



PRESS RELEASE

CRESCENT ANNOUNCES THIRD QUARTER 2002 RESULTS

FORT WORTH, TEXAS, November 5, 2002—Crescent Real Estate Equities Company (NYSE:CEI) today announced results for the third quarter 2002. Funds from operations (“FFO”) for the three months ended September 30, 2002 was \$50.0 million, or \$.43 per share and equivalent unit (diluted), which met the Company’s earnings guidance and analyst consensus earnings estimate. FFO for the nine months ended September 30, 2002 was \$167.3 million or \$1.42 per share and equivalent unit (diluted). These compare to \$63.0 million, or \$.51 per share and equivalent unit (diluted), for the three months ended September 30, 2001 and \$216.6 million or \$1.75 per share and equivalent unit (diluted), for the nine months ended September 30, 2001.

According to John C. Goff, Chief Executive Officer, “We met our earnings expectation for the third quarter. As our country continues to experience a weak economy and world uncertainties, office demand has remained soft. While we wait for job growth to return to our markets, we are focused on taking care of our customers and efficiently operating our business. We have also used this time to further our office investment strategy by completing two joint ventures on existing assets, Miami Center in Miami and Three Westlake Park in Houston, selling Reverchon Plaza in Dallas, and strategically recycling capital by acquiring Johns Manville Plaza in Denver.”

Net income available to common shareholders for the three months ended September 30, 2002 was \$21.2 million, or \$.20 per share (diluted). Net income available to common shareholders for the nine months ended September 30, 2002 was \$38.5 million, or \$.37 per share (diluted). These compare to \$19.1 million, or \$.17 per share (diluted), for the three months ended September 30, 2001 and \$58.5 million, or \$.53 per share (diluted), for the nine months ended September 30, 2001.

On October 15, 2002, Crescent announced that its Board of Trust Managers declared cash dividends of \$.375 per share for Common, \$.421875 per share for Series A Convertible Preferred, and \$.59375 per share for Series B Redeemable Preferred. The dividends are payable November 15, 2002, to shareholders of record on October 31, 2002.

BUSINESS SECTOR REVIEW

Office Sector (67% of Gross Book Value of Real Estate Assets as of September 30, 2002)

Operating Results

Office property same-store net operating income (“NOI”) declined 2.6% for the three months ended September 30, 2002 over the same period in 2001 for the 24.1 million square feet of office property space owned during both periods. Average occupancy for these properties for the three months ended September 30, 2002 was 89.7% leased compared to 93.0% leased for the same period in 2001. As of September 30, 2002, the overall office portfolio was 90.7% leased based on executed leases. During the three months ended September 30, 2002 and 2001, Crescent received \$3.0 million and \$3.7 million, respectively, of lease termination fees. Crescent’s policy is to exclude lease termination fees from its same-store NOI calculation.

Office property same-store NOI declined 2.0% for the nine months ended September 30, 2002 over the same period in 2001 for the 24.1 million square feet of office property space owned during both periods. Average occupancy for these properties for the nine months ended September 30, 2002 was 90.1% leased compared to 93.2% leased for the same period in 2001. During the nine months ended September 30, 2002 and 2001, Crescent received \$4.8 million and \$7.7 million, respectively, of lease termination fees.

The Company leased 1.4 million net rentable square feet during the three months ended September 30, 2002, of which 1.1 million square feet was renewed or re-leased. The weighted average FFO net effective rental rate (rental rate less operating expenses) decreased 13% over the expiring rates for the renewed or re-leased leases, all of which have commenced or will commence within the next twelve months. Tenant improvements related to these leases were \$1.85 per square foot per year and leasing costs were \$1.11 per square foot per year.

The Company leased 3.4 million net rentable square feet during the nine months ended September 30, 2002, of which 2.2 million square feet was renewed or re-leased. The weighted average FFO net effective rental rate (rental rate less operating expenses) decreased 3% over the expiring rates for the renewed or re-leased leases, all of which have commenced or will commence within the next twelve months. Tenant improvements related to these leases were \$1.44 per square foot per year and leasing costs were \$.88 per square foot per year.

