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Press Release

DENVER, CO - July 30, 2013

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UDR ANNOUNCES SECOND QUARTER 2013 RESULTS

~ Reports Second Quarter FFO as Adjusted per Share of \$0.35 ~

~ Formed New Vitruvian Park® Partnerships and Raised Guidance ~

Second Quarter 2013 Highlights:

- Funds from Operations (“FFO”) per share was \$0.37 (+12% year-over-year), FFO as Adjusted per share was \$0.35 (+6%), and AFFO per share was \$0.31 (+11%).
- Year-over-year same-store revenue and net operating income (“NOI”) growth for the quarter were 5.2 percent and 6.8 percent, respectively.
- Expanded the Company’s relationship with MetLife through the formation of \$290 million in new Vitruvian Park® 50/50 partnerships and grew the UDR/MetLife II JV by \$169 million via a swap of ownership interests in UDR/MetLife I JV communities.
- Invested \$97.8 million during the quarter to advance the Company’s \$1.1 billion development pipeline. Completed 142 development homes in Southern California.
- Completed the redevelopment of 226 homes located in Manhattan and Southern California on quarterly spend of \$35.3 million.
- Increased full-year FFO per share guidance by \$0.01 at the midpoint due to hurricane-related recoveries. Previously increased guidance in late June due to better operating trends. At that time, FFO, FFO as Adj. and AFFO per share were increased by \$0.02 at the midpoint. SS revenue and NOI were increased by 25 and 50 bps at the midpoint.

The following table highlights the Company’s FFO, FFO as Adjusted and AFFO per share for the current period as compared to the previous year period:

	Q2 2013	Q2 2012	YTD 2013	YTD 2012
FFO per share	\$0.37	\$0.33	\$0.71	\$0.78
JV financing and acquisition fees	(0.001)	-	(0.001)	-
Cost/(benefit) associated with debt extinguishment	0.001	0.017	0.001	(0.001)
Hurricane-related (recoveries)/charges, net	(0.011)	-	(0.021)	-
Other	-	(0.019)	-	(0.111)
FFO as Adjusted per share	\$0.35	\$0.33	\$0.69	\$0.66
Recurring capital expenditures	(0.046)	(0.049)	(0.072)	(0.082)
AFFO per share	\$0.31	\$0.28	\$0.62	\$0.58

A reconciliation of FFO, FFO as Adjusted and AFFO to GAAP Net Income attributable to UDR, Inc. can be found on Attachment 2 of the Company’s second quarter supplemental package.

Operations

Same-store NOI increased 6.8 percent year-over-year in the second quarter of 2013 while same-store revenue increased 5.2 percent over the same period. Same-store physical occupancy was 96.1 percent as compared to 95.9 percent in the prior year period. Same-store expenses increased 1.6 percent driven by an increase in real estate taxes and personnel costs. The annualized rate of turnover decreased 230 basis points year-over-year to 55.4 percent.

Summary of Same-Store Results Second Quarter 2013 versus Second Quarter 2012

Region	Revenue Growth/ Decline	Expense Growth/ Decline	NOI Growth/ Decline	% of Same-Store Portfolio ⁽¹⁾	Same-Store Occupancy ⁽²⁾	Number of Same-Store Homes ⁽³⁾
West	5.5%	1.0%	7.5%	40.0%	95.5%	12,737
Mid-Atlantic	2.9%	1.4%	3.5%	26.7%	96.4%	9,578
Southeast	5.7%	5.4%	5.9%	17.2%	96.2%	9,515
Northeast	8.3%	3.8%	10.0%	9.9%	97.2%	1,879
Southwest	6.6%	-5.8%	15.7%	6.2%	96.4%	3,365
Total	5.2%	1.6%	6.8%	100.0%	96.1%	37,074

⁽¹⁾ Based on Q2 2013 NOI.

⁽²⁾ Average same-store occupancy for the quarter.

⁽³⁾ During the second quarter, 37,074 apartment homes, or approximately 90 percent of 41,153 total apartment homes, were classified as same-store. The Company defines same-store as all multifamily communities owned and stabilized for at least one year as of the beginning of the most recent quarter.

Sequentially, the Company's same-store NOI increased by 2.7 percent on revenue growth of 2.0 percent and a 0.4 percent increase in expenses during the second quarter of 2013.

For the six months ended June 30, 2013, the Company's same-store revenue increased 5.2 percent as compared to the prior year while expenses increased 2.6 percent resulting in a same-store NOI increase of 6.4 percent as compared to the prior year period in 2012. Year-over-year occupancy increased by 10 basis points to 95.8 percent.

