	<u>\$ 10,921</u>	<u>4,264</u>	<u>26,610</u>	<u>19,567</u>
<b>BASIC PER COMMON SHARE DATA</b>				
Income from continuing operations	\$ 0.26	0.17	0.88	0.74
Income from discontinued operations	0.21	0.03	0.31	0.17
Net income available to common stockholders	<u>\$ 0.47</u>	<u>0.20</u>	<u>1.19</u>	<u>0.91</u>
Weighted average shares outstanding	<u>23,425</u>	<u>21,811</u>	<u>22,372</u>	<u>21,567</u>
<b>DILUTED PER COMMON SHARE DATA</b>				
Income from continuing operations	\$ 0.25	0.17	0.87	0.73
Income from discontinued operations	0.21	0.02	0.30	0.16
Net income available to common stockholders	<u>\$ 0.46</u>	<u>0.19</u>	<u>1.17</u>	<u>0.89</u>
Weighted average shares outstanding	<u>23,749</u>	<u>22,147</u>	<u>22,692</u>	<u>21,892</u>
Dividends declared per common share	\$ 0.490	0.485	1.960	1.940

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**EASTGROUP PROPERTIES, INC.**  
**RECONCILIATIONS OF OTHER REPORTING MEASURES TO NET INCOME**  
**(IN THOUSANDS, EXCEPT PER SHARE DATA)**  
**(UNAUDITED)**

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2006	2005	2006	2005
<b>RECONCILIATIONS OF OTHER REPORTING MEASURES TO NET INCOME:</b>				
Income from real estate operations	\$ 34,503	31,141	133,144	120,710
Expenses from real estate operations	(9,719)	(8,945)	(37,354)	(34,496)
<b>PROPERTY NET OPERATING INCOME (PNOI)</b>	<b>24,784</b>	<b>22,196</b>	<b>95,790</b>	<b>86,214</b>
Equity in earnings of unconsolidated investment (before interest and depreciation)	195	196	773	798
Interest income	31	12	142	247
Other income (loss)	(73)	269	182	413
General and administrative expense	(1,967)	(1,608)	(7,401)	(6,874)
<b>EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)</b>	<b>22,970</b>	<b>21,065</b>	<b>89,486</b>	<b>80,798</b>
Income from discontinued operations (before depreciation and amortization) (1)	401	883	1,817	3,811
Interest expense (2)	(5,570)	(5,936)	(24,616)	(23,444)
Interest expense from unconsolidated investment	(88)	(90)	(354)	(216)
Minority interest in earnings (before depreciation and amortization)	(186)	(162)	(751)	(625)
Gain on sale of nondepreciable real estate	129	-	791	33
Dividends on Series D preferred shares	(656)	(656)	(2,624)	(2,624)
<b>FUNDS FROM OPERATIONS (FFO) AVAILABLE TO COMMON STOCKHOLDERS</b>	<b>17,000</b>	<b>15,104</b>	<b>63,749</b>	<b>57,733</b>
Depreciation and amortization from continuing operations	(10,589)	(10,476)	(41,525)	(37,871)
Depreciation and amortization from discontinued operations	(125)	(367)	(692)	(1,435)
Depreciation from unconsolidated investment	(33)	(33)	(132)	(132)
Minority interest depreciation and amortization	38	36	151	141
Gain on sale of depreciable real estate investments	4,630	-	5,059	1,131
<b>NET INCOME AVAILABLE TO COMMON STOCKHOLDERS</b>	<b>10,921</b>	<b>4,264</b>	<b>26,610</b>	<b>19,567</b>
Dividends on preferred shares	656	656	2,624	2,624
<b>NET INCOME</b>	<b>\$ 11,577</b>	<b>4,920</b>	<b>29,234</b>	<b>22,191</b>
<b>DILUTED PER COMMON SHARE DATA: (3)</b>				
Income from continuing operations	\$ 0.25	0.17	0.87	0.73
Income from discontinued operations	0.21	0.02	0.30	0.16
Net income available to common stockholders	<b>\$ 0.46</b>	<b>0.19</b>	<b>1.17</b>	<b>0.89</b>
Funds from operations available to common stockholders	<b>\$ 0.72</b>	<b>0.68</b>	<b>2.81</b>	<b>2.64</b>
Weighted average shares outstanding for EPS and FFO purposes	23,749	22,147	22,692	21,892

(1) Includes no interest expense for 2006 and zero and \$64,000 for the three and twelve months ended December 31, 2005, respectively.

(2) Net of capitalized interest of \$1,240,000 and \$806,000 for the three months ended December 31, 2006 and 2005, respectively; and \$4,336,000 and \$2,485,000 for the twelve months ended December 31, 2006 and 2005, respectively.

(3) Assumes dilutive effect of common stock equivalents.



## Supplemental Information September 30, 2006



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In addition to historical information, certain statements in this release are forward-looking, such as those pertaining to the Company's hopes, expectations, intentions, plans, beliefs, strategies regarding the future, the anticipated performance of development and acquisition properties, capital resources, profitability and portfolio performance. Forward-looking statements involve numerous risks and uncertainties. The following factors, among others discussed herein, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: defaults or nonrenewal of leases, increased interest rates and operating costs, failure to obtain necessary outside financing, difficulties in identifying properties to acquire and in effecting acquisitions, failure to qualify as a real estate investment trust under the Internal Revenue Code of 1986, as amended, environmental uncertainties, risks related to disasters and the costs of insurance to protect from such disasters, financial market fluctuations, changes in real estate and zoning laws, increases in real property tax rates and risks relating to the Company's development program, including weather, delays in construction schedules, contractor's failure to perform, increases in the price of construction materials or the unavailability of such materials, difficulty in obtaining necessary governmental approvals and other matters outside the Company's control. The success of the Company also depends upon the trends of the economy, including interest rates and the effects to the economy from possible terrorism and related world events, income tax laws, governmental regulation, legislation, population changes and those risk factors discussed elsewhere in this release. Readers are cautioned not to place undue reliance on forward-looking statements, which reflect management's analysis only as the date hereof. The Company assumes no obligation to update forward-looking statements. See also the Company's reports to be filed from time to time with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

**EASTGROUP PROPERTIES, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**(IN THOUSANDS, EXCEPT FOR SHARE AND PER SHARE DATA)**