Denny Alberts, President and Chief Operating Officer, commented, "Although the national office market is challenging, we have been successful in addressing 66% of our space expiring in the fourth quarter 2002. Of the 3.6 million square feet expiring in 2003, we have already addressed 68%, and in Houston, specifically, we have addressed 83%. We anticipate our occupancies on average to remain relatively flat over the next several quarters."

Acquisition

On August 29, 2002, Crescent acquired Johns Manville Plaza, a 29-story, 675,000 square foot Class A office building located in downtown Denver, adjacent to an existing Crescent office tower. The two properties now comprise the Denver City Center, a complex with shared operations and a common area plaza for its customers. The property was acquired for \$91.2 million.

Joint Ventures

On August 21, 2002, Crescent completed the joint venture of Three Westlake Park, a 415,000 square foot office property located in the Katy Freeway submarket of Houston. GE Pension Trust purchased an 80% interest in the venture, which, including financing, generated \$47.1 million in proceeds for Crescent. Crescent retained a 20% interest in the venture and continues to provide property management and leasing services.

On September 25, 2002, Crescent completed the joint venture of Miami Center, a 780,000 square foot office property located in downtown Miami. JPMorgan Fleming Asset Management purchased a 60% interest in the venture, which, including financing, generated \$110.9 million in proceeds for Crescent. Crescent retained a 40% interest in the venture and continues to provide property management services.

Development

On September 16, 2002, 5 Houston Center, an office development located in downtown Houston, was completed and placed into service. The \$117 million project, owned by Crescent and JPMorgan Fleming Asset Management, was 88% leased and 34% occupied as of September 30, 2002.

Dispositions

On September 20, 2002, Crescent sold Reverchon Plaza, a 374,000 square foot office property located in the Uptown/Turtle Creek submarket in Dallas. The sale generated net proceeds of approximately \$29.2 million and a gain of \$500,000.

On September 30, 2002, Crescent sold a parcel of land in Washington, D.C. The sale generated net proceeds of \$15.1 million and a loss of \$0.9 million, which had already been recorded as an impairment in the second quarter.

Resort and Residential Development Sector (22% of Gross Book Value of Real Estate Assets as of September 30, 2002)

Destination Resort Properties

Based on actual performance of Crescent's five resort properties, same-store NOI declined 13% for the three months ended September 30, 2002 over the same period in 2001. The average daily rate remained flat and revenue per available room increased 2% for the three months ended September 30, 2002 compared to the same period in 2001. Weighted average occupancy was 74% for the three months ended September 30, 2002 compared to 72% for the three months ended September 30, 2001.

Based on actual performance of Crescent's five resort properties, same-store NOI declined 9% for the nine months ended September 30, 2002 over the same period in 2001. The average daily rate decreased 1% and revenue per available room decreased 4% for the nine months ended September 30, 2002 compared to the same period in 2001. Weighted average occupancy was 71% for the nine months ended September 30, 2002 compared to 72% for the nine months ended September 30, 2001.

On September 1, 2002, Crescent entered into an agreement with Fairmont Hotels & Resorts, Inc.'s luxury management company for Fairmont to manage the operations of Crescent's Sonoma Mission Inn & Spa in Sonoma County, California. At that time, Fairmont also purchased a 19.9% equity interest in the resort and will make a loan to the venture for property renovation.

On October 21, 2002, Crescent effectively increased its equity interest in the Ritz Carlton Palm Beach resort in Manalapan, Florida, from 25% to 50%, for a total of \$14.0 million equity interest. The remaining 50% interest is held by a new joint-venture partner, Westbrook Real Estate Partners. Together, Crescent and Westbrook were able to acquire their interests at, what we believe to be, considerable discounts to replacement cost. Crescent's interest will be held in an unconsolidated subsidiary of Crescent's operating partnership. The original equity interest was held as an unconsolidated investment within Crescent Resort Development, Inc.