Summary of Same-Store Results YTD 2013 versus YTD 2012

Region	Revenue Growth/ Decline	Expense Growth/ Decline	NOI Growth/ Decline	% of Same-Store Portfolio ⁽¹⁾	Same-Store Occupancy ⁽²⁾	Number of Same-Store Homes ⁽³⁾
West	5.3%	1.5%	7.0%	39.6%	94.9%	12,617
Mid-Atlantic	3.5%	2.5%	3.9%	27.2%	96.3%	9,578
Southeast	5.7%	5.0%	6.1%	17.7%	96.2%	9,515
Northeast	7.8%	4.3%	9.2%	9.7%	96.6%	1,879
Southwest	7.1%	0.5%	11.7%	5.8%	96.5%	3,115
Total	5.2%	2.6%	6.4%	100.0%	95.8%	36,704

⁽¹⁾ Based on YTD 2013 NOI.

⁽²⁾ Average same-store occupancy for YTD 2013.

⁽³⁾ During the six months ended June 30, 2013, 36,704 apartment homes, or approximately 89 percent of 41,153 total consolidated apartment homes, were classified as same-store. The Company defines same-store as all multifamily communities owned and stabilized for at least one year as of the beginning of the most recent year.

Development and Redevelopment Activity

In the second quarter of 2013, the Company spent a total of \$133.1 million towards the completion of its \$1.3 billion development and redevelopment pipeline. In total, the Company has funded 66 percent of its active pipeline. The Company expects to deliver 39 percent of its active pipeline in 2013, 41 percent in 2014 and 20 percent in 2015.

The Company completed the redevelopment of [The Westerly on Lincoln](#), a 583-home, \$36.1 million project located in Marina del Rey, CA. Average revenue per occupied home for the community during the second quarter was \$2,227, or 20 percent above pre-redevelopment rent levels. Additionally, the Company completed the redevelopment of 219 homes for a total cost of \$33.6 million at the following communities: [Rivergate](#) (706 homes) and [27 Seventy Five Mesa Verde](#) (formerly Pine Brook I & II and Villa Venetia - 964 homes). At the end of the second quarter, 644 homes, or 39 percent of the Company's 1,670 total homes under active redevelopment, excluding [The Westerly on Lincoln](#), had been completed.

Partnership and Joint Venture Investment Activity

As previously announced on [June 26, 2013](#), the Company formed new 50/50 partnerships with MetLife comprising a portion of the assets in the Company's Vitruvian Park[®] master plan. The operating partnership includes the [Savoye](#), [Savoye²](#) and [Fiori](#) communities. Cumulatively, these communities were sold at a weighted average NOI cap rate of 5.0% and will contain 1,130 homes when construction is completed on [Fiori](#) in the fourth quarter of 2013. A separate partnership owns 28.4 acres of vacant, developable land at Vitruvian Park[®] on which 2,000 to 2,500 homes and 45,000 to 50,000 square feet of retail space can be constructed under current development plans. The Company continues to own approximately 1,000 legacy homes, \$13 million of developable land and all free-standing non-residential real estate at Vitruvian Park[®].

Upon the completion of [Fiori](#), the Company's pro-rata share of the gross book values of the partnerships will be approximately \$145 million. Proceeds to the Company totaled approximately \$200 million, including proceeds from debt, on the operating and lease-up assets included in the operating partnership.

Separately, the Company announced the expansion of its UDR/MetLife II Joint Venture on [June 26, 2013](#). The Company exchanged its ownership interests in four operating communities in its UDR/MetLife I Joint Venture, in addition to a \$15.6 million net cash payment to MetLife, for an increased ownership interest in two A-quality, high-rise UDR/MetLife I Joint Venture operating communities located in downtown Denver and San Diego. The Company now owns 50 percent of [Acoma](#) (Denver) and [Current](#) (San Diego) and both communities have been contributed to the UDR/MetLife II Joint Venture. In total, the estimated value of all of the swapped assets was \$365 million and was based on a weighted average NOI cap rate of 4.7 percent for the total transaction.

Additional transaction details can be found in the press release dated [June 26, 2013](#) on the Company's website at www.udr.com.