	<b>December 31, 2006</b>	<b>December 31, 2005</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
Real estate properties	\$ 973,910	943,585
Development	114,986	77,483
	1,088,896	1,021,068
Less accumulated depreciation	(231,106)	(206,427)
	857,790	814,641
Real estate held for sale	-	773
Unconsolidated investment	2,595	2,618
Cash	940	1,915
Other assets	50,462	43,591
<b>TOTAL ASSETS</b>	<b>\$ 911,787</b>	<b>863,538</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Mortgage notes payable	\$ 417,440	346,961
Notes payable to banks	29,066	116,764
Accounts payable & accrued expenses	32,589	22,941
Other liabilities	11,747	10,306
	490,842	496,972
Minority interest in joint ventures	2,148	1,702
<b>STOCKHOLDERS' EQUITY</b>		
Series C Preferred Shares; \$.0001 par value; 600,000 shares authorized; no shares issued	-	-
Series D 7.95% Cumulative Redeemable Preferred Shares and additional paid-in capital; \$.0001 par value; 1,320,000 shares authorized and issued; stated liquidation preference of \$33,000	32,326	32,326
Common shares; \$.0001 par value; 68,080,000 shares authorized; 23,701,275 shares issued and outstanding at December 31, 2006 and 22,030,682 at December 31, 2005	2	2
Excess shares; \$.0001 par value; 30,000,000 shares authorized; no shares issued	-	-
Additional paid-in capital on common shares	463,170	390,155
Distributions in excess of earnings	(77,015)	(57,930)
Accumulated other comprehensive income	314	311
	418,797	364,864
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 911,787</b>	<b>863,538</b>

**EASTGROUP PROPERTIES, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(IN THOUSANDS, EXCEPT PER SHARE DATA)**  
**(UNAUDITED)**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2006	2005	2006	2005
<b>REVENUES</b>				
Income from real estate operations	\$ 34,503	31,141	133,144	120,710
Equity in earnings of unconsolidated investment	74	73	287	450
Other income (loss)	(73)	269	182	413
	<u>34,504</u>	<u>31,483</u>	<u>133,613</u>	<u>121,573</u>
<b>EXPENSES</b>				
Expenses from real estate operations	9,719	8,945	37,354	34,496
Depreciation and amortization	10,589	10,476	41,525	37,871
General and administrative	1,967	1,608	7,401	6,874
Minority interest in joint ventures	148	126	600	484
	<u>22,423</u>	<u>21,155</u>	<u>86,880</u>	<u>79,725</u>
<b>OPERATING INCOME</b>	12,081	10,328	46,733	41,848
<b>OTHER INCOME (EXPENSE)</b>				
Gain on sale of nonoperating real estate	123	-	123	-
Interest income	31	12	142	247
Interest expense	(5,570)	(5,936)	(24,616)	(23,444)
<b>INCOME FROM CONTINUING OPERATIONS</b>	<u>6,665</u>	<u>4,404</u>	<u>22,382</u>	<u>18,651</u>
<b>DISCONTINUED OPERATIONS</b>				
Income from real estate operations	276	516	1,125	2,376
Gain on sale of real estate investments	4,636	-	5,727	1,164
<b>INCOME FROM DISCONTINUED OPERATIONS</b>	<u>4,912</u>	<u>516</u>	<u>6,852</u>	<u>3,540</u>
<b>NET INCOME</b>	11,577	4,920	29,234	22,191
Preferred dividends-Series D	656	656	2,624	2,624
<b>NET INCOME AVAILABLE TO COMMON STOCKHOLDERS</b>	<u>\$ 10,921</u>	<u>4,264</u>	<u>26,610</u>	<u>19,567</u>
<b>BASIC PER COMMON SHARE DATA</b>				
Income from continuing operations	\$ 0.26	0.17	0.88	0.74
Income from discontinued operations	0.21	0.03	0.31	0.17
Net income available to common stockholders	<u>\$ 0.47</u>	<u>0.20</u>	<u>1.19</u>	<u>0.91</u>
Weighted average shares outstanding	<u>23,425</u>	<u>21,811</u>	<u>22,372</u>	<u>21,567</u>
<b>DILUTED PER COMMON SHARE DATA</b>				
Income from continuing operations	\$ 0.25	0.17	0.87	0.73
Income from discontinued operations	0.21	0.02	0.30	0.16
Net income available to common stockholders	<u>\$ 0.46</u>	<u>0.19</u>	<u>1.17</u>	<u>0.89</u>
Weighted average shares outstanding	<u>23,749</u>	<u>22,147</u>	<u>22,692</u>	<u>21,892</u>
Dividends declared per common share	\$ 0.490	0.485	1.960	1.940

**EASTGROUP PROPERTIES, INC.**  
**RECONCILIATIONS OF OTHER REPORTING MEASURES TO NET INCOME**  
**(IN THOUSANDS, EXCEPT PER SHARE DATA)**  
**(UNAUDITED)**

