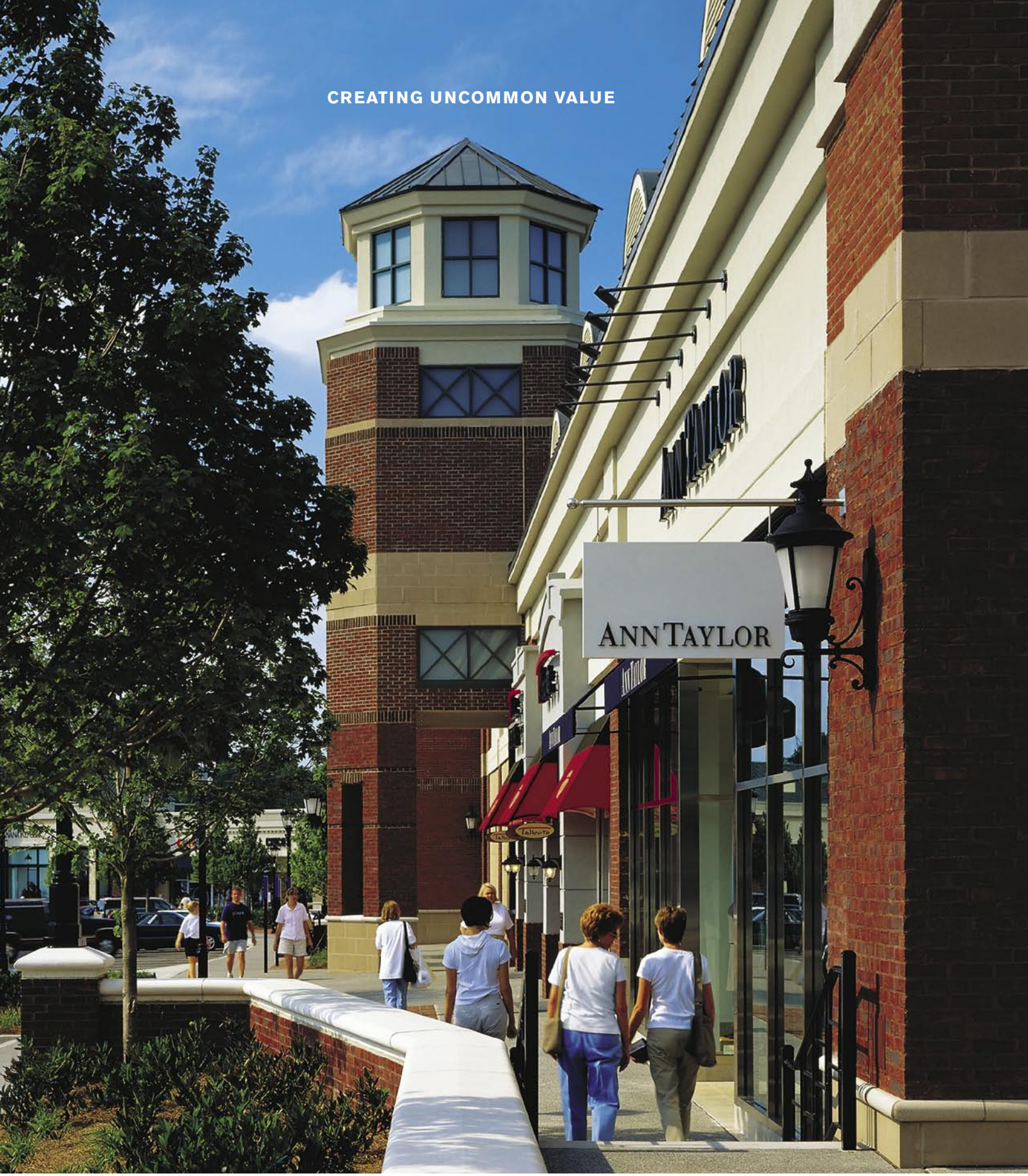


Cousins Properties Incorporated

2003 Annual Report

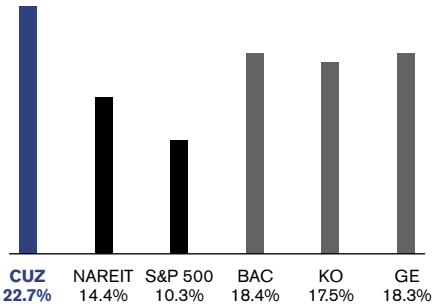
CONTENTS

At its core, Cousins Properties has one mission: Create value for its shareholders.

Last year, we told you about our uncommon views on succeeding in real estate. Without a doubt, the principles that have guided Cousins Properties over the past 45 years have provided the foundation for an enviable period of success in the real estate industry. But it is our uncommon approach to business execution that has resulted in top-quality developments, highly satisfied customers and, most importantly, consistently superior total shareholder returns.

In an industry often portrayed as fast and loose, Cousins Properties is the opposite: a disciplined developer that eschews short-term thinking for long-term value creation.

25-Year Total Return*
(January 1979 – December 2003)



*Geometric Mean Return with Reinvestment of Dividends.

Source: 2004 CRSP, Center for Research in Security Prices. Graduate School of Business, The University of Chicago. Used with permission. All rights reserved. www.crsp.uchicago.edu.

NAREIT Equity Index returns provided by the National Association of Real Estate Investment Trusts.

CUZ – Cousins Properties Incorporated

NAREIT – National Association of Real Estate Investment Trusts

S&P 500 – Standard & Poor's index

BAC – Bank of America

KO – The Coca-Cola Company

GE – General Electric

Paula Rosput, Chairman, President and CEO, AGL Resources – Responsible for Atlanta's largest new office lease in 2002, this iconic Atlanta company occupied its new headquarters at Cousins' Ten Peachtree Place in April 2003.