Capital Markets Activity

On [June 6, 2013](#), the Company amended its \$900 million unsecured revolving credit facility. The amendment extends the maturity date from October 2015 to December 2017, includes a six month extension option, and contains an accordion feature that allows the Company to increase the facility to \$1.45 billion. Based on the Company's current credit rating, the credit facility carries an interest rate equal to LIBOR plus a spread of 110 basis points and a facility fee of 20 basis points, a reduction of 12.5 and 2.5 basis points, respectively, from its previous agreement.

In addition, the Company amended and re-priced both its \$250 million and \$100 million unsecured term loans due in January 2016. The loans were re-priced to LIBOR plus 125 basis points from LIBOR plus 142.5 basis points and the maturity dates were extended to June 2018.

Additional details related to the amended revolver and term loans can be found in the press release dated [June 10, 2013](#) on the Company's website at www.udr.com.

On June 28, 2013, the Company refinanced \$186 million of a Fannie Mae credit facility that carried an interest rate equal to LIBOR plus a spread of 284 basis points and was scheduled to mature in 2019. The new loans include a \$90 million, 7-year fixed-rate loan that carries an interest rate of 3.95 percent and a \$96 million, 10-year variable-rate loan that carries an interest rate equal to LIBOR plus a spread of 190 basis points. Three of the Company's communities were released from the facility and added to the Company's unencumbered asset pool.

As of the end of the second quarter, the Company had no remaining outstanding debt maturities in 2013. Proceeds from the MetLife transactions were used to retire the \$159.9 million of debt that was outstanding at the end of the first quarter 2013.

Balance Sheet

At June 30, 2013, the Company had \$769 million in availability through a combination of cash and undrawn capacity on its credit facilities.

The Company's total indebtedness at June 30, 2013 was \$3.4 billion. The Company ended the second quarter with fixed-rate debt representing 83 percent of its total debt, a total blended interest rate of 4.2 percent and a weighted average maturity of 4.7 years. The Company's leverage was 38.6 percent versus 38.4 percent a year ago and the Company's net debt-to-EBITDA was 6.9 times versus 6.3 times a year ago.

Post Quarter Activity

Balance Sheet

On July 23, 2013, Moody's affirmed the Company's credit rating of Baa2 and changed its outlook to Positive from Stable.

Dividend

As previously announced, the Company's Board of Directors declared a regular quarterly dividend on its common stock for the second quarter of 2013 in the amount of \$0.235 per share. The dividend will be paid in cash on July 31, 2013 to UDR common stock shareholders of record as of July 10, 2013. The 2013 annualized dividend of \$0.94 represented a yield of 3.7 percent as of July 26, 2013 and an increase of 7 percent over 2012's annualized dividend of \$0.88. The second quarter 2013 dividend represented the 163rd consecutive quarterly dividend paid by the Company on its common stock.

Outlook

For the third quarter of 2013, the Company has established the following guidance ranges.

- FFO per share: \$0.33 to \$0.35
- FFO as Adjusted per share: \$0.33 to \$0.35
- AFFO per share: \$0.28 to \$0.30

For the full-year 2013, the Company has increased its FFO per share guidance by an additional \$0.01 at the midpoint due to hurricane-related recoveries recognized during the second quarter. Previously on [June 26, 2013](#), the Company had raised its FFO, FFO as Adjusted, and AFFO per share guidance at the mid-point by \$0.02 each, primarily due to better-than-expected same-store and non-same-store operating trends. Below are the full-year guidance ranges.

- FFO per share: \$1.40 to \$1.44
- FFO as Adjusted per share: \$1.36 to \$1.40
- AFFO per share: \$1.20 to \$1.24

Below are the full-year same-store growth assumptions, which were previously increased on [June 26, 2013](#).

- Revenue: 4.50% to 5.00%
- Expense: 2.75% to 3.25%
- Net operating income: 5.25% to 6.00%
- Physical occupancy: 95.5%

Additional assumptions for the Company's third quarter and full-year 2013 guidance can be found on Attachment 15 of the Company's second quarter supplemental package.

Supplemental Information

The Company offers Supplemental Financial Information that provides details on the financial position and operating results of the Company which is available on the Company's website at www.udr.com.

Conference Call and Webcast Information

UDR will host a webcast and conference call at 1:00 p.m. EDT on July 30, 2013 to discuss second quarter results. A webcast will be available on UDR's website at www.udr.com. To listen to a live broadcast, access the site at least 15 minutes prior to the scheduled start time in order to register, download and install any necessary audio software.

To participate in the teleconference dial 800-762-8779 for domestic and 480-629-9771 for international and provide the following conference ID number: 4628403.