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2006	2005	2006	2005
<b>RECONCILIATIONS OF OTHER REPORTING MEASURES TO NET INCOME:</b>				
Income from real estate operations	\$ 34,503	31,141	133,144	120,710
Expenses from real estate operations	(9,719)	(8,945)	(37,354)	(34,496)
<b>PROPERTY NET OPERATING INCOME (PNOI)</b>	<b>24,784</b>	<b>22,196</b>	<b>95,790</b>	<b>86,214</b>
Equity in earnings of unconsolidated investment (before interest and depreciation)	195	196	773	798
Interest income	31	12	142	247
Other income (loss)	(73)	269	182	413
General and administrative expense	(1,967)	(1,608)	(7,401)	(6,874)
<b>EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)</b>	<b>22,970</b>	<b>21,065</b>	<b>89,486</b>	<b>80,798</b>
Income from discontinued operations (before depreciation and amortization) (1)	401	883	1,817	3,811
Interest expense (2)	(5,570)	(5,936)	(24,616)	(23,444)
Interest expense from unconsolidated investment	(88)	(90)	(354)	(216)
Minority interest in earnings (before depreciation and amortization)	(186)	(162)	(751)	(625)
Gain on sale of nondepreciable real estate	129	-	791	33
Dividends on Series D preferred shares	(656)	(656)	(2,624)	(2,624)
<b>FUNDS FROM OPERATIONS (FFO) AVAILABLE TO COMMON STOCKHOLDERS</b>	<b>17,000</b>	<b>15,104</b>	<b>63,749</b>	<b>57,733</b>
Depreciation and amortization from continuing operations	(10,589)	(10,476)	(41,525)	(37,871)
Depreciation and amortization from discontinued operations	(125)	(367)	(692)	(1,435)
Depreciation from unconsolidated investment	(33)	(33)	(132)	(132)
Minority interest depreciation and amortization	38	36	151	141
Gain on sale of depreciable real estate investments	4,630	-	5,059	1,131
<b>NET INCOME AVAILABLE TO COMMON STOCKHOLDERS</b>	<b>10,921</b>	<b>4,264</b>	<b>26,610</b>	<b>19,567</b>
Dividends on preferred shares	656	656	2,624	2,624
<b>NET INCOME</b>	<b>\$ 11,577</b>	<b>4,920</b>	<b>29,234</b>	<b>22,191</b>
<b>DILUTED PER COMMON SHARE DATA: (3)</b>				
Income from continuing operations	\$ 0.25	0.17	0.87	0.73
Income from discontinued operations	0.21	0.02	0.30	0.16
Net income available to common stockholders	<b>\$ 0.46</b>	<b>0.19</b>	<b>1.17</b>	<b>0.89</b>
Funds from operations available to common stockholders	<b>\$ 0.72</b>	<b>0.68</b>	<b>2.81</b>	<b>2.64</b>
Weighted average shares outstanding for EPS and FFO purposes	<b>23,749</b>	<b>22,147</b>	<b>22,692</b>	<b>21,892</b>

(1) Includes no interest expense for 2006 and zero and \$64,000 for the three and twelve months ended December 31, 2005, respectively.

(2) Net of capitalized interest of \$1,240,000 and \$806,000 for the three months ended December 31, 2006 and 2005, respectively; and \$4,336,000 and \$2,485,000 for the twelve months ended December 31, 2006 and 2005, respectively.

(3) Assumes dilutive effect of common stock equivalents.

**EASTGROUP PROPERTIES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(IN THOUSANDS)**  
**(UNAUDITED)**

	<b>Years Ended December 31,</b>	
	<b>2006</b>	<b>2005</b>
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 29,234	22,191
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization from continuing operations	41,525	37,871
Depreciation and amortization from discontinued operations	692	1,435
Minority interest depreciation and amortization	(151)	(141)
Amortization of mortgage loan premiums	(403)	(333)
Gain on sale of real estate investments	(5,850)	(1,164)
Stock-based compensation expense	2,125	1,593
Equity in earnings of unconsolidated investment net of distributions	23	(20)
Changes in operating assets and liabilities:		
Accrued income and other assets	(4,765)	336
Accounts payable, accrued expenses and prepaid rent	4,141	5,798
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>66,571</b>	<b>67,566</b>
<b>INVESTING ACTIVITIES:</b>		
Real estate development	(77,666)	(58,192)
Purchases of real estate	(19,539)	(46,507)
Real estate improvements	(13,470)	(11,262)
Proceeds from sale of real estate investments	38,412	6,034
Repayments on mortgage loans receivable	-	7,550
Distributions from unconsolidated investment	-	6,658
Changes in other assets and other liabilities	(2,792)	(2,794)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(75,055)</b>	<b>(98,513)</b>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from bank borrowings	191,689	187,286
Repayments on bank borrowings	(279,387)	(156,953)
Proceeds from mortgage notes payable	116,000	39,000
Principal payments on mortgage notes payable	(45,071)	(25,880)
Debt issuance costs	(1,048)	(664)
Distributions paid to stockholders	(47,843)	(44,907)
Proceeds from common stock offerings	68,112	31,597
Proceeds from exercise of stock options	2,154	1,507
Proceeds from dividend reinvestment plan	305	346
Other	2,598	322
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>7,509</b>	<b>31,654</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(975)</b>	<b>707</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>1,915</b>	<b>1,208</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 940</b>	<b>1,915</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for interest, net of amount capitalized of \$4,336 and \$2,485 for 2006 and 2005, respectively	\$ 23,870	22,842
Fair value of debt assumed by the Company in the purchase of real estate	-	30,500
Common stock awards issued to employees and directors, net of forfeitures	3,234	1,000

**EASTGROUP PROPERTIES, INC.**  
**PROPERTY NET OPERATING INCOME BY TYPE**  
**(IN THOUSANDS)**

	Three Months Ended			Twelve Months Ended		
	December 31,			December 31,		
	2006	2005	Increase	2006	2005	Increase
<b>COMPONENTS OF PROPERTY NOI:</b>						
Same Property	\$ 23,229	21,528	7.9%	84,679	79,827	6.1%
2006 Acquisitions	60	-		60	-	
2005 Acquisitions	421	251		6,158	3,747	
2006 Development	839	9		1,892	23	
2005 Development	-	-		1,946	757	
Other	(17)	(75)		23	(83)	
<b>TOTAL PNOI BEFORE STRAIGHT-LINE RENT ADJUSTMEN</b>	<u>24,532</u>	<u>21,713</u>		<u>94,758</u>	<u>84,271</u>	
Straight-Line Rent Adjustment (Continuing Operations)	252	483		1,032	1,943	
<b>TOTAL PNOI BEFORE MINORITY INTERES</b>	<u>\$ 24,784</u>	<u>22,196</u>		<u>95,790</u>	<u>86,214</u>	
<b>SAME PROPERTY NOI</b>						
Same Property Before Straight-Line Rent Adjustment	\$ 23,229	21,528	7.9%	84,679	79,827	6.1%
Same Property Straight-Line Rent Adjustment	64	438		150	1,207	
Total Same Property NOI	<u>\$ 23,293</u>	<u>21,966</u>	6.0%	<u>84,829</u>	<u>81,034</u>	4.7%
<b>REAL ESTATE INCOME &amp; EXPENSE</b>						
Real Estate Income	\$ 34,503	31,141		133,144	120,710	
Real Estate Expense	(9,719)	(8,945)		(37,354)	(34,496)	
<b>TOTAL PNOI BEFORE MINORITY INTEREST</b>	<u>\$ 24,784</u>	<u>22,196</u>		<u>95,790</u>	<u>86,214</u>	
<b>EXPENSE TO REVENUE RATIO</b>	28.2%	28.7%		28.1%	28.6%	