We believe helping clients reach their goals helps us reach ours.

Even with its long history of service (it is the oldest company in Georgia), AGL Resources struggled through the travails of energy deregulation in the late 1990s. As it emerged, it saw the need to position itself as a more modern company. Symbolic of the transformation was the decision in 2002 to relocate its headquarters to a central Atlanta location. AGL Chairman, President and CEO Paula Rosput knew early on that Cousins and Ten Peachtree Place was the right move.

"Moving into Midtown and reconnecting with our community was a highly visible step and Cousins understood that right away," Rosput said. "Negotiations were tough, but both companies put the long-term business relationship on par with the deal."

At Cousins, we know that reputations follow companies even though the deal is done. That starts with understanding our clients' goals and doesn't end until long after the lease does. For decades, clients and partners have known that a handshake from Cousins can mean more than a contract from others. Now, AGL Resources does too.

"When we first stepped into the building, we knew it was a tremendous opportunity but one that would require enormous work to achieve our vision," Rosput said. "Cousins made the project happen and created an oasis for us that we'll never want to leave."

We design our buildings to make a lasting statement.

There were a number of reasons Frost Bank – the largest Texas-based bank – chose to make Cousins' new 525,000-square-foot office tower home to its Austin operations. But Marvin Rickabaugh, Market President of Frost Bank's downtown Austin location, sums it up best: "We were in a good building, but now we are in a great one."

Cousins Properties has spent more than four decades honing its skills in developing distinctive, noteworthy projects that stand the test of time. Unlike many developers, Cousins develops as an owner and that approach informs every step of our time-tested development process, from architectural design through leasing to grand opening.

As the anchor tenant in Austin's signature office building, Frost Bank has gained a unique perspective on that development process.

"Working with the Cousins team, combined with visits to other Cousins buildings, helped us understand the level of expertise it takes to deliver a building of this quality," Rickabaugh said. "We are proud to have it called Frost Bank Tower."

Marvin Rickabaugh, Market President, Frost Bank – As the anchor in Austin's newest office tower, a 33-story, 525,000-square-foot building bearing its name, Frost Bank moved from a "good building" to a "great one" and changed the Austin skyline in the process.

David Dworkin, Co-Founder and CEO, Swoozie's – The Avenue West Cobb opened at 87 percent leased in October 2003 – the highest leased percentage at any Avenue opening – with great retailers like Talbots, Coldwater Creek, Ann Taylor Loft, Barnes & Noble, American Eagle, Limited Too and Swoozie's as part of the mix.

We know that a conservative company can still be on the leading edge.

Having held positions as president of Neiman Marcus, Upton's and Broadway Stores, Inc., David Dworkin knows that choosing the right locations can make or break a retailer. That's why Dworkin – who three years ago co-founded Swoozie's, a chain of specialty printing and gift stores – is sold on The Avenue®.

"Our number one concern at Swoozie's is accessibility. As a destination store, we don't think a customer should have to go through millions of square feet to find her store," Dworkin said. "Swoozie's fits perfectly with The Avenue because Cousins designs it around how the customer wants to shop."

The Avenue concept, conceived by Cousins in the late 1990s, is an example of how Cousins' disciplined, yet entrepreneurial style has helped it stay ahead of the pack. The Avenue's mix of traditional mall tenants, local retailers and top restaurants – in a beautifully landscaped (and hardscaped) outdoor setting – gives shoppers the experience they desire while giving retailers the perfect combination of lower occupancy costs and higher sales per square foot.

For Dworkin, it's a glimpse at what's next. "The Avenue is very reflective of who we are: modern and progressive. I think it represents the future."

We think there's more to dirt than meets the eye.

A perennial member of the Census Bureau's fastest-growing counties list, Paulding County, Georgia gets the best – and the worst – of what growth has to offer. With Cousins, Paulding County Commission Chairman Jerry Shearin gets a quality treasured but not always found in developers: Commitment.

"Not only do they develop great subdivisions, but they've made a commitment to the county by being here for three decades and I expect they will be here for some time to come," Shearin said.

Taking significant long-term land positions has always been a part of the Cousins culture and is a cornerstone of our success. Our land holdings in Paulding and elsewhere give Cousins the flexibility to make decisions that are right not just today, but for years to come. Decisions like donating or discounting land for five public schools in Paulding County or reserving land at North Point for a public transit station and a community center.

And that makes Cousins more than just a successful developer. "They are part of the community," Shearin said.

Jerry Shearin, Chairman, Paulding County Commission – With three signature communities – Bentwater, The Georgian and Seven Hills – under development in Paulding County, Cousins remains committed to serving this fast-growing suburb of Atlanta.

Matthew Fanoe, Corporate Director, Real Estate and Facilities, Coca-Cola Enterprises – By signing for 236,000 square feet at Wildwood Plaza in 2003, Coca-Cola Enterprises was able to consolidate more of its corporate functions at Wildwood and Cousins closed its largest lease of 2003.

We believe maintaining relationships is as important as building them.

After accounting for Cousins' largest office leases of 2002 *and* 2003, Coca-Cola Enterprises has proven that it isn't just any client. Luckily, CCE doesn't think of Cousins as just any landlord either. And, with hundreds of real estate obligations across North America and Europe, CCE would know.

"Cousins is a first class operator. In addition, Cousins is a known commodity and that can make a difference in future lease negotiations," said Matthew Fanoe, Corporate Director – Real Estate and Facilities for CCE.