A replay of the conference call will be available through August 30, 2013, by dialing 800-406-7325 for domestic and 303-590-3030 for international and entering the confirmation number, 4628403, when prompted for the pass code.

A replay of the call will be available for 30 days on UDR's website at www.udr.com.

Full Text of the Earnings Report and Supplemental Data

Internet -- The full text of the earnings report and Supplemental Financial Information will be available on the Company's website at www.udr.com.

Mail -- For those without Internet access, the second quarter 2013 earnings report and Supplemental Financial Information will be available by mail or fax, on request. To receive a copy, please call UDR Investor Relations at 720-348-7762.



Attachment 16(A)

UDR, Inc. Definitions and Reconciliations June 30, 2013 (Unaudited)

Funds From Operations ("FFO"): The Company defines FFO as net income (computed in accordance with GAAP), excluding impairment write-downs of depreciable real estate or of investments in non-consolidated investees that are driven by measurable decreases in the fair value of depreciable real estate held by the investee, gains (or losses) from sales of depreciable property, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. This definition conforms with the National Association of Real Estate Investment Trust's definition issued in April 2002. In the computation of diluted FFO, OP units, unvested restricted stock, stock options, and the shares of Series E Cumulative Convertible Preferred Stock are dilutive; therefore, they are included in the diluted share count.

Activities of our taxable REIT subsidiary (TRS), RE3, include development and land entitlement. From time to time, we develop and subsequently sell a TRS property which results in a short-term use of funds that produces a profit that differs from the traditional long-term investment in real estate for REITs. We believe that the inclusion of these TRS gains in FFO is consistent with the standards established by NAREIT as the short-term investment is incidental to our main business. TRS gains on sales, net of taxes, are defined as net sales proceeds less a tax provision and the gross investment basis of the asset before accumulated depreciation.

Management considers FFO a useful metric for investors as the Company uses FFO in evaluating property acquisitions and its operating performance and believes that FFO should be considered along with, but not as an alternative to, net income and cash flow as a measure of the Company's activities in accordance with GAAP. FFO does not represent cash generated from operating activities in accordance with GAAP and is not necessarily indicative of funds available to fund our cash needs. A reconciliation from net income attributable to UDR, Inc. to FFO is provided on Attachment 2.

Funds From Operations as Adjusted: The Company defines FFO as Adjusted as FFO excluding the impact of acquisition-related costs and other comparable items including, but not limited to, prepayment costs/benefits associated with early debt retirement, gains on sales of marketable securities and TRS property, deferred tax valuation allowance increases and decreases, storm-related expenses, severance costs and legal costs.

Management believes that FFO as Adjusted is useful supplemental information regarding our operating performance as it provides a consistent comparison of our operating performance across time periods and allows investors to more easily compare our operating results with other REITs. FFO as Adjusted is not intended to represent cash flow or liquidity for the period, and is only intended to provide an additional measure of our operating performance. The Company believes that net income attributable to UDR, Inc. is the most directly comparable GAAP financial measure to FFO as Adjusted. However, other REITs may use different methodologies for calculating FFO as Adjusted or similar FFO measure and, accordingly, our FFO as Adjusted may not always be comparable to FFO as Adjusted or similar FFO measure calculated by other REITs. FFO as Adjusted should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of financial performance, or as an alternative to cash flows from operating activities (determined in accordance with GAAP) as a measure of our liquidity. A reconciliation from net income attributable to UDR, Inc. to FFO as Adjusted is provided on Attachment 2.

Adjusted Funds From Operations ("AFFO"): The Company defines AFFO as FFO as Adjusted less recurring capital expenditures that are necessary to help preserve the value of and maintain functionality at our communities.

Management considers AFFO a useful supplemental performance metric for investors as it is more indicative of the Company's operational performance than FFO or FFO as Adjusted. AFFO is not intended to represent cash flow or liquidity for the period, and is only intended to provide an additional measure of our operating performance. The Company believes that net income attributable to UDR, Inc. is the most directly comparable GAAP financial measure to AFFO. Management believes that AFFO is a widely recognized measure of the operations of REITs, and presenting AFFO will enable investors to assess our performance in comparison to other REITs. However, other REITs may use different methodologies for calculating AFFO and, accordingly, our AFFO may not always be comparable to AFFO calculated by other REITs. AFFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of financial performance, or as alternative to cash flows from operating activities (determined in accordance with GAAP) as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to make distributions. A reconciliation from net income attributable to UDR, Inc. to AFFO is provided on Attachment 2.