**EASTGROUP PROPERTIES, INC.**  
**ADDITIONAL FINANCIAL INFORMATION**  
**(IN THOUSANDS)**

<b>SELECTED INCOME STATEMENT INFORMATION</b>	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<i>(Items below represent increases or (decreases) in FFO)</i>			
<b>CONTINUING OPERATIONS</b>				
Straight-line (S/L) rent income adjustment	\$ 277	534	1,257	2,173
Bad debt expense on S/L rent	(25)	(51)	(225)	(230)
Net straight-line rent income adjustment	252	483	1,032	1,943
Lease termination fee income	6	277	410	836
Bad debt expense (excluding S/L rent bad debt)	(108)	(258)	(494)	(723)
Stock-based compensation expense	(664)	(388)	(2,125)	(1,593)
Loan costs amortization	(210)	(196)	(819)	(801)
Acquired leases - market rent adjustment amortization	18	(8)	27	(72)
Assumed mortgages - fair value adjustment amortization	81	94	403	333
	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
<b>DISCONTINUED OPERATIONS</b>				
Income from real estate operations (before S/L rent adjustment)	\$ 478	1,159	2,350	5,051
S/L rent adjustment net of bad debt expense	52	39	101	7
Operating expenses from real estate operations	(129)	(337)	(635)	(1,277)
<b>PROPERTY NET OPERATING INCOME FROM DISCONTINUED OPERATIONS</b>	401	861	1,816	3,781
Other income	-	22	1	94
Interest expense	-	-	-	(64)
Depreciation and amortization	(125)	(367)	(692)	(1,435)
<b>INCOME FROM REAL ESTATE OPERATIONS</b>	276	516	1,125	2,376
Gain on sale of real estate investments	4,636	-	5,727	1,164
<b>INCOME FROM DISCONTINUED OPERATIONS</b>	\$ 4,912	516	6,852	3,540
<b>WEIGHTED AVERAGE COMMON SHARES</b>				
Weighted average common shares	23,425	21,811	22,372	21,567
<b>BASIC SHARES FOR EPS</b>	23,425	21,811	22,372	21,567
Potential common shares:				
Stock options	126	170	143	171
Nonvested restricted stock	198	166	177	154
<b>DILUTED SHARES FOR EPS AND FFO</b>	23,749	22,147	22,692	21,892

**EASTGROUP PROPERTIES, INC.**  
**DEVELOPMENT SUMMARY AS OF DECEMBER 31, 2006**  
**(IN THOUSANDS EXCEPT ACRES)**

	Size (SF) at Completion	Costs Incurred			NOI (1)		Completion Date	Anticipated Conversion Date (2)	Projected Stabilized Yield (3)	Projected Avg % Occupied		% Leased 12/31/2006	% Leased 02/13/07	
		4th Qtr 2006	Cumulative at 12/31/06	Projected Total Costs	4th Qtr 2006	YTD 12/31/2006				1Q 07	2Q 07			
		2006	at 12/31/06	Total Costs	2006	12/31/2006								
<b>Lease-up:</b>														
Santan 10 II	Chandler, AZ	85	\$ 201	5,501	5,600		03/06	01/07	9.4%	100%	100%	100%	100%	
Southridge II	Orlando, FL	41	204	3,546	4,700		05/06	05/07	10.5%	50%	50%	50%	50%	
World Houston 15	Houston, TX	63	77	4,526	5,800		05/06	05/07	10.0%	22%	31%	31%	31%	
Oak Creek III	Tampa, FL	61	29	3,459	3,900		06/06	04/07	9.3%	76%	76%	76%	76%	
Arion 17	San Antonio, TX	40	274	2,938	3,500		06/06	06/07	10.2%	24%	25%	25%	25%	
Southridge VI	Orlando, FL	81	606	4,971	5,700		11/06	04/07	9.7%	35%	83%	83%	83%	
Oak Creek V	Tampa, FL	100	877	4,833	6,400		11/06	11/07	9.6%	0%	0%	0%	0%	
<b>Total Lease-up</b>		<b>471</b>	<b>2,268</b>	<b>29,774</b>	<b>35,600</b>	<b>210</b>	<b>302</b>					<b>53%</b>	<b>53%</b>	<b>Weighted Avg %</b>
<b>Under Construction:</b>														
Southridge III	Orlando, FL	81	1,248	4,453	5,900		01/07	04/07	9.9%	11%	83%	83%	83%	
Beltway Crossing II, III & IV	Houston, TX	160	1,787	7,153	9,300		01/07	01/08	9.7%	4%	11%	11%	11%	
Castilian Research Center	Santa Barbara, CA	35	147	4,922	7,300		02/07	02/08	8.7%	0%	0%	0%	0%	
World Houston 22	Houston, TX	68	1,144	3,070	4,000		03/07	11/07	9.6%	0%	45%	67%	67%	
SunCoast I & II	Fort Myers, FL	126	1,886	5,278	10,900		03/07	03/08	9.6%	0%	0%	0%	0%	
World Houston 23	Houston, TX	125	2,302	4,497	8,400		04/07	05/07	9.7%	0%	67%	100%	100%	
Arion 16	San Antonio, TX	64	1,626	2,384	4,200		05/07	05/07	10.2%	0%	67%	100%	100%	
40th Avenue	Phoenix, AZ	89	1,101	1,101	6,100		05/07	05/08	8.9%	0%	0%	0%	0%	
Interstate Commons III	Phoenix, AZ	38	573	573	3,200		05/07	05/08	8.7%	0%	0%	0%	0%	
Oak Creek A & B (5)	Tampa, FL	35	751	751	3,300		05/07	05/08	N/A	0%	0%	0%	0%	
World Houston 24	Houston, TX	93	1,101	1,101	5,600		05/07	05/08	9.5%	0%	0%	0%	0%	
World Houston 25	Houston, TX	66	645	645	3,700		06/07	06/08	9.5%	0%	0%	0%	0%	
<b>Total Under Construction</b>		<b>980</b>	<b>14,311</b>	<b>35,928</b>	<b>71,900</b>							<b>33%</b>	<b>33%</b>	<b>Weighted Avg %</b>
<b>Prospective Development: (4)</b>														
	<b>Acres</b>											<b>39%</b>	<b>39%</b>	<b>Total Weighted Avg %</b>
Phoenix, AZ	17.70	271	(958)	6,515	22,800									
Tucson, AZ	4.20	70	-	326	3,500									
Tampa, FL	50.54	329	(415)	4,657	15,600									
Orlando, FL	45.86	652	930	8,371	47,500									
West Palm Beach, FL	1.56	20	25	685	2,300									
Fort Myers, FL	54.80	752	12,668	12,668	56,000									
El Paso, TX	13.47	251	-	2,444	9,600									
Houston, TX	59.83	929	(427)	9,507	52,600									
San Antonio, TX	21.74	303	166	3,406	20,600									
Jackson, MS	2.62	28	-	705	2,000									
<b>Total Prospective Development</b>	<b>272.32</b>	<b>3,605</b>	<b>11,989</b>	<b>49,284</b>	<b>232,500</b>	<b>-</b>	<b>-</b>							
	<b>272.32</b>	<b>5,056</b>	<b>\$ 28,568</b>	<b>114,986</b>	<b>340,000</b>	<b>210</b>	<b>302</b>							
<b>Completed Development and Transferred to Real Estate Properties During 2006:</b>														
<b>1st Quarter</b>														
Executive Airport CC II	Fort Lauderdale, FL	55	\$ 2	4,999			04/05		9.1%			100%	100%	
Southridge V	Orlando, FL	70	-	4,534			06/05		9.8%			100%	100%	
Palm River South II	Tampa, FL	82	10	4,911			10/05		11.2%			100%	100%	
		<b>207</b>	<b>12</b>	<b>14,444</b>		<b>380</b>	<b>1,345</b>							
<b>2nd Quarter</b>														
Southridge I	Orlando, FL	41	14	4,806			06/05		11.8%			100%	100%	
		<b>41</b>	<b>14</b>	<b>4,806</b>		<b>160</b>	<b>457</b>							
<b>3rd Quarter</b>														
Southridge IV	Orlando, FL	70	33	4,834			04/06		10.0%			100%	100%	
Sunport Center VI	Orlando, FL	63	9	3,981			10/05		9.7%			100%	100%	
		<b>133</b>	<b>42</b>	<b>8,815</b>		<b>201</b>	<b>368</b>							
<b>4th Quarter</b>														
Techway SW III	Houston, TX	100	378	5,022			10/06		9.4%			54%	54%	
Arion 14	San Antonio, TX	66	84	3,732			04/06		10.1%			100%	100%	
World Houston 21	Houston, TX	68	198	3,863			04/06		10.0%			100%	100%	
		<b>234</b>	<b>660</b>	<b>12,617</b>		<b>49</b>	<b>99</b>							
<b>Total Transferred to Real Estate Properties</b>		<b>615</b>	<b>\$ 728</b>	<b>\$ 40,682</b>		<b>790</b>	<b>2,269</b>							