With long-term partners and clients like Bank of America, IBM, Temple-Inland, AGL Resources, GE Energy and CCE, Cousins knows the importance of maintaining strategic corporate relationships as both references and sources of new business.

In the case of CCE, the economics were central, but CCE's relationship with Cousins also played a role in sealing the deals.

"Economics are obviously key in any real estate deal, but having a first class landlord can definitely add value to the transaction," Fanoe said.

THOMAS D. BELL, JR.
PRESIDENT AND CHIEF EXECUTIVE OFFICER

DEAR SHAREHOLDERS AND PARTNERS:

Let me start by thanking our shareholders, clients, partners and employees for their strong support throughout the year. The year 2003 and, indeed, the past several years have been interesting for real estate companies. We have seen the challenges of a recession in our operating businesses, while at the same time experiencing unusually high prices for quality real estate assets and an increased respectability among investors for real estate and REITs. This unusual mix has presented some unusual opportunities. I will try in this letter to summarize briefly where we have been this last year and how the future looks to us.

In 2003 we continued to experience weakness in the office tenant base, with a number of leases terminating. This generated substantial one-time termination fees but presents leasing challenges going forward. These terminations will result in some softness in office earnings and FFO contribution, especially in the next year or so. Although our office portfolio has a relatively strong occupancy level of 91 percent, significant vacancy does exist in all of our major office markets and we believe it will take a number of years for these markets to fully recover. In the meantime, the economy does seem to be improving and job growth, a critical factor for office demand, looks as if it will be picking up. Over the past 20 years, job growth in Atlanta has been among the highest in the nation. Some forecasters believe Atlanta, our most important office market, will have very solid job growth in the coming years. If this materializes, it will bode well for our office assets in Atlanta. At this point, it looks as if most of our office markets are bottoming with some indications that they should be turning the corner and starting to improve in 2004. We shall see. In any event, I must say I am pleased with the performance of our office division in this very difficult environment, especially our leasing success in 2003.

While office supply and demand fundamentals were weak in 2003, quality office and retail assets were commanding very attractive prices. We believe this is due to real estate gaining greater investor acceptance, both from institutional investors and from private and individual investors. Indeed, some have now styled real estate as the third asset class, alongside stocks and bonds. We believe this is a solid trend that will offer support to real estate pricing and REITs as we go forward. The attractiveness of real estate was given a further boost in 2003 by unusually low interest rates that allowed many buyers to pay more for properties.

We took advantage of the exceptional pricing in the asset markets by selling a number of our properties in 2003. These included several retail and office assets at very good prices. Our primary mission is to create shareholder value through development. These assets had reached values that in our judgment would be difficult to replicate later. A core principle of ours is to actively manage our portfolio of properties and to harvest the value we have created at appropriate times. This value can then be invested in new value creation projects or returned to our shareholders if we have sufficient other funds to support our future investments. This has been a very successful strategy for us over many years.

As I write, this trend continues with exceptional pricing being available for a number of our assets. It is quite possible we may sell additional assets, most likely office assets, in 2004. Of course, one consequence of asset sales is they tend to result in short-term dilution, or reduction, in FFO. As most of our investors know by now, if we feel it is in the best long-term interest of our shareholders to sell some assets at high prices, we will do so regardless of the short-term negatives.

Following our asset sales in 2003, we distributed a $100 million, $2.07 per share, special dividend to our shareholders. We did so because we had sufficient access to other funds to finance our anticipated future investment needs. By distributing these funds, we lowered our shareholders' invested capital. The smaller the capital base, the greater the ultimate total shareholder return. The size of our asset base does matter. If we sell additional assets in 2004, we will again consider a special dividend after re-analyzing our capital needs.

In the middle of 2003, we took advantage of the low interest rate environment and investor search for yield by selling $100,000,000 of 7.75% perpetual preferred stock. This was not only very attractive pricing, but also very attractive leverage, leverage that never has to be paid back. This is a source of capital that will support our future development and investment activity, and it will do so for a price far cheaper than a like amount of common equity. A combination of the preferred offering and debt financing activity in 2003, coupled with the special dividend to our shareholders, effected a capital restructuring that should enhance our shareholders' total returns in the future.

Turning to our retail business, I must say the fundamentals looked very good in 2003. We had few tenant problems in our retail portfolio and we were able to maintain a very respectable occupancy of 93%. Our "shadow" pipeline of new potential retail development projects continues to improve. These include Avenue projects, power centers and grocery anchored centers. We are very excited about the many value creation opportunities our retail business is pursuing and we believe our retail team, the best we have ever had at Cousins, is ready to execute on these deals.

Similarly our residential lot development and Land Division had a great year in 2003. This group contributed more than twice the FFO in 2003 than it did in 2002. We also added a significant number of new opportunities to our pipeline, which should contribute to future performance. Together with our partner Temple-Inland, we expect our Land Division's contribution to continue to grow in 2004 and beyond.

We are sometimes asked if the residential lot development business will slow down if interest rates rise. We do expect interest rates to rise over the next year or so and, as a result, we think there will be some slowdown in the residential lot development business. However, we do not expect that the impact will be deep or long-lasting. We believe demand for housing in our Sun Belt markets should be strong, supported by solid demographic trends, including very respectable household formation numbers.

We end 2003 in very good shape. We had solid net income and FFO in a very difficult environment. We aggressively managed our capital base so as to enhance future shareholder return. We ended the year with excellent financial strength, having the ability to undertake future development and investment opportunities we may encounter. As a result, we are well positioned to grow our Retail and Land divisions, with the possibility of some additional office activity in selective situations. As we look forward, we anticipate an improving external environment with good development opportunities in the retail and land businesses in the near term and the office business longer term. I would also note that, as we have done many times in the past, we will continue to look for new investment opportunities – new products, markets and structures that allow us to create value for our shareholders.