Net Debt to EBITDA: The Company defines net debt to EBITDA as total debt net of cash and cash equivalents divided by EBITDA. EBITDA is defined as net income, excluding the impact of interest expense, real estate depreciation and amortization of wholly owned and other joint venture communities, other depreciation and amortization, noncontrolling interests, net gain on the sale of depreciable property, and RE³ income tax.

Management considers net debt to EBITDA a useful metric for investors as it provides ratings agencies, investors and lending partners with a widely-used measure of the Company's ability to service its debt obligations as well as compare leverage against that of its peer REITs. A reconciliation between net income and EBITDA is provided on Attachment 4(C) of the Company's quarterly supplemental disclosure.

Net Operating Income ("NOI"): The Company defines NOI as rental income less direct property rental expenses. Rental income represents gross market rent less adjustments for concessions, vacancy loss and bad debt. Rental expenses include real estate taxes, insurance, personnel, utilities, repairs and maintenance, administrative and marketing. Excluded from NOI is property management expense which is calculated as 2.75% of property revenue to cover the regional supervision and accounting costs related to consolidated property operations, and land rent.

Management considers NOI a useful metric for investors as it is a more meaningful representation of a community's continuing operating performance than net income as it is prior to corporate-level expense allocations, general and administrative costs, capital structure and depreciation and amortization and is a widely used input, along with capitalization rates, in the determination of real estate valuations. A reconciliation from net income attributable to UDR, Inc. to NOI is provided below.

In thousands	2Q 2013	1Q 2013	2Q 2012	YTD 2013	YTD 2012
Net income/(loss) attributable to UDR, Inc.	\$ 5,192	\$ (268)	\$ 150,352	\$ 4,924	\$ 233,508
Property management	5,187	5,068	4,880	10,255	9,617
Other operating expenses	1,807	1,643	1,434	3,450	2,817
Real estate depreciation and amortization	85,131	83,442	84,474	168,573	172,381
Interest expense	30,803	30,981	41,542	61,784	76,287
Hurricane-related (recoveries)/charges, net	(2,772)	(3,021)	-	(5,793)	-
General and administrative	9,866	9,476	13,738	19,342	23,117
Tax benefit, net (includes valuation adjustment)	(2,683)	(1,973)	(2,818)	(4,656)	(25,694)
Income/(loss) from unconsolidated entities	(515)	2,802	2,412	2,287	5,103
Interest and other income, net	(1,446)	(1,016)	(506)	(2,462)	(1,200)
Joint venture management and other fees	(3,217)	(2,923)	(2,717)	(6,140)	(5,706)
Other depreciation and amortization	1,138	1,146	1,017	2,284	1,935
Income from discontinued operations, net of tax	-	-	(179,429)	-	(264,316)
Net income/(loss) attributable to noncontrolling interests	162	(41)	5,954	121	9,426
Total consolidated NOI	\$ 128,653	\$ 125,316	\$ 120,333	\$ 253,969	\$ 237,275

Forward Looking Statements

Certain statements made in this press release may constitute “forward-looking statements.” Words such as “expects,” “intends,” “believes,” “anticipates,” “plans,” “likely,” “will,” “seeks,” “estimates” and variations of such words and similar expressions are intended to identify such forward-looking statements. Forward-looking statements, by their nature, involve estimates, projections, goals, forecasts and assumptions and are subject to risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed in a forward-looking statement, due to a number of factors, which include, but are not limited to, unfavorable changes in the apartment market, changing economic conditions, the impact of inflation/deflation on rental rates and property operating expenses, expectations concerning availability of capital and the stabilization of the capital markets, the impact of competition and competitive pricing, acquisitions, developments and redevelopments not achieving anticipated results, delays in completing developments, redevelopments and lease-ups on schedule, expectations on job growth, home affordability and demand/supply ratio for multifamily housing, expectations concerning development and redevelopment activities, expectations on occupancy levels, expectations concerning the Vitruvian Park[®] development, expectations concerning the joint ventures with third parties, expectations that automation will help grow net operating income, expectations on annualized net operating income and other risk factors discussed in documents filed by the Company with the Securities and Exchange Commission from time to time, including the Company's Annual Report on Form 10-K and the Company's Quarterly Reports on Form 10-Q. Actual results may differ materially from those described in the forward-looking statements. These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this press release, and the Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in the Company's expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required under the U.S. securities laws.

This press release and these forward-looking statements include UDR's analysis and conclusions and reflect UDR's judgment as of the date of these materials. UDR assumes no obligation to revise or update to reflect future events or circumstances.