- (1) Computed with rents on a straight-line basis.
- (2) Transferred from Development to the Portfolio--earlier of 80% occupied or one year after completion date.
- (3) Based on 100% occupancy and rents computed on a straight-line basis.
- (4) Negative amounts represent land inventory costs transferred to *Under Construction*.
- (5) These buildings are being developed for sale.

**EASTGROUP PROPERTIES, INC.**  
**UNCONSOLIDATED INVESTMENT INFORMATION**

Property: Industry Distribution Center II

Acquisition Date	November 23, 2004
Percent Leased	100%
Total Square Feet (100%)	309,000
Mortgage Debt Interest Rate	5.31%
Mortgage Debt Maturity Date	June 30, 2015
Company Ownership	50%

**Selected Financial Information:**

**EastGroup's  
Basis in 50%  
Ownership**

*(In Thousands)*

**Balance Sheet Information as of December 31, 2006:**

Real Estate Assets	\$ 8,939
Other Assets	192
Total Assets	<u>\$ 9,131</u>
Mortgage Note Payable	\$ 6,451
Other Liabilities	85
Equity	2,595
Total Liabilities and Equity	<u>\$ 9,131</u>

**EastGroup's Net Investment at December 31, 2006**

\$ 2,595

**EastGroup's 50% Ownership**

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2006	2005	2006	2005
	<i>(In Thousands)</i>			
<b>Income Statement Information</b>				
Property NOI	\$ 195	196	773	798
Interest Expense	(88)	(90)	(354)	(216)
Depreciation Expense	(33)	(33)	(132)	(132)
<b>Equity in Earnings</b>	<u>\$ 74</u>	<u>73</u>	<u>287</u>	<u>450</u>
<b>Funds From Operations</b>	<u>\$ 107</u>	<u>106</u>	<u>419</u>	<u>582</u>