Upscale Residential Development Properties

Crescent's overall residential investment generated \$4.3 million and \$32.4 million in FFO for the three and nine months ended September 30, 2002, respectively.

Investment Sector (11% of Gross Book Value of Real Estate Assets as of September 30, 2002)

Business-Class Hotel Properties

Based on actual performance of Crescent's four business-class hotel properties, same-store NOI increased 1% for the three months ended September 30, 2002 over the same period in 2001. The average daily rate decreased 2%, while revenue per available room decreased 1% for the three months ended September 30, 2002 compared to the same period in 2001. Weighted average occupancy was 73% for the three months ended September 30, 2002 compared to 72% for the three months ended September 30, 2001.

Based on actual performance of Crescent's four business-class hotel properties, same-store NOI declined 3% for the nine months ended September 30, 2002 over the same period in 2001. The average daily rate decreased 3%, while revenue per available room decreased 5% for the nine months ended September 30, 2002 compared to the same period in 2001. Weighted average occupancy was 71% for the nine months ended September 30, 2002 compared to 72% for the nine months ended September 30, 2001.

Temperature-Controlled Logistics Investment

AmeriCold Logistics' same-store EBITDAR (earnings before interest, taxes, depreciation and amortization, and rent) remained flat for the three months ended September 30, 2002, compared to the same period in 2001. AmeriCold Logistics elected to defer \$11.3 million (of the \$33.5 million contracted rent) for the third quarter, of which Crescent's share was \$4.5 million.

AmeriCold Logistics' same-store EBITDAR (earnings before interest, taxes, depreciation and amortization, and rent) remained flat for the nine months ended September 30, 2002, compared to the same period in 2001. AmeriCold Logistics elected to defer \$20.6 million (of the \$102.4 million contracted rent) for the first nine months of 2002, of which Crescent's share was \$8.2 million. Crescent recognizes rental income when earned and collected and has not recognized the \$8.2 million deferral in its equity in net income.

BALANCE SHEET REVIEW

During the third quarter, the Company redeemed from GMAC Commercial Mortgage Corporation (“GMACCM”) the remaining \$31 million of non-voting, redeemable preferred Class A units in Crescent Real Estate Funding IX L.P., a 100% owned Crescent subsidiary holding select office and resort/hotel properties. The original \$275 million of proceeds from GMACCM were used by the Company to repurchase common shares in the open market during 2000 and 2001.

In August, Crescent’s Chairman, Richard Rainwater, purchased 1.0 million common shares in the open market, then sold 300,000 of those shares to his son in a one-time, private transaction at no gain or loss. On October 16, 2002, Mr. Rainwater entered into a transaction with Crescent whereby he exchanged 3,050,000 of his common shares for 1,525,000 of the Company’s operating partnership units. Each partnership unit can be exchanged for two common shares. This transaction provides flexibility for both Mr. Rainwater and the Company to purchase additional shares without causing Mr. Rainwater to exceed the 9.5% limit on ownership of common shares that is provided in the Company’s charter. This in no way changes Mr. Rainwater’s beneficial ownership interest in the Company (including common shares and operating partnership units), which as of September 30, 2002, was approximately 13.5%.

On September 16, 2002, Crescent retired the remaining \$97.9 million of its \$150 million 7.0% senior notes due 2002.

On October 15, 2002, Crescent’s operating partnership and its finance company registered its 9.25% senior notes due 2009.

FFO OUTLOOK

Crescent’s management reaffirmed its 2002 FFO guidance range of \$2.00 to \$2.10 per share. This range anticipates the completion of several key operating initiatives during the fourth quarter such as certain lease termination fees and land sales, which may or may not occur in this period. In addition, because of the current economic environment, visibility is limited by the residential development segment, as it is largely a fourth quarter business.

Crescent will address 2003 FFO guidance in the third quarter earnings conference call and presentation scheduled for November 5, 2002. Refer to the call and presentation information provided below.