About UDR, Inc.

UDR, Inc. (NYSE:[UDR](#)), an S&P 400 company, is a leading multifamily real estate investment trust with a demonstrated performance history of delivering superior and dependable returns by successfully managing, buying, selling, developing and redeveloping attractive real estate properties in targeted U.S. markets. As of June 30, 2013, UDR owned or had an ownership position in 53,656 apartment homes including 2,588 homes under development. For 41 years, UDR has delivered long-term value to shareholders, the best standard of service to residents and the highest quality experience for associates. Additional information can be found on the Company's website at www.udr.com.



Attachment 1

UDR, Inc. Consolidated Statements of Operations ⁽¹⁾ (Unaudited)

In thousands, except per share amounts	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
REVENUES:				
Rental income ⁽²⁾	\$ 188,613	\$ 177,475	\$ 372,914	\$ 349,717
Joint venture management and other fees	3,217	2,717	6,140	5,706
Total revenues	191,830	180,192	379,054	355,423
OPERATING EXPENSES:				
Property operating and maintenance	36,758	35,607	72,219	69,996
Real estate taxes and insurance	23,202	21,535	46,726	42,446
Property management	5,187	4,880	10,255	9,617
Other operating expenses	1,807	1,434	3,450	2,817
Real estate depreciation and amortization	85,131	84,474	168,573	172,381
General and administrative	9,866	13,738	19,342	23,117
Hurricane-related (recoveries) charges, net	(2,772)	-	(5,793)	-
Other depreciation and amortization	1,138	1,017	2,284	1,935
Total operating expenses	160,317	162,685	317,056	322,309
Operating income	31,513	17,507	61,998	33,114
Income/(loss) from unconsolidated entities	515	(2,412)	(2,287)	(5,103)
Interest expense	(30,625)	(37,399)	(61,606)	(76,572)
Other debt (charges) benefits, net ⁽³⁾	(178)	(4,143)	(178)	285
Total interest expense	(30,803)	(41,542)	(61,784)	(76,287)
Interest and other income, net	1,446	506	2,462	1,200
Income/(loss) before income taxes and discontinued operations	2,671	(25,941)	389	(47,076)
Tax benefit, net	2,683	2,818	4,656	2,818
Tax valuation allowance for RE ³⁽⁴⁾	-	-	-	22,876
Income/(loss) from continuing operations	5,354	(23,123)	5,045	(21,382)
Income from discontinued operations, net of tax	-	179,429	-	264,316
Net income	5,354	156,306	5,045	242,934
Net income attributable to redeemable noncontrolling interests in OP	(159)	(5,911)	(114)	(9,331)
Net income attributable to noncontrolling interests	(3)	(43)	(7)	(95)
Net income attributable to UDR, Inc.	5,192	150,352	4,924	233,508
Distributions to preferred stockholders - Series E (Convertible)	(931)	(931)	(1,862)	(1,862)
Distributions to preferred stockholders - Series G	-	(909)	-	(2,286)
Premium on preferred stock redemptions, net	-	(2,791)	-	(2,791)
Net income attributable to common stockholders	\$ 4,261	\$ 145,721	\$ 3,062	\$ 226,569
Income/(loss) per weighted average common share - basic:				
Income/(loss) from continuing operations attributable to common stockholders	\$0.02	(\$0.12)	\$0.01	(\$0.12)
Income from discontinued operations attributable to common stockholders	-	\$0.74	-	\$1.12
Net income attributable to common stockholders	\$0.02	\$0.62	\$0.01	\$0.99
Income/(loss) per weighted average common share - diluted:				
Income/(loss) from continuing operations attributable to common stockholders	\$0.02	(\$0.12)	\$0.01	(\$0.12)
Income from discontinued operations attributable to common stockholders	-	\$0.74	-	\$1.12
Net income attributable to common stockholders	\$0.02	\$0.62	\$0.01	\$0.99
Common distributions declared per share	\$0.235	\$0.220	\$0.470	\$0.440
Weighted average number of common shares outstanding - basic	249,985	234,031	249,951	227,766
Weighted average number of common shares outstanding - diluted	251,406	234,031	251,353	227,766

(1) See Attachment 16 for definitions and other terms.

(2) Three and six months ended June 30, 2013 are impacted by \$1.1 million and \$2.5 million of lost rent due to business interruption related to Hurricane Sandy, respectively.

(3) Includes prepayment penalties, write-off of deferred financing costs and fair market value adjustments on early debt extinguishment.

(4) The net tax benefit from the one-time reversal of a valuation allowance from the Company's taxable REIT subsidiary ("TRS").



Attachment 2

UDR, Inc. Funds From Operations ⁽¹⁾ (Unaudited)

In thousands, except per share amounts	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net income attributable to UDR, Inc.	\$ 5,192	\$ 150,352	\$ 4,924	\$ 233,508
Distributions to preferred stockholders	(931)	(1,840)	(1,862)	(4,148)
Real estate depreciation and amortization, including discontinued operations	85,131	84,474	168,573	178,721
Noncontrolling interest	162	5,954	121	9,426
Real estate depreciation and amortization on unconsolidated joint ventures	5,943	8,359	14,948	15,782
Net gain on the sale of depreciable property in discontinued operations, excluding TRS	-	(164,257)	-	(244,782)
Premium on preferred stock redemptions, net	-	(2,791)	-	(2,791)
Funds from operations ("FFO") - basic	\$ 95,497	\$ 80,251	\$ 186,704	\$ 185,716
Distributions to preferred stockholders - Series E (Convertible)	931	931	1,862	1,862
FFO, diluted ⁽²⁾	\$ 96,428	\$ 81,182	\$ 188,566	\$ 187,578
FFO per common share, basic	\$ 0.37	\$ 0.33	\$ 0.72	\$ 0.78
FFO per common share, diluted	\$ 0.37	\$ 0.33	\$ 0.71	\$ 0.78
Weighted average number of common shares and OP Units outstanding - basic	259,309	243,448	259,303	237,185
Weighted average number of common shares, OP Units, and common stock equivalents outstanding - diluted	263,766	247,832	263,741	241,549
Impact of adjustments to FFO:				
Acquisition-related costs (including joint ventures)	-	173	-	779
Joint venture financing and acquisition fees	(218)	-	(218)	-
Costs/(benefit) associated with debt extinguishment and tender offer	178	4,143	178	(285)
Redemption of preferred stock	-	2,791	-	2,791
Gain on sale of TRS property/marketable securities	-	(7,749)	-	(7,749)
Severance costs and other restructuring expense	-	171	-	171
Reversal of deferred tax valuation allowance ⁽²⁾	-	-	-	(22,876)
Hurricane-related recoveries, net	(2,772)	-	(5,606)	-
	\$ (2,812)	\$ (471)	\$ (5,646)	\$ (27,169)
FFO as Adjusted, diluted ⁽²⁾	\$ 93,616	\$ 80,711	\$ 182,920	\$ 160,409
FFO as Adjusted per common share, diluted	\$ 0.35	\$ 0.33	\$ 0.69	\$ 0.66
Recurring capital expenditures	(12,224)	(12,154)	(18,986)	(19,888)
AFFO	\$ 81,392	\$ 68,557	\$ 163,934	\$ 140,521
AFFO per common share, diluted	\$ 0.31	\$ 0.28	\$ 0.62	\$ 0.58

(1) See Attachment 16 for definitions and other terms.

(2) During 2012, the tax benefit related to the reversal of a deferred tax valuation allowance was excluded from FFO and FFO as Adjusted. In order to be consistent with the FFO definition per NAREIT, we have modified our presentation to leave this benefit in 2012 FFO, and removed this benefit when computing FFO as Adjusted. As a result, 2012 YTD diluted FFO increased by \$0.10 per share, and 2012 YTD FFO as Adjusted was unchanged.



Attachment 3

UDR, Inc. Consolidated Balance Sheets

In thousands, except share and per share amounts	June 30, 2013	December 31, 2012
	(unaudited)	(audited)
ASSETS		
Real estate owned:		
Real estate held for investment	\$ 7,582,981	\$ 7,564,780
Less: accumulated depreciation	(2,070,403)	(1,923,429)
	<u>5,512,578</u>	<u>5,641,351</u>
Real estate under development (net of accumulated depreciation of \$1,246 and \$1,253)	432,461	489,795
Total real estate owned, net of accumulated depreciation	<u>5,945,039</u>	<u>6,131,146</u>
Cash and cash equivalents	9,035	12,115
Restricted cash	24,843	23,561
Deferred financing costs, net	27,043	24,990
Notes receivable, net	66,700	64,006
Investment in and advances to unconsolidated joint ventures, net	533,335	477,631
Other assets	137,548	125,654
Total assets	<u>\$ 6,743,543</u>	<u>\$ 6,859,103</u>
LIABILITIES AND EQUITY		
Liabilities:		
Secured debt	\$ 1,385,034	\$ 1,430,135
Unsecured debt	2,009,689	1,979,198
Real estate taxes payable	14,586	14,076
Accrued interest payable	29,598	30,937
Security deposits and prepaid rent	26,726	25,025
Distributions payable	61,906	57,915
Accounts payable, accrued expenses, and other liabilities	111,056	104,567
Total liabilities	<u>3,638,595</u>	<u>3,641,853</u>
Redeemable noncontrolling interests in operating partnership	237,653	223,418
Equity:		
Preferred stock, no par value; 50,000,000 shares authorized 2,803,812 shares of 8.00% Series E Cumulative Convertible issued and outstanding (2,803,812 shares at December 31, 2012)	46,571	46,571
Common stock, \$0.01 par value; 350,000,000 shares authorized 250,742,325 shares issued and outstanding (250,139,408 shares at December 31, 2012)	2,507	2,501
Additional paid-in capital	4,104,200	4,098,882
Distributions in excess of net income	(1,279,095)	(1,143,781)
Accumulated other comprehensive loss, net	(7,811)	(11,257)
Total stockholders' equity	<u>2,866,372</u>	<u>2,992,916</u>
Noncontrolling interest	923	916
Total equity	<u>2,867,295</u>	<u>2,993,832</u>
Total liabilities and equity	<u>\$ 6,743,543</u>	<u>\$ 6,859,103</u>



Attachment 4(C)

UDR, Inc. Selected Financial Information ⁽¹⁾ (Unaudited)

	Quarter Ended June 30, 2013
Coverage Ratios	
Net income attributable to UDR, Inc.	\$ 5,192
Adjustments (includes continuing and discontinued operations):	
Interest expense	30,803
Real estate depreciation and amortization	85,131
Real estate depreciation and amortization on unconsolidated joint ventures	5,943
Other depreciation and amortization	1,138
Noncontrolling interests	162
Income tax expense/(benefit)	(2,683)
EBITDA	<u>\$ 125,686</u>
Joint venture financing and acquisition fees	(218)
Hurricane-related recoveries, net	(2,772)
EBITDA - adjusted for non-recurring items	<u>\$ 122,696</u>
Annualized EBITDA - adjusted for non-recurring items	<u>\$ 490,784</u>
Interest expense	\$ 30,803
Capitalized interest expense	8,206
Total interest	<u>\$ 39,009</u>
Costs associated with debt extinguishment	(178)
Total interest - adjusted for non-recurring items	<u>\$ 38,831</u>
Preferred dividends	\$ 931
Total debt	\$ 3,394,723
Cash	9,035
Net debt	<u>\$ 3,385,688</u>
Net Debt-to-EBITDA, adjusted for non-recurring items	<u>6.9x</u>



Attachment 16(D)

UDR, Inc. Definitions and Reconciliations June 30, 2013 (Unaudited)

All guidance is based on current expectations of future economic conditions and the judgment of the Company's management team. The following reconciles from GAAP net loss per share for full year 2013 and third quarter of 2013 to forecasted FFO, FFO as Adjusted and AFFO per share:

	Full Year 2013	
	Low	High
Forecasted earnings per diluted share	\$ (0.03)	\$ 0.01
Conversion from GAAP share count	(0.08)	(0.08)
Depreciation	1.51	1.51
Noncontrolling Interests	(0.01)	(0.01)
Preferred Dividends	0.01	0.01
Forecasted FFO per diluted share	\$ 1.40	\$ 1.44
TRS gains from asset sales	(0.02)	(0.02)
Hurricane-related recoveries, net	(0.02)	(0.02)
Forecasted FFO as Adjusted per diluted share	\$ 1.36	\$ 1.40
Recurring capital expenditures	(0.16)	(0.16)
Forecasted AFFO per diluted share	\$ 1.20	\$ 1.24

	3Q 2013	
	Low	High
Forecasted earnings per diluted share	\$ (0.03)	\$ (0.01)
Conversion from GAAP share count	(0.02)	(0.02)
Depreciation	0.38	0.38
Noncontrolling Interests	(0.00)	(0.00)
Preferred Dividends	0.00	0.00
Forecasted FFO per diluted share	\$ 0.33	\$ 0.35
TRS gains from asset sales	-	-
Forecasted FFO as Adjusted per diluted share	\$ 0.33	\$ 0.35
Recurring capital expenditures	(0.05)	(0.05)
Forecasted AFFO per diluted share	\$ 0.28	\$ 0.30