In summary, even though asset sales and lingering office tenant issues may adversely impact our short-term results, I am very pleased with where we are today. As always, our primary strategy is clear – we create value for our shareholders through development. Fortunately, we are well positioned to perform in this regard for our shareholders in the coming years.

Thomas D. Bell, Jr.

"Even with the tremendous success this company has enjoyed over the past 45 years, I am more confident than ever about the future, thanks to the dynamic leadership of our Board, Tom Bell and his executive team."

— **Tom Cousins**, Chairman of the Board

Q&A WITH DAN DUPREE

As Vice Chairman of the Company, Dan DuPree leads Cousins' development efforts across the country. Dan came to Cousins in 1992 as part of Cousins' acquisition of New Market Development Company, Ltd., which he founded in 1984. Dan was elected President and Chief Operating Officer of the Company in 1995 and retired in March 2001. He rejoined Cousins in March 2003.

Q: What is the development outlook for Cousins in 2004 and beyond? Which product types look promising?

A: Given that office demand will take some time to catch up to the now-growing economy, our Office Division will face more challenges in the coming year. However, that doesn't necessarily diminish our overall expectations given the high level of activity in our Retail and Land divisions.

On the office side, we believe we have several unique development opportunities and we are pursuing those while still focusing much of our attention on increasing the value of the existing portfolio. That's a similar approach to 2003, really. Last year, we were able to lease 1.5 million square feet across our office portfolio, which included 13 deals larger than 30,000 square feet. Our overall occupancy ended the year at an improved 91 percent, significantly outperforming the average occupancy levels in most of our major office markets.

The Retail Division had a great year in 2003, opening two projects (The Avenue West Cobb and The Shops of Lake Tuscaloosa), starting another (The Avenue Viera) and making some crucial progress in expanding our development pipeline. This effort will start producing results in 2004 and we expect retail will account for the bulk of our development starts in 2004.

Our residential business, operated by our Land Division, was a stalwart performer in 2003 and we expect even greater things for them this year. The Land Division is also responsible for tract sales at our 216-acre mixed-use project in Alpharetta, Georgia. More than $8 million in land sales closed there in the last month of 2003 and we anticipate continued opportunity in 2004 and beyond.

Q: Is Cousins looking to expand into additional markets beyond its current footprint?

A: The simple answer to that question is yes. But identifying which markets we may go into is a more difficult process. Our business plans for our various divisions differ in how we approach new markets. The best way to explain it is to look at how we have expanded into new markets in the past.

In retail, for example, we're not bound geographically because we are generally dealing with the same universe of retailers in every market and most retail development is driven by retailer demand. For instance, if we know a particular targeted major retailer is interested in a specific market, then we are motivated to consider a project in that market. As a consequence, we handle almost all retail development east of the Rockies out of Atlanta, with our Orange County, California office handling development west of the Rockies.

In our Office Division, we focus on a limited number of core markets. These are markets that we believe will benefit from sustained population and job growth and where conditions are such that we can sustain the value we create.

When we do consider a new market, it will nearly always be with an entrenched local partner. The office development business has always required local market knowledge. Our partnership with Myers Development in San Francisco is a good example of this approach.

Our view on residential markets is most similar to our view on office markets in that they require substantial local market knowledge. Because of this, we generally require partners, like Temple-Inland in Texas, in markets outside Atlanta.

DANIEL M. DUPREE
VICE CHAIRMAN

Q: Can you explain how Cousins' status as a diversified REIT sets it apart from the rest of the REIT world?

A: Development diversification is at the heart of who we are as a company. Our best chance to succeed over many business cycles is to be in a position to develop those projects and products that the market wants and demands. It is almost axiomatic that developers get into trouble when they try to force development when the market for that product is not right.

For 2004, we have focused substantial energy on retail development opportunities because that is what the market demands. Diversification, in the form of our Land Division, has also allowed us to capitalize on the historically low interest rates and demographic trends by ramping up subdivision development in the Sun Belt. Because we are diversified, our Office Division can patiently evaluate new opportunities without being unduly encouraged to take unnecessary risks.

The bottom line is that diversification is one of the main reasons for Cousins' longevity. A key has been to always align ourselves, or staff the company, with people who are very experienced in the development of the product type they are called upon to execute. Over our history, we have developed virtually all product types, moving in and out with the market trends.

Q: Cousins' Land Division seems to be taking a larger role in the Company's operations. Do you see this as a trend?

A: Yes, it is a trend in the sense that we have opportunistically redirected resources to a business that can grow and provide a satisfactory return. Low interest rates have played a role in our significant lot sales growth over the past few years but most of the credit is due to the skilled work of the Land Division team, which has helped us grow an already strong relationship with partner Temple-Inland into one of the Sun Belt's most active community developers.

Second, is it a trend for Cousins? Well, it's true that lot sales have grown tremendously over the past few years. Two factors that could affect future growth are interest rates and job growth, as well as demographics and household formation. We know that interest rates are likely to rise over the coming year but no one knows exactly when or how much.

Job growth, on the other hand, appears to be on the rebound. Regardless, we have witnessed a housing boom in Georgia the past few years, with yearly housing growth at more than 80,000 new houses per year. And demographic trends show more young people forming households, which is expected to continue well into the future.

Perhaps the best statistic to illustrate where our Land Division is headed is this one: The three states where we have ongoing projects (Georgia, Texas and Florida) are three of the nation's top four states for housing growth, according to the U.S. Census Bureau.

