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Press Release

DENVER, CO - October 29, 2013

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UDR ANNOUNCES THIRD QUARTER 2013 RESULTS

~ Reports Third Quarter FFO as Adjusted per Share of \$0.36 ~

Third Quarter 2013 Highlights:

- Funds from Operations (“FFO”) per share was \$0.37 (+12% year-over-year), FFO as Adjusted per share was \$0.36 (+9%), and AFFO per share was \$0.31 (+7%).
- Year-over-year same-store revenue and net operating income (“NOI”) growth for the quarter were 4.9 percent and 6.0 percent, respectively.
- Invested \$70.0 million during the quarter to advance the Company’s \$1.1 billion development pipeline. Completed 520 development homes in Orange County, Dallas, San Diego and Metro D.C.
- Completed the redevelopment of 209 homes located in Manhattan and Orange County on quarterly spend of \$21.9 million.
- Issued \$300 million of 3.7%, 7-year senior unsecured notes. Proceeds were used to pay off the Company’s outstanding line of credit and for general corporate purposes.
- Increased full-year FFO per share guidance to \$1.43 to \$1.45, FFO as Adjusted per share guidance to \$1.38 to \$1.40 and AFFO per share guidance to \$1.22 to \$1.24 resulting from Hurricane Sandy related insurance recoveries.

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:

	Q3 2013	Q3 2012	YTD 2013	YTD 2012
FFO per share	\$0.37	\$0.33	\$1.09	\$1.10
JV financing and acquisition fees	(0.000)	-	(0.001)	-
Hurricane-related (recoveries)/charges, net	(0.015)	-	(0.037)	-
Other	-	0.006	0.001	(0.103)
FFO as Adjusted per share	\$0.36	\$0.33	\$1.05	\$1.00
Recurring capital expenditures	(0.045)	(0.049)	(0.117)	(0.131)
AFFO per share	\$0.31	\$0.29	\$0.93	\$0.87

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 third quarter supplemental package.

Operations

Same-store NOI increased 6.0 percent year-over-year in the third quarter of 2013 while same-store revenue increased 4.9 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 2.6 percent driven by increases in real estate taxes, personnel, and insurance costs. The third quarter annualized rate of turnover increased 160 basis points year-over-year to 67.5 percent.

Summary of Same-Store Results Third Quarter 2013 versus Third 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	6.2%	(0.1%)	9.1%	40.8%	96.1%	13,025
Mid-Atlantic	2.2%	3.7%	1.5%	25.8%	96.0%	9,578
Southeast	4.2%	2.9%	5.0%	16.6%	96.1%	9,515
Northeast	6.9%	7.8%	6.5%	9.6%	96.8%	1,879
Southwest	6.4%	5.4%	7.1%	7.2%	96.7%	3,998
Total	4.9%	2.6%	6.0%	100.0%	96.1%	37,995

⁽¹⁾ Based on Q3 2013 NOI.

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

⁽³⁾ During the third quarter, 37,995 apartment homes, or approximately 92 percent of 41,420 total consolidated apartment homes (versus 53,656 apartment homes inclusive of joint ventures and development pipeline homes upon completion), 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 decreased by 0.1 percent on revenue growth of 1.3 percent and a 4.5 percent increase in expenses during the third quarter of 2013.

For the nine months ended September 30, 2013, the Company's same-store revenue increased 5.1 percent as compared to the prior year while expenses increased 2.6 percent resulting in a same-store NOI increase of 6.2 percent as compared to the prior year period in 2012. Year-over-year occupancy increased by 20 basis points to 95.9 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	5.6%	1.0%	7.6%	39.8%	95.2%	12,617
Mid-Atlantic	3.0%	2.9%	3.1%	27.0%	96.2%	9,578
Southeast	5.2%	4.2%	5.7%	17.5%	96.2%	9,515
Northeast	7.5%	5.5%	8.3%	9.8%	96.6%	1,879
Southwest	6.8%	2.3%	9.8%	5.9%	96.5%	3,115
Total	5.1%	2.6%	6.2%	100.0%	95.9%	36,704

⁽¹⁾ Based on YTD 2013 NOI.