SUPPLEMENTAL OPERATING AND FINANCIAL DATA

Crescent’s supplemental and operating financial data report for the third quarter is available on the Company’s website (www.cei-crescent.com) in the investor relations section. To request a hard copy, please call the Company’s investor relations department at (817) 321-2180.

CONFERENCE CALL, WEBCAST AND PRESENTATION

The Company will also host a conference call and audio webcast, both open to the general public, at 10:00 A.M. Central Time on Tuesday, November 5, 2002, to discuss the third quarter results and provide a Company update. To participate in the conference call, please dial (800) 818-4442 domestically or (706) 679-3110 internationally, or you may access the audio webcast on the Company’s website (www.cei-crescent.com) in the investor relations section. During the call, reference will be made to a presentation, including 2003 FFO guidance, that will also be posted on the Company’s website. A replay of the conference call will be available through November 11, 2002, by dialing (800) 642-1687 domestically or (706) 645-9291 internationally with a passcode of 5892640. The webcast and presentation will be available on Crescent’s website for 30 days.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements are generally characterized by terms such as “believe”, “expect” and “may”.

Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, the Company's actual results could differ materially from those described in the forward-looking statements.

The following factors might cause such a difference:

- The Company's ability, at its office properties, to timely lease unoccupied square footage and timely re-lease occupied square footage upon expiration on favorable terms, which may be adversely affected by existing real estate conditions (including rental rates and competition from other properties and new development of competing properties or a general downturn in the economy);
- Adverse changes in the financial condition of existing tenants;
- Further deterioration in the resort/business-class hotel markets or in the market for residential land or luxury residences, including single-family homes, townhomes and condominiums, or in the economy generally;
- Financing risks, such as the ability to generate revenue sufficient to service and repay existing or additional debt, increases in debt service associated with increased debt and with variable-rate debt, the ability to meet financial covenants, the Company's ability to fund the share repurchase program and the Company's ability to consummate financings and refinancings on favorable terms and within any applicable time frames;
- Further or continued adverse conditions in the temperature-controlled logistics business (including both industry-specific conditions and a general downturn in the economy which may further jeopardize the ability of the tenant to pay all current and deferred rent due);
- Crescent's inability to obtain the confirmation of a prepackaged bankruptcy plan of COPI binding all creditors and stockholders;
- The inability of Crescent to complete the distribution to its shareholders of the shares of a new entity to purchase the AmeriCold tenant interest from COPI;
- The concentration of a significant percentage of the Company's assets in Texas;
- The Company's ability to find acquisition and development opportunities which meet the Company's investment strategy;
- The existence of complex regulations relating to the Company's status as a REIT, the effect of future changes in REIT requirements as a result of new legislation and the adverse consequences of the failure to qualify as a REIT; and
- Other risks detailed from time to time in the Company's filings with the SEC.

Given these uncertainties, readers are cautioned not to place undue reliance on such statements. The Company is not obligated to update these forward-looking statements to reflect any future events or circumstances.

ABOUT THE COMPANY

Crescent Real Estate Equities Company (NYSE: CEI) is one of the largest publicly held real estate investment trusts in the nation. Through its subsidiaries and joint ventures, Crescent owned and managed, as of September 30, 2002, a portfolio of 73 premier office properties totaling 28.5 million square feet and centered in the Southwestern United States, with major concentrations in Dallas, Houston, Austin and Denver. In addition, the company has investments in world-class resorts and spas and upscale residential developments.

FOR MORE INFORMATION

Investors: Jane E. Mody, Executive Vice President, Capital Markets, (817) 321-1086; Jerry R. Crenshaw, Chief Financial Officer, (817) 321-1492 or Keira B. Moody, Vice President, Investor Relations, (817) 321-1412