Q: Over a long period of time, Cousins has consistently provided its shareholders with outstanding total returns. How has the Company been able to do this?

A: Exceptional value creation through development. We create value through development and actively manage our portfolios, capturing that value through timely sales or other financial transactions.

I think the key is that we have never lost focus on the fact that we are in business to maximize shareholder return over the long term. We seldom take short cuts and realize that value creation through development is the right model for us. Put simply: We are not interested in buying a dollar's worth of assets for a dollar. We want to create value for our shareholders.

Underlying that simple statement is a cadre of core principles that everyone at Cousins adheres to. Those principles, including setting high standards, managing financial risk and creating value, have helped Cousins produce more than four decades of steady growth and superior shareholder returns.

Many REITs spend a dollar to get a dollar's value, usually in the name of growth in size. Not us. We are not in business for the sake of getting larger. Our focus is on doing those things that ensure that every shareholder sees the strongest possible return on his or her investment.

OFFICE DIVISION

- Signed Coca-Cola Enterprises to a 236,000-square-foot lease at Wildwood Plaza, Cousins' largest lease of 2003 and one of Atlanta's top five leases for the year. Also leased more than half of the former Cable & Wireless space at San Francisco's 55 Second Street, signing a 90,000-square-foot lease with KPMG.
- Completed construction of Frost Bank Tower, a 33-story, 525,000-square-foot office tower in downtown Austin.
- Won five regional Office Building of the Year awards from the Building Owners and Managers Association (BOMA).

RETAIL DIVISION

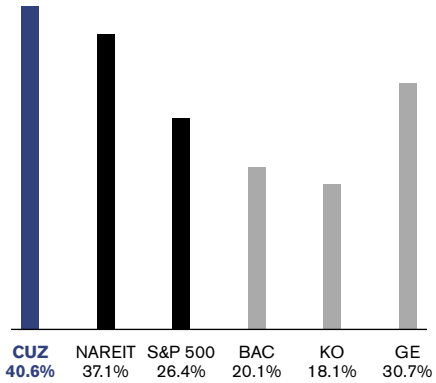
- Opened The Avenue West Cobb, a 205,000-square-foot specialty center in suburban Atlanta, at 87 percent leased – the highest-ever leased percentage at an Avenue opening. Also, opened The Shops of Lake Tuscaloosa, a 62,000-square-foot Publix-anchored center in Alabama.
- Commenced construction on The Avenue Viera, Cousins' fifth Avenue project and its first in Florida. The 408,000-square-foot center, featuring retailers such as Belk, Rave Theaters, Talbots and Abercrombie & Fitch, is expected to open in fall 2004.
- Strong interest in investment-grade properties led to the sale of three retail centers – Mira Mesa MarketCenter, Perimeter Expo and Presidential MarketCenter – which demonstrated value creation through development, resulting in more than $84 million in profit on the sales.

LAND DIVISION

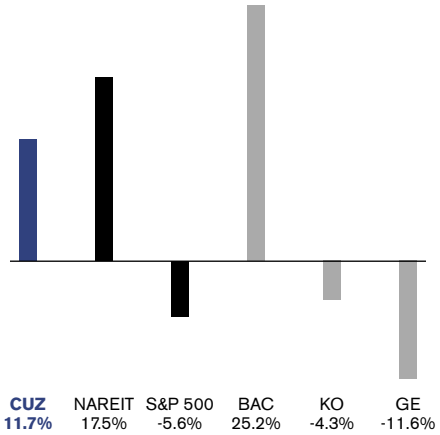
- Increased the Company's share of residential lots sold by 57 percent.
- Expanded CL Realty and Temco ventures with partner Temple-Inland by commencing development on 11 communities with the potential for more than 11,000 lots in Georgia, Florida and Texas.
- Received approval for the 216-acre North Point Westside master plan in Alpharetta, Georgia. The plan includes office, residential, retail, assisted living, educational and community projects, as well as the North Fulton Centre for the Arts.

Take virtually any traditional holding period in the past 20 years, and you'll find that Cousins has provided a solid and impressive return to shareholders, relative to its peers and some of the world's most respected companies.

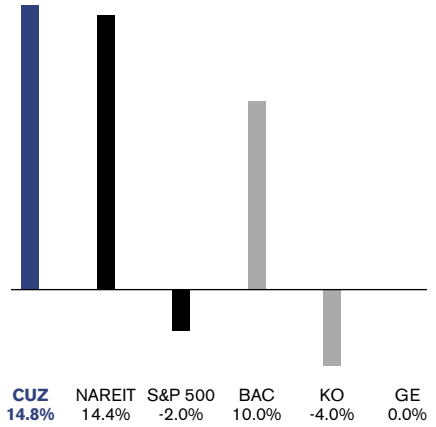
1-Year Total Return*
(January 2003 – December 2003)



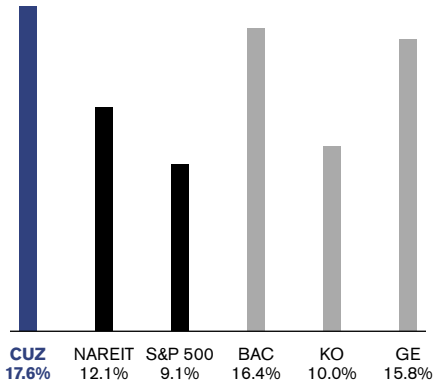
3-Year Total Return*
(January 2001 – December 2003)