**EASTGROUP PROPERTIES, INC.**  
**DEBT-TO-TOTAL MARKET CAPITALIZATION**

	Interest Rate	Maturity Date	Balance @ December 31, 2006	Annualized Interest
<b>BANK CREDIT FACILITIES</b>				
\$20MM Line - Floating Rate	6.322%	11/28/07	\$ 9,066,000	\$ 573,000
\$175MM Line - Floating Rate	5.830%	01/07/08	20,000,000	1,166,000
Total Bank Debt			<u>29,066,000</u>	<u>1,739,000</u>
<b>MORTGAGE DEBT</b>				
World Houston 1 & 2	7.770%	04/15/07	4,044,000	314,000
E. University I & II, Broadway VI, 55th Avenue and Ethan Allen	8.060%	06/26/07	10,336,000	833,000
Dominguez, Kingsview, Walnut, Washington, Industry and Shaw	6.800%	03/01/09	35,723,000	2,429,000
Oak Creek Distribution Center I	8.875%	09/01/09	1,521,000	135,000
Tower Automotive Center (recourse)	5.300%	01/15/11	10,040,000	532,000
Interstate Warehouse I, II & III, Venture, Stemmons Circle, Glenmont I & II, West Loop I & II, Butterfield Trail and Rojas	7.250%	05/01/11	40,606,000	2,944,000
America Plaza, Central Green and World Houston 3-9	7.920%	05/10/11	24,625,000	1,950,000
University Business Center (120 & 130 Cremona)	6.430%	05/15/12	5,782,000	372,000
University Business Center (125 & 175 Cremona)	7.980%	06/01/12	10,265,000	819,000
Oak Creek Distribution Center IV	5.680%	06/01/12	4,270,000	243,000
Airport Distribution, Southpointe, Broadway I, III & IV, Southpark, 51st Avenue, Chestnut, Main Street, Interchange Business Park, North Stemmons I and World Houston 12 & 13	6.860%	09/01/12	37,021,000	2,540,000
Interstate Distribution Center	5.640%	01/01/13	4,830,000	272,000
Broadway V, 35th Avenue, Sunbelt, Beltway I, Lockwood, Northwest Point, Techway Southwest I and World Houston 10, 11 & 14	4.750%	09/05/13	42,163,000	2,003,000
Kyrene Distribution Center I	9.000%	07/01/14	740,000	67,000
World Houston 17, Kirby, Americas Ten I, Shady Trail, Palm River North I, II & III and Westlake Distribution Center	5.680%	10/10/14	30,236,000	1,717,000
Chamberlain, Lake Pointe, Techway Southwest II and World Houston 19 & 20	4.980%	12/05/15	37,832,000	1,884,000
Huntwood and Wiegman Distribution Centers	5.680%	09/05/16	37,743,000	2,144,000
Alamo Downs, Arion 1-15 & 17, Rampart I, II & III, Santan 10 and World Houston 16	5.970%	11/05/16	77,831,000	4,647,000
Blue Heron Distribution Center II	5.390%	02/29/20	1,832,000	99,000
Total Mortgage Debt			<u>417,440,000</u>	<u>25,944,000</u>
<b>TOTAL DEBT</b>			<u>\$ 446,506,000</u>	<u>\$ 27,683,000</u>
<b>EQUITY MARKET CAPITALIZATION</b>				
Shares Outstanding - Common			23,701,275	
Price per share			\$ 53.56	
Total Market Capitalization - Common			<u>1,269,440,000</u>	
Shares Outstanding - Preferred Series D			1,320,000	
Liquidation price per share			\$ 25.00	
Total Market Capitalization - Preferred Series D			<u>33,000,000</u>	
<b>TOTAL EQUITY MARKET CAPITALIZATION</b>			<u>\$ 1,302,440,000</u>	
<b>TOTAL MARKET CAPITALIZATION (DEBT AND EQUITY)</b>			<u>\$ 1,748,946,000</u>	
<b>TOTAL DEBT ÷ (TOTAL MARKET CAPITALIZATION)</b>				<u>25.5%</u>
Weighted Average Interest Rate - Bank Debt				<u>6.0%</u>
Weighted Average Interest Rate - Mortgage Debt				<u>6.2%</u>
Weighted Average Interest Rate - Total Debt				<u>6.2%</u>

**EASTGROUP PROPERTIES, INC.**  
**MORTGAGE DEBT REPAYMENT SCHEDULE**  
**AS OF DECEMBER 31, 2006**

Year	Amortization		Balloon Payments		Total	
	Repayments	Weighted Average Interest Rate	Repayments	Weighted Average Interest Rate	Repayments	Weighted Average Interest Rate
2007 .....	\$ 12,364,000	6.28%	\$ 14,191,000	7.98%	\$ 26,555,000	7.19%
2008 .....	12,967,000	6.26%	-	0.00%	12,967,000	6.26%
2009 .....	11,800,000	6.16%	31,357,000	6.80%	43,157,000	6.62%
2010 .....	11,680,000	6.03%	-	0.00%	11,680,000	6.03%
2011 .....	10,750,000	5.91%	67,158,000	7.23%	77,908,000	7.05%
2012 and beyond .....	36,365,000	5.67%	208,808,000	5.80%	245,173,000	5.78%
<b>TOTAL / WEIGHTED AVERAGE</b>	<b>\$ 95,926,000</b>	<b>5.96%</b>	<b>\$ 321,514,000</b>	<b>6.29%</b>	<b>\$ 417,440,000</b>	<b>6.21%</b>

**EASTGROUP PROPERTIES, INC.**  
**PROPERTY SALES AND ACQUISITIONS SCHEDULE**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2006**

**SALES**

Date	Property Name	Location	Size	Gross Sales Price	Closing Costs	Basis	Deferred Gain	Realized Gain
<b>1st Quarter</b>								
01/05/06	Madisonville Land (1)	Madisonville, KY	1.2 Acres	\$ 825,000	21,000	27,000	162,000	615,000
03/09/06	Senator 1/Senator 2/Southeast Crossing Portfolio	Memphis, TN	534,000 SF	15,175,000	305,000	14,466,000	-	404,000
03/16/06	Dallas Land	Dallas, TX	.1 Acre	72,000	6,000	13,000	-	53,000
				16,072,000	332,000	14,506,000	162,000	1,072,000
<b>2nd Quarter</b>								
06/30/06	Lamar Distribution Center I	Memphis, TN	125,000 SF	3,115,000	135,000	2,951,000	-	29,000
<b>3rd Quarter</b>								
	None							
<b>4th Quarter</b>								
12/14/06	Crowfarn Distribution Center	Memphis, TN	106,000 SF	2,750,000	100,000	2,263,000	-	387,000
12/28/06	Auburn Facility	Auburn Hills, MI	114,000 SF	17,850,000	599,000	12,698,000	329,000	4,224,000
12/29/06	Fort Myers Land	Fort Myers, FL	.8 Acre	270,000	3,000	144,000	-	123,000
				20,870,000	702,000	15,105,000	329,000	4,734,000
	Deferred gains recognized from previous sales							15,000
<b>Total Sales</b>			2.1 Acres 879,000 SF	\$ 40,057,000	1,169,000	32,562,000	491,000	5,850,000

**ACQUISITIONS**

Date	Property Name	Location	Size	Cost (2)
<b>1st Quarter</b>				
	None			
<b>2nd Quarter</b>				
06/05/06	Sky Harbor Commerce Park Land	Phoenix, AZ	17.7 Acres	\$ 5,828,000
<b>3rd Quarter</b>				
07/25/06	Wetmore Land	San Antonio, TX	15.5 Acres	1,880,000
09/22/06	Wetmore Land	San Antonio, TX	2.0 Acres	619,000
				2,499,000
<b>4th Quarter</b>				
10/30/06	World Houston Land	Houston, TX	5.1 Acres	853,000
12/05/06	175 Commerce Park Land	Fort Myers, FL	35.0 Acres	9,347,000
12/14/06	NorthPark Business Park	Charlotte, NC	322,000 SF	19,539,000
12/26/06	Sun Coast Commerce Park Land	Fort Myers, FL	19.8 Acres	3,169,000
				32,908,000
			95.1 Acres	
<b>Total Acquisitions</b>			322,000 SF	\$ 41,235,000

(1) Total realized gain for Madisonville land includes recognized deferred gains since the sale in January.