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

⁽³⁾ During the nine months ended September 30, 2013, 36,704 apartment homes, or approximately 89 percent of 41,420 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 third quarter of 2013, the Company spent a total of \$91.9 million towards the completion of its \$1.2 billion development and redevelopment pipeline.

The Company completed the development of 520 homes and spent \$70.0 million advancing its development projects during the quarter. In total, the Company has funded 71 percent of its pipeline. By year-end 2013, the Company expects that 30 percent of the \$1.0 billion active development pipeline will be completed.

The Company completed the redevelopment of 209 homes and spent \$21.9 million advancing its redevelopment projects during the quarter. In total, the Company has funded 87 percent of its active pipeline with 531 redeveloped homes remaining to be delivered, or 38 percent, at its Rivergate (Manhattan) and 27 Seventy Five Mesa Verde (Orange County) communities.

Hurricane Sandy Insurance Recoveries

During the third quarter, the Company settled 100 percent of its Hurricane Sandy claims with its insurance carrier. After a deductible of \$1.1 million, the Company realized recoveries of \$27.5 million. Damages from the storm, including business interruptions costs, totaled \$30.4 million.

Capital Markets Activity

As previously announced on [September 19, 2013](#), the Company issued \$300 million of 3.7 percent, 7-year senior unsecured notes under its existing shelf registration. The notes will mature on October 1, 2020. Net proceeds from the issuance were used to pay off outstanding indebtedness on the Company's unsecured line of credit and for general corporate purposes. Additional details related to the transaction can be found in the [September 19, 2013](#) press release on the Company's website at www.udr.com

As of the end of the third quarter, the Company had no remaining outstanding debt maturities in 2013.

Balance Sheet

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

At September 30, 2013, the Company had \$1 billion in availability through a combination of cash and undrawn capacity on its credit facilities.

The Company's total indebtedness at September 30, 2013 was \$3.5 billion. The Company ended the third quarter with fixed-rate debt representing 90 percent of its total debt, a total blended interest rate of 4.3 percent and a weighted average maturity of 4.7 years. The Company's leverage was 39.0 percent versus 38.3 percent a year ago and the Company's net debt-to-EBITDA was 7.0 times versus 7.1 times a year ago.

Dividend

As previously announced, the Company's Board of Directors declared a regular quarterly dividend on its common stock for the third quarter of 2013 in the amount of \$0.235 per share. The dividend will be paid in cash on October 31, 2013 to UDR common stock shareholders of record as of October 10, 2013. The 2013 annualized dividend of \$0.94 represented a yield of 3.7 percent as of October 25, 2013. The third quarter 2013 dividend represented the 164th consecutive quarterly dividend paid by the Company on its common stock.

Outlook

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

	<u>Current</u>	<u>Previous</u>
FFO per share	\$0.34 to \$0.36	n/a
FFO as Adjusted per share	\$0.33 to \$0.35	n/a
AFFO per share	\$0.29 to \$0.31	n/a

For the full-year 2013, the Company has increased its full-year FFO per share, FFO as Adjusted per share and AFFO per share guidance as the result of Hurricane Sandy insurance recoveries. Below are the full-year guidance ranges.

	<u>Current</u>	<u>Previous</u>
FFO per share	\$1.43 to \$1.45	\$1.40 to \$1.44
FFO as Adjusted per share	\$1.38 to \$1.40	\$1.36 to \$1.40
AFFO per share	\$1.22 to \$1.24	\$1.20 to \$1.24

For the full-year 2013, the Company has increased its same-store growth assumptions. Below are the full-year guidance ranges.

	<u>Current</u>	<u>Previous</u>
Revenue	4.75% to 5.00%	4.50% to 5.00%
Expense	2.75% to 3.00%	2.75% to 3.25%
Net operating income	5.75% to 6.00%	5.25% to 6.00%
Physical occupancy	96.