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CRESCENT REAL ESTATE EQUITIES COMPANY
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	September 30, 2002 (unaudited)	December 31, 2001 (audited)
ASSETS:		
Investments in real estate:		
Land	\$ 307,406	\$ 246,416
Land held for investment or development	471,440	108,274
Building and improvements	2,955,237	2,910,822
Furniture, fixtures and equipment	110,475	72,246
Properties held for disposition, net	20,997	76,309
Less - accumulated depreciation	(714,867)	(634,144)
Net investment in real estate	\$ 3,150,688	\$ 2,779,923
Cash and cash equivalents	\$ 82,642	\$ 36,285
Restricted cash and cash equivalents	104,060	115,531
Accounts receivable, net	42,605	28,654
Deferred rent receivable	60,850	66,362
Investments in real estate mortgages and equity of unconsolidated companies	553,743	838,317
Notes receivable, net	117,590	132,065
Income tax asset-current and deferred, net	37,123	-
Other assets, net	191,810	145,012
Total assets	\$ 4,341,111	\$ 4,142,149
LIABILITIES:		
Borrowings under Credit Facility	\$ 179,000	\$ 283,000
Notes payable	2,233,544	1,931,094
Accounts payable, accrued expenses and other liabilities	362,633	220,068
Total liabilities	\$ 2,775,177	\$ 2,434,162
MINORITY INTERESTS:		
Operating partnership, 6,541,234 and 6,594,521 units, respectively	\$ 61,792	\$ 69,910
Consolidated real estate partnerships	72,203	232,137
Total minority interests	\$ 133,995	\$ 302,047
SHAREHOLDERS' EQUITY:		
Preferred shares, \$.01 par value, authorized 100,000,000 shares: Series A Convertible Cumulative Preferred Shares, liquidation preference of \$25.00 per share, 10,800,000 and 8,000,000 shares issued and outstanding at September 30, 2002 and December 31, 2001, respectively	\$ 248,160	\$ 200,000
Series B Cumulative Preferred Shares, liquidation preference of \$25.00 per share, 3,400,000 shares issued and outstanding at September 30, 2002	81,923	-
Common shares, \$.01 par value, authorized 250,000,000 shares, 124,147,297 and 123,396,017 shares issued and outstanding at September 30, 2002 and December 31, 2001, respectively	1,235	1,227
Additional paid-in capital	2,241,831	2,234,360
Deferred compensation on restricted shares	(5,253)	-
Accumulated deficit	(717,667)	(638,435)
Accumulated other comprehensive income	(30,215)	(31,484)
	\$ 1,820,014	\$ 1,765,668
Less - shares held in treasury, at cost, 20,260,299 and 18,770,418 common shares at September 30, 2002 and December 31, 2001, respectively	(388,075)	(359,728)
Total shareholders' equity	\$ 1,431,939	\$ 1,405,940
Total liabilities and shareholders' equity	\$ 4,341,111	\$ 4,142,149

CRESCENT REAL ESTATE EQUITIES COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands, except per share data)