(2) Cost represents acquisition price plus closing costs.

**EASTGROUP PROPERTIES, INC.**  
**CAPITAL EXPENDITURES AND LEASING COSTS**  
**(IN THOUSANDS)**

<b>CAPITAL EXPENDITURES</b>	<b>Estimated Useful Life</b>	<b>Three Months Ended December 31,</b>		<b>Twelve Months Ended December 31,</b>	
		<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Upgrade on Acquisitions	40 Yrs	\$ 12	265	351	506
Tenant Improvements:					
New Tenants	Lease Life	2,026	2,671	7,240	5,892
New Tenants (first generation) (1)	Lease Life	12	71	688	615
Renewal Tenants	Lease Life	208	631	731	1,374
Other					
Building Improvements	5-40 Yrs	521	292	1,818	1,312
Roofs	5-15 Yrs	634	171	1,803	318
Parking Lots	3-5 Yrs	387	134	686	999
Other	5 Yrs	25	52	153	246
<b>TOTAL CAPITAL EXPENDITURES</b>		<b>\$ 3,825</b>	<b>4,287</b>	<b>13,470</b>	<b>11,262</b>
<b>CAPITAL LEASING COSTS (2)</b>					
Development	Lease Life	\$ 580	297	2,110	1,405
New Tenants	Lease Life	604	1,034	2,557	2,497
New Tenants (first generation) (1)	Lease Life	-	71	112	187
Renewal Tenants	Lease Life	625	250	1,987	1,448
<b>TOTAL CAPITAL LEASING COSTS</b>		<b>\$ 1,809</b>	<b>1,652</b>	<b>6,766</b>	<b>5,537</b>
<b>AMORTIZATION OF LEASING COSTS (3)</b>		<b>\$ 1,092</b>	<b>1,092</b>	<b>4,304</b>	<b>3,863</b>

(1) First generation refers to space that has never been occupied under EastGroup's ownership.

(2) Included in Other Assets.

(3) Included in Depreciation and Amortization (includes discontinued operations).



**EASTGROUP PROPERTIES, INC.**  
**CORE MARKET OPERATING STATISTICS**  
**DECEMBER 31, 2006**

	Total Square Feet of Properties	% of Total	% of Total Base Rent of Properties	% Leased	% Occupied	Same Store (Before S/L Rent) PNOI Change		Rental Change (Before S/L Rent) New and Renewals		Lease Expirations in Square Feet			
						QTR	YTD	QTR	YTD	2007	% (1)	2008	% (1)
<b>Florida</b>													
Jacksonville	1,765,000	8.1%	6.8%	99.4%	99.4%	9.1%	6.5%	6.6%	8.5%	534,000	16.1%	71,000	2.0%
Orlando	1,390,000	6.4%	7.2%	100.0%	100.0%	12.2%	8.4%	7.7%	2.9%	236,000	7.1%	210,000	5.9%
Tampa	2,340,000	10.7%	12.6%	97.9%	97.9%	3.1%	4.5%	2.7%	5.3%	313,000	9.5%	439,000	12.3%
Ft. Lauderdale	917,000	4.2%	5.5%	98.2%	97.1%	25.8%	3.4%	12.6%	12.3%	97,000	2.9%	160,000	4.5%
	<b>6,412,000</b>	<b>29.4%</b>	<b>32.1%</b>	<b>98.8%</b>	<b>98.7%</b>	<b>9.6%</b>	<b>5.5%</b>	<b>9.3%</b>	<b>6.8%</b>	<b>1,180,000</b>	<b>35.6%</b>	<b>880,000</b>	<b>24.7%</b>
<b>Texas</b>													
Dallas	1,263,000	5.8%	3.8%	91.6%	89.3%	-5.2%	4.4%	6.2%	1.6%	120,000	3.6%	143,000	4.0%
Houston	3,479,000	15.9%	14.9%	97.0%	94.9%	9.8%	5.5%	3.0%	6.1%	387,000	11.7%	463,000	13.0%
El Paso	1,019,000	4.7%	3.0%	90.3%	90.3%	77.7%	-10.6%	-2.8%	-4.0%	240,000	7.3%	208,000	5.9%
San Antonio	1,041,000	4.8%	5.1%	91.6%	89.8%	11.6%	40.3%	6.6%	-0.2%	93,000	2.8%	103,000	2.9%
	<b>6,802,000</b>	<b>31.2%</b>	<b>26.8%</b>	<b>94.2%</b>	<b>92.4%</b>	<b>13.0%</b>	<b>4.1%</b>	<b>1.0%</b>	<b>1.7%</b>	<b>840,000</b>	<b>25.4%</b>	<b>917,000</b>	<b>25.8%</b>
<b>California</b>													
San Francisco	960,000	4.4%	4.2%	100.0%	100.0%	-0.4%	13.3%	NA	-34.4%	122,000	3.7%	325,000	9.1%
Los Angeles	2,166,000	9.9%	11.0%	99.6%	99.6%	2.1%	5.8%	11.1%	12.3%	313,000	9.5%	361,000	10.2%
Santa Barbara	230,000	1.1%	4.7%	100.0%	100.0%	5.3%	7.4%	-0.7%	-0.7%	37,000	1.1%	106,000	3.0%
Fresno	398,000	1.8%	1.5%	97.4%	97.4%	20.2%	1.8%	5.0%	4.4%	108,000	3.3%	54,000	1.5%
San Diego	191,000	0.9%	1.1%	100.0%	100.0%	8.6%	6.7%	NA	-32.1%	-	0.0%	52,000	1.5%
	<b>3,945,000</b>	<b>18.1%</b>	<b>22.5%</b>	<b>99.5%</b>	<b>99.5%</b>	<b>3.8%</b>	<b>7.3%</b>	<b>5.4%</b>	<b>2.8%</b>	<b>580,000</b>	<b>17.6%</b>	<b>898,000</b>	<b>25.3%</b>
<b>Arizona</b>													
Phoenix	1,681,000	7.7%	7.1%	90.4%	88.9%	-3.7%	3.3%	19.3%	9.3%	279,000	8.4%	398,000	11.2%
Tucson	567,000	2.6%	1.9%	100.0%	100.0%	37.3%	29.7%	NA	-20.8%	-	0.0%	141,000	4.0%
	<b>2,248,000</b>	<b>10.3%</b>	<b>9.0%</b>	<b>92.8%</b>	<b>91.7%</b>	<b>4.1%</b>	<b>7.9%</b>	<b>19.3%</b>	<b>6.1%</b>	<b>279,000</b>	<b>8.4%</b>	<b>539,000</b>	<b>15.2%</b>
<b>Total Core Markets</b>	<b>19,407,000</b>	<b>89.0%</b>	<b>90.4%</b>	<b>96.6%</b>	<b>95.8%</b>	<b>8.4%</b>	<b>5.9%</b>	<b>7.5%</b>	<b>4.3%</b>	<b>2,879,000</b>	<b>87.0%</b>	<b>3,234,000</b>	<b>91.0%</b>
<b>Total Other Markets</b>	<b>2,401,000</b>	<b>11.0%</b>	<b>9.6%</b>	<b>96.2%</b>	<b>96.0%</b>	<b>3.2%</b>	<b>7.4%</b>	<b>2.1%</b>	<b>3.6%</b>	<b>431,000</b>	<b>13.0%</b>	<b>320,000</b>	<b>9.0%</b>
<b>Total Operating Properties</b>	<b>21,808,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>96.6%</b>	<b>95.9%</b>	<b>7.9%</b>	<b>6.1%</b>	<b>5.8%</b>	<b>4.2%</b>	<b>3,310,000</b>	<b>100.0%</b>	<b>3,554,000</b>	<b>100.0%</b>