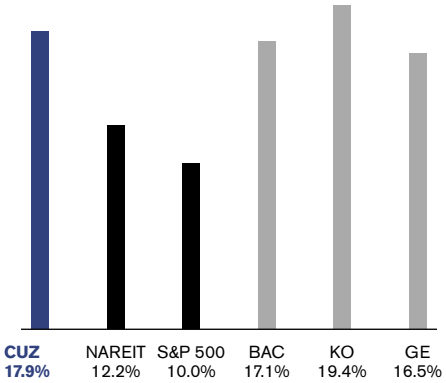
5-Year Total Return*
(January 1999 – December 2003)



10-Year Total Return*
(January 1994 – December 2003)



20-Year Total Return*
(January 1984 – December 2003)



*Geometric Mean Return with Reinvestment of Dividends.
Source: 2004 CRSP, Center for Research in Security Prices. Graduate School of Business, The University of Chicago. Used with permission. All rights reserved. www.crsp.uchicago.edu.
NAREIT Equity Index returns provided by the National Association of Real Estate Investment Trusts.

CUZ – Cousins Properties Incorporated
NAREIT – National Association of Real Estate Investment Trusts
S&P 500 – Standard & Poor's index
BAC – Bank of America
KO – The Coca-Cola Company
GE – General Electric

Property Description	Metropolitan Area	State	Rentable Square Feet	Company's Ownership Interest	Percent Leased (Fully Executed) 12/31/03
I. OFFICE					
A. Commercial Office					
Bank of America Plaza	Atlanta		1,262,000	50.00%	100%
One Ninety One Peachtree Tower	Atlanta		1,215,000	9.80%	96%
Inforum	Atlanta		990,000	100.00%	94%
3200 Windy Hill Road	Atlanta		694,000	50.00%	94%
2300 Windy Ridge Parkway	Atlanta		636,000	50.00%	86%
The Pinnacle	Atlanta		426,000	50.00%	98%
One Georgia Center	Atlanta		363,000	88.50%	79%
1155 Perimeter Center West	Atlanta		362,000	50.00%	99%
2500 Windy Ridge Parkway	Atlanta		316,000	50.00%	99%
Two Live Oak Center	Atlanta		279,000	50.00%	87%
4200 Wildwood Parkway	Atlanta		259,000	50.00%	100%
Ten Peachtree Place	Atlanta		260,000	50.00%	100%
4300 Wildwood Parkway	Atlanta		150,000	50.00%	100%
4100 Wildwood Parkway	Atlanta		100,000	50.00%	100%
3100 Windy Hill Road	Atlanta		188,000	100.00%	100%
555 North Point Center East	Atlanta		152,000	100.00%	53%
615 Peachtree Street	Atlanta		148,000	100.00%	81%
200 North Point Center East	Atlanta		130,000	100.00%	38%
333 North Point Center East	Atlanta		129,000	100.00%	65%
100 North Point Center East	Atlanta		128,000	100.00%	68%
3301 Windy Ridge Parkway	Atlanta		107,000	100.00%	100%
		Georgia	**8,294,000**		**90%**
Lakeshore Park Plaza	Birmingham		190,000	100.00%	87% [a]
Grandview II	Birmingham		149,000	11.50%	100%
600 University Park Place	Birmingham		123,000	100.00%	99% [a]
		Alabama	**462,000**		**92%**
Gateway Village	Charlotte		1,065,000	50.00%	100%
101 Independence Center	Charlotte		526,000	100.00%	99%
Wachovia Tower	Greensboro		324,000	11.50%	67%
		North Carolina	**1,915,000**		**98%**
Frost Bank Tower	Austin		525,000	100.00%	55% [b]
Austin Research Park - Building III	Austin		174,000	50.00%	100%
Austin Research Park - Building IV	Austin		184,000	50.00%	100%
The Points at Waterview	Dallas		201,000	100.00%	96%
		Texas	**1,084,000**		**98%**
John Marshall - II	Washington, D.C.		224,000	50.00%	100%
333 John Carlyle	Washington, D.C.		153,000	100.00%	91%
1900 Duke Street	Washington, D.C.		97,000	100.00%	100%
		Washington, D.C.	**474,000**		**96%**
101 Second Street	San Francisco		387,000	100.00%	82% [a]
55 Second Street	San Francisco		379,000	100.00%	78% [a]
		California	**766,000**		**80%**
Total Commercial Office			**12,995,000**		**91% [c]**
B. Medical Office					
Emory Crawford Long Medical Office Tower	Atlanta		358,000	50.00%	92%
Northside/Alpharetta II	Atlanta		198, 000	100.00%	79%
Meridian Mark Plaza	Atlanta		160,000	100.00%	100%
Northside/Alpharetta I	Atlanta		103,000	100.00%	94%
AtheroGenics	Atlanta		51,000	100.00%	100%
		Georgia	**870,000**		**91%**
Presbyterian Medical Plaza at University	Charlotte	**North Carolina**	69,000	11.50%	100%
Total Medical Office			**939,000**		**91% [c]**
Total Office			**13,934,000**		**91% [c]**

Property Description	Metropolitan Area	State	Rentable Square Feet	Company's Ownership Interest	Percent Leased (Fully Executed) 12/31/03
II. RETAIL					
North Point Market Center	Atlanta		401,000	11.50%	100%
The Avenue East Cobb	Atlanta		226,000	100.00%	100%
The Avenue West Cobb	Atlanta		205,000	100.00%	92% [b]
The Avenue Peachtree City	Atlanta		169,000	88.50%	98% [d]
Mansell Crossing Phase II	Atlanta		103,000	11.50%	100%
		Georgia	**1,104,000**	**99%**	**99%**
The Avenue of the Peninsula	Rolling Hills Estates		374,000	100.00%	86%
Los Altos MarketCenter	Long Beach		157,000	11.50%	100%
		California	**531,000**	**88%**	**87%**
The Shops at World Golf Village	St. Augustine		80,000	50.00%	74%
The Avenue Viera	Viera		333,000	100.00%	27% [b]
		Florida	**413,000**	**74%**	**74%**
The Shops of Lake Tuscaloosa	Tuscaloosa	**Alabama**	**62,000**	**100.00%**	**85%** [b]
Greenbrier MarketCenter	Chesapeake	**Virginia**	**376,000**	**11.50%**	**100%**
Total Retail [e]			**2,486,000**	**93%**	**93%** [c]
TOTAL PORTFOLIO			**16,420,000**	**91%**	**91%** [c]