	For the three months ended September 30,		For the nine months ended September 30,	
	2002	2001	2002	2001
REVENUE:				
Office property	\$ 146,773	\$ 151,253	\$ 429,297	\$ 456,311
Resort/Hotel property	56,110	12,449	148,157	44,523
Residential Development property	43,837	-	176,887	-
Interest and other income	1,781	9,710	5,850	36,347
Total revenue	\$ 248,501	\$ 173,412	\$ 760,191	\$ 537,181
EXPENSE:				
Office property real estate taxes	\$ 17,897	\$ 20,720	\$ 59,215	\$ 64,916
Office property operating expenses	44,278	44,149	129,931	131,424
Resort/Hotel property expense	44,599	-	110,701	-
Residential Development property expense	42,110	-	161,319	-
Corporate general and administrative	8,121	6,221	19,846	18,374
Interest expense	47,149	44,908	135,871	139,189
Amortization of deferred financing costs	2,701	2,439	7,722	7,171
Depreciation and amortization	38,314	31,004	106,936	90,940
Impairment and other charges related to real estate assets	-	3,608	-	18,932
Total expense	\$ 245,169	\$ 153,049	\$ 731,541	\$ 470,946
Operating income	\$ 3,332	\$ 20,363	\$ 28,650	\$ 66,235
OTHER INCOME AND EXPENSE:				
Equity in net income (loss) of unconsolidated companies:				
Office properties	\$ 874	\$ 1,520	\$ 3,655	\$ 3,841
Resort/Hotel Properties	(91)	-	(91)	-
Residential development properties	4,272	7,263	22,934	27,703
Temperature-controlled logistics properties	(3,101)	(2,066)	(3,828)	2,285
Other	(755)	1,686	(5,281)	2,896
Total equity in net income of unconsolidated companies	\$ 1,199	\$ 8,403	\$ 17,389	\$ 36,725
Gain on property sales, net	23,162	1,099	22,238	727
Total other income and expense	\$ 24,361	\$ 9,502	\$ 39,627	\$ 37,452
INCOME BEFORE INCOME TAXES, MINORITY INTERESTS, DISCONTINUED OPERATIONS, EXTRAORDINARY ITEM AND CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE				
Minority interests	\$ 27,693	\$ 29,865	\$ 68,277	\$ 103,687
Income tax benefit	(4,075)	(7,955)	(17,177)	(25,909)
	2,731	-	6,596	-
INCOME BEFORE DISCONTINUED OPERATIONS, EXTRAORDINARY ITEM AND CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE				
	\$ 26,349	\$ 21,910	\$ 57,696	\$ 77,778
Discontinued operations - income and gain on assets sold and held for sale	1,400	549	6,430	1,693
Extraordinary item - extinguishment of debt	-	-	-	(10,802)
Cumulative effect of a change in accounting principle	-	-	(10,465)	-
	-	-	(10,465)	-
NET INCOME	\$ 27,749	\$ 22,459	\$ 53,661	\$ 68,669
Series A Preferred Share distributions	(4,556)	(3,375)	(12,146)	(10,125)
Series B Preferred Share distributions	(2,019)	-	(3,028)	-
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	\$ 21,174	\$ 19,084	\$ 38,487	\$ 58,544
BASIC EARNINGS (LOSS) PER SHARE DATA:				
Net income before discontinued operations, extraordinary item and cumulative effect of a change in accounting principle	\$ 0.19	\$ 0.17	\$ 0.41	\$ 0.63
Discontinued operations - income and gain on assets sold and held for sale	0.01	0.01	0.06	0.01
Extraordinary item - extinguishment of debt	-	-	-	(0.10)
Cumulative effect of a change in accounting principle	-	-	(0.10)	-
Net income - basic	\$ 0.20	\$ 0.18	\$ 0.37	\$ 0.54
DILUTED EARNINGS (LOSS) PER SHARE DATA:				
Net income before discontinued operations, extraordinary item and cumulative effect of a change in accounting principle	\$ 0.19	\$ 0.17	\$ 0.41	\$ 0.62
Discontinued operations - income and gain on assets sold and held for sale	0.01	-	0.06	0.01
Extraordinary item - extinguishment of debt	-	-	-	(0.10)
Cumulative effect of a change in accounting principle	-	-	(0.10)	-
Net income - diluted	\$ 0.20	\$ 0.17	\$ 0.37	\$ 0.53
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC				
	103,766,485	108,748,221	104,526,572	108,170,259
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED				
	103,887,036	110,623,596	105,041,173	110,011,558

CRESCENT REAL ESTATE EQUITIES COMPANY
CONSOLIDATED STATEMENTS OF FUNDS FROM OPERATIONS
(dollars in thousands, except per share data)