(1) Represents percentage of total portfolio lease expirations.





**EASTGROUP PROPERTIES, INC.**  
**FINANCIAL STATISTICS**

	Years Ended				
	2006	2005	2004	2003	2002
<b>ASSETS/MARKET CAPITALIZATION</b>					
Assets	\$ 911,787,000	863,538,000	768,664,000	729,267,000	703,737,000
Equity Market Capitalization	1,302,440,000	1,027,906,000	839,987,000	708,245,000	523,786,000
Total Market Capitalization (Debt and Equity)	1,748,946,000	1,491,631,000	1,230,092,000	1,046,517,000	846,086,000
Shares Outstanding - Common	23,701,275	22,030,682	21,059,164	20,853,780	16,104,356
Price per share	53.56	45.16	38.32	32.38	25.50
Shares Outstanding (Series A) - Preferred	-	-	-	-	1,725,000
Liquidation price per share	-	-	-	-	25.00
Shares Outstanding (Series B) - Preferred	-	-	-	-	2,800,000
Liquidation price per share	-	-	-	-	25.00
Shares Outstanding (Series D) - Preferred	1,320,000	1,320,000	1,320,000	1,320,000.00	-
Liquidation price per share	25.00	25.00	25.00	25.00	-
<b>FFO GROWTH RATE</b>					
FFO per diluted share	2.81	2.64	2.49	2.36	2.57
Growth rate	6.4%	6.0%	5.5%	-8.2%	-6.5%
<b>COMMON DIVIDEND PAYOUT RATIO</b>					
Dividend distribution	1.96	1.94	1.92	1.90	1.88
FFO per diluted share	2.81	2.64	2.49	2.36	2.57
Dividend payout ratio	70%	73%	77%	81%	73%
<b>COMMON DIVIDEND YIELD</b>					
Dividend distribution	1.96	1.94	1.92	1.90	1.88
Price per share	53.56	45.16	38.32	32.38	25.50
Dividend yield	3.66%	4.30%	5.01%	5.87%	7.37%
<b>FFO MULTIPLE</b>					
FFO per diluted share	2.81	2.64	2.49	2.36	2.57
Price per share	53.56	45.16	38.32	32.38	25.50
Multiple	19.06	17.11	15.39	13.72	9.92
<b>INTEREST COVERAGE RATIO (1)</b>					
EBITDA	91,303,000	84,673,000	76,313,000	71,814,000	71,730,000
Interest expense	24,970,000	23,724,000	20,481,000	19,015,000	17,387,000
Interest coverage ratio	3.66	3.57	3.73	3.78	4.13
<b>FIXED CHARGE COVERAGE RATIO (1)</b>					
EBITDA	91,303,000	84,673,000	76,313,000	71,814,000	71,730,000
Interest expense plus dividends on nonconvertible preferred stock	27,594,000	26,348,000	23,105,000	22,336,000	21,267,000
Fixed charge coverage ratio	3.31	3.21	3.30	3.22	3.37
<b>DEBT-TO-TOTAL MARKET CAPITALIZATION</b>					
	26%	31%	32%	32%	38%

(1) EBITDA and interest expense for ratio analysis includes discontinued operations.

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 shareholders annually. A company that qualifies as a REIT is permitted to deduct dividends paid to its shareholders from its corporate taxable income. As a result, most REITs remit at least 100 percent of their taxable income to their shareholders and therefore owe no corporate federal income tax. Taxes are paid by shareholders 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 with a roof that holds it all together. 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 (before interest expense and depreciation and amortization).

**EBITDA:** Earnings before interest, taxes, depreciation and amortization.

**Funds From Operations (FFO):** The most commonly accepted reporting measure of a REIT's operating performance. It is equal to a REIT's net income (loss) determined in accordance with generally accepted accounting principles, excluding gains or losses from sales of depreciable property, adding back real estate depreciation and amortization, and adjusting 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 Store 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.

**Business Distribution Facility:** A warehouse building with a ceiling clear height of 18 to 24 feet, a depth of 200 feet or less, and an office build-out of 10-25 percent.