	100%	Weighted	%	Percent Leased 12/31/03
SUMMARY BY TYPE				
Commercial Office	12,995,000	8,243,000	79%	91%
Medical Office	939,000	699,000	7%	91%
Subtotal	13,934,000	8,942,000	86%	91%
Retail	2,486,000	1,509,000	14%	93%
TOTAL	**16,420,000**	**10,451,000**	**100%**	**91%** [c]
SUMMARY BY STATE				
Georgia	10,268,000	6,114,000	59%	91%
California	1,297,000	1,158,000	11%	82%
North Carolina	1,984,000	1,104,000	11%	98%
Texas	1,084,000	905,000	9%	98%
Alabama	524,000	392,000	4%	92%
Washington, D.C.	474,000	362,000	3%	96%
Florida	413,000	373,000	4%	74%
Virginia	376,000	43,000	0%	100%
TOTAL	**16,420,000**	**10,451,000**	**100%**	**91%** [c]

(a) This project is owned through joint ventures with third parties, and a portion of the upside is shared with the other venturer.

(b) Under construction and/or in lease-up.

(c) Total leased percentage (weighted by ownership) of completed projects excluding projects under construction and/or in lease-up and One Ninety One Peachtree Tower.

(d) This property is subject to a contractual participation in which a portion of the upside is shared with a third party.

(e) The Company has a 10% interest in Deerfield Towne Center, a 371,000 square foot retail project that is currently under construction in Deerfield (Cincinnati), Ohio. The Company has no capital invested in the project, but is entitled to receive 10% of the net operating income after debt service and 10% of any residuals upon sale.

($ in thousands except percentages and per share amounts)	2003	2002	2001	2000	1999
Net Income Available to Common Stockholders	**$ 238,803**	$ 47,872	$ 70,815	$ 62,043	$ 104,082
Diluted Net Income Per Common Share	**$ 4.83**	$ 0.96	$ 1.41	$ 1.25	$ 2.12
Funds From Operations Available to Common Stockholders ("FFO") [a]	**$ 124,965**	$ 113,366	$ 108,122	$ 97,299	$ 81,197
Diluted FFO Per Common Share	**$ 2.53**	$ 2.27	$ 2.15	$ 1.96	$ 1.66
% increase in FFO from prior year	**11%**	6%	10%	18%	10%
Five-year compound annual growth rate	**11%**				
Dividends Paid to Common Stockholders:					
Regular	**$ 71,694**	$ 73,345	$ 68,595	$ 60,315	$ 53,886
Special	**$ 100,544**	$ –	$ –	$ –	$ –
Dividends Per Common Share:					
Regular	**$ 1.48**	$ 1.48	$ 1.39	$ 1.24	$ 1.12
Five-year compound annual growth rate	**8%**				
Special	**$ 2.07**	$ –	$ –	$ –	$ –
Equity Market Capitalization at Year-End (Common and Preferred)	**$ 1,603,351**	$ 1,195,134	$ 1,203,993	$ 1,374,832	$ 1,091,928
Adjusted Debt [b]	**697,050**	844,880	766,503	671,068	502,492
Total Market Capitalization at Year-End	**$ 2,300,401**	$ 2,040,014	$ 1,970,496	$ 2,045,900	$ 1,594,420
Adjusted Debt to Total Market Capitalization at Year-End	**30%**	41%	39%	33%	32%
Stock Price at Year-End:					
Common	**$ 30.60**	$ 24.70	$ 24.36	$ 27.94	$ 22.63
Preferred	**$ 27.25**	$ –	$ –	$ –	$ –

(a) *See page 22 of this Annual Report for a discussion of FFO. The reconciliation between Net Income Available to Common Stockholders and FFO is as follows:*

Net Income Available to Common Stockholders	**$ 238,803**	$ 47,872	$ 70,815	$ 62,043	$ 104,082
Depreciation and amortization:					
Consolidated, net of minority interest's share	**52,284**	48,033	38,643	27,344	14,565
Discontinued operations	**1,871**	6,354	5,914	4,276	1,959
Share of unconsolidated joint ventures	**21,299**	18,549	16,453	15,773	20,213
Depreciation of furniture, fixtures and equipment and amortization of specifically identifiable intangible assets:					
Consolidated	**(2,511)**	(2,148)	(2,166)	(1,099)	(940)
Share of unconsolidated joint ventures	**(34)**	(9)	(52)	(231)	(137)
Gain on sale of investment properties, net of applicable income tax provision	**(194,017)**	(7,428)	(23,496)	(11,937)	(58,767)
Gain on sale of undepreciated investment properties	**7,270**	2,143	2,011	564	222
Cumulative effect of change in accounting principle	**–**	–	–	566	–
Funds From Operations Available to Common Stockholders	**$ 124,965**	$ 113,366	$ 108,122	$ 97,299	$ 81,197
Diluted Weighted Average Shares	**49,415**	49,937	50,280	49,731	49,031