	For the three months ended September 30,		For the nine months ended September 30,	
	2002	2001	2002	2001
	(unaudited)		(unaudited)	
NET INCOME	\$ 27,749	\$ 22,459	\$ 53,661	\$ 68,669
ADJUSTMENTS:				
Depreciation and amortization of real estate assets	36,419	30,840	102,088	89,859
(Gain) loss on property sales, net	(19,311)	(1,032)	(24,500)	(570)
Cumulative effect of change in accounting principle	-	-	10,465	-
Extraordinary item - extinguishment of debt	-	-	-	10,802
Impairment and other charges related to real estate assets	-	(19)	600	15,305
Adjustment for investments in real estate mortgages and equity of unconsolidated companies:				
Office properties	1,946	2,663	5,997	6,718
Resort properties	370	-	370	-
Residential development properties	(615)	3,015	2,339	9,224
Temperature-controlled logistics properties	6,777	5,687	18,278	16,800
Other	96	-	5,872	-
Unitholder minority interest	3,156	2,712	7,348	9,903
Series A Preferred Share distributions	(4,556)	(3,375)	(12,146)	(10,125)
Series B Preferred Share distributions	(2,019)	-	(3,028)	-
	<u>\$ 50,012</u>	<u>\$ 62,950</u>	<u>\$ 167,344</u>	<u>\$ 216,585</u>
FUNDS FROM OPERATIONS (a) (b)				
INVESTMENT SEGMENTS:				
Office properties	\$ 88,045	\$ 91,237	\$ 249,119	\$ 273,134
Resort/hotel properties	13,593	12,374	47,140	44,142
Residential development properties	4,319	10,278	32,354	36,927
Temperature-controlled logistics properties	3,675	3,621	14,450	19,085
OTHER:				
Corporate general & administrative	(8,121)	(6,221)	(19,846)	(18,374)
Interest expense	(47,149)	(44,908)	(135,871)	(139,189)
Series A Preferred Share distributions	(4,556)	(3,375)	(12,146)	(10,125)
Series B Preferred Share distributions	(2,019)	-	(3,028)	-
Other (c)	2,225	(56)	(4,828)	10,985
	<u>\$ 50,012</u>	<u>\$ 62,950</u>	<u>\$ 167,344</u>	<u>\$ 216,585</u>
FUNDS FROM OPERATIONS (a) (b)				
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	103,766,485	108,748,221	104,526,572	108,170,259
WEIGHTED AVERAGE SHARES/UNITS OUTSTANDING - DILUTED	117,069,504	123,828,194	118,224,542	123,483,871
DIVIDEND PAID PER SHARE DURING PERIOD	\$ 0.375	\$ 0.550	\$ 1.125	\$ 1.650
SUPPLEMENTAL INFORMATION:				
Rental income from straight-line rents	\$ 17	\$ 907	\$ (1,041)	\$ (868)
Residential development capital expenditures	244	(145)	(287)	(343)
Temperature-controlled capital expenditures	(1,232)	(1,298)	(1,724)	(1,965)
Non-incremental revenue generating capital expenditures:				
Resort/hotel property capital expenditures	(2,273)	(2,399)	(8,326)	(6,656)
Office property capital expenditures	(3,098)	(3,287)	(8,996)	(7,740)
Tenant improvement and leasing costs	(8,152)	(6,166)	(21,244)	(19,161)
Depreciation and amortization of non-real estate assets	1,802	858	4,758	2,423
Amortization of deferred financing costs	2,701	2,439	7,722	7,171

- (a) Funds from operations, or FFO, based on the revised definition adopted by the Board of Governors of NAREIT, effective January 1, 2000, and as the Company uses it, means net income (loss), determined in accordance with GAAP, excluding gains (losses) from sales of depreciable operating property, excluding extraordinary items, as defined by GAAP, plus depreciation and amortization of real estate assets, and after adjustments for unconsolidated partnerships and joint ventures. FFO is a non-GAAP measure, is not necessarily indicative of available cash, may be calculated differently by other real estate companies that report FFO information and should not be considered an alternative to GAAP measures, including net income and cash generated from operating activities. To calculate Basic FFO per share, the Company deducts Unitholder minority interest from FFO and divides by basic weighted average shares outstanding.
- (b) Reconciliation of FFO to net cash provided for/by operating activities is provided in the Company's quarterly report on Form 10-Q as of September 30, 2002, as filed with the Securities and Exchange Commission.
- (c) Includes interest and other income, behavioral healthcare income, preferred return paid to GMAC, other unconsolidated companies, less depreciation and amortization of non-real estate assets and amortization of deferred financing costs.