(b) *Adjusted debt is defined as the Company's debt and the Company's pro rata share of unconsolidated joint venture debt, excluding debt related to Charlotte Gateway Village, L.L.C. ("Gateway"). See the "Discussion of Non-GAAP Financial Measures" in the "Supplemental SEC Information" link on the Investor Relations page of the Company's Web site at www.cousinsproperties.com for a further discussion of Adjusted Debt. The reconciliation between Consolidated Debt and Adjusted Debt is as follows:*

Consolidated Debt	**$ 497,981**	$ 669,792	$ 585,275	$ 485,085	$ 312,257
Share of joint venture debt	**285,657**	265,854	275,913	256,292	218,739
Share of Gateway debt	**(86,588)**	(90,766)	(94,685)	(70,309)	(28,504)
Adjusted Debt	**$ 697,050**	$ 844,880	$ 766,503	$ 671,068	$ 502,492

Directors

T. G. Cousins
Chairman of the Board

Thomas D. Bell, Jr.
Vice Chairman of the Board, President and Chief Executive Officer

Erskine B. Bowles
Erskine Bowles & Co., LLC

Richard W. Courts, II
Chairman, Atlantic Investment Company

Lillian C. Giornelli
Chairman and Chief Executive Officer, The Cousins Foundation, Inc.

Terence C. Golden
Chairman, Bailey Capital Corporation

Boone A. Knox
Chairman and Chief Executive Officer, The Knox Foundation

John J. Mack
Chief Executive Officer, Credit Suisse First Boston

Hugh L. McColl, Jr.
Chairman, McColl Brothers Lockwood

William Porter Payne
Partner, Gleacher Partners LLC

Henry C. Goodrich
Director Emeritus

Corporate

T. G. Cousins
Chairman of the Board

Thomas D. Bell, Jr.
Vice Chairman of the Board, President and Chief Executive Officer

Daniel M. DuPree
Vice Chairman of the Company

R. Dary Stone
Vice Chairman of the Company

Tom G. Charlesworth
Executive Vice President, Chief Financial Officer and Chief Investment Officer

Dan G. Arnold
Senior Vice President and Chief Information Officer

Lisa M. Borders
Senior Vice President

James A. Fleming
Senior Vice President, General Counsel and Secretary

Lawrence B. Gardner
Senior Vice President – Human Resources

Michael A. Quinlan
Senior Vice President, Chief Accounting Officer and Controller

Patricia A. Grimes
Vice President – Financial and SEC Reporting and Accounting Policy

Karen S. Hughes
Vice President – Treasury and Finance

Kristin R. Myers
Vice President – Taxation and Benefit Plan Compliance

Mark A. Russell
Vice President – Chief Financial Analyst and Director of Investor Relations

Mary M. Thomas
Vice President – Internal Audit

Office Division

Craig B. Jones
President

John S. McColl
Senior Vice President

Tim Hendricks
Senior Vice President – Austin

Tad Leithead, Jr.
Senior Vice President – Atlanta

Charles E. Cotten
Senior Vice President – Dallas

Jack A. LaHue
Senior Vice President – Asset Management

Mark P. Dickenson
Senior Vice President – Director of Leasing, Dallas

Walter L. Fish
Senior Vice President – Director of Leasing, Atlanta

James F. George
Senior Vice President – Senior Development Executive

John N. Goff
Senior Vice President – Development

Dara J. Nicholson
Senior Vice President – Property Management

C. David Atkins
Vice President – Asset Management

Molly Faircloth
Vice President – Administration

Charles D. McCormick
Vice President – Development Executive, Austin

Ronald C. Sturgis
Vice President – Director of Operations

Lloyd P. Thompson, Jr.
Vice President – Senior Development Executive

John R. Ward
Vice President – Asset Management

Retail Division

Joel T. Murphy
President

William I. Bassett
Senior Vice President – Development

Alexander A. Chambers
Senior Vice President

Thomas D. Lenny
Senior Vice President – Western Region

Robert A. Manarino
Senior Vice President – Director of Western Region Operations

David C. Nelson
Senior Vice President – Director of Asset Management

Steve V. Yenser
Senior Vice President – Leasing

Lucien J. Conti, Jr.
Vice President – Development

Stephanie M. Hart
Vice President – Administration

Angie M. Leccese
Vice President – Marketing

Kevin B. Polston
Vice President – Director of Development Leasing

Thomas P. Prandato
Vice President – Operations

Pamela F. Roper
Vice President and Associate General Counsel

Amy S. Siegal
Vice President – Leasing

Land Division*

Bruce E. Smith
President

Michael J. Quinley
Senior Vice President – Development

Erling D. Speer
Senior Vice President – Development

Craig A. Lacey
Vice President – Development

John C. Olderman
Vice President and Associate General Counsel

Deloris Schmidt
Vice President – Operations

**Officers of Cousins Real Estate Corporation only.*

CORPORATE PROFILE

Cousins Properties Incorporated (NYSE:CUZ) is one of the foremost diversified real estate development companies in the United States. The Company creates shareholder value through the development and operation of high-quality real estate. With headquarters in Atlanta, Cousins is a fully integrated, self-administered equity real estate investment trust (REIT) which actively invests in office, retail, medical office and land. Cousins has been in the real estate business for more than 40 years and has proven experience in the development, leasing, management, acquisition and financing of properties. On December 31, 2003, the Company's portfolio consisted of interests in more than 13.9 million square feet of office and medical space, 2.5 million square feet of retail space, and more than 280 acres of strategically located land for future commercial development. Cousins became a public company in 1962, elected REIT status in 1987 and was listed on the New York Stock Exchange in 1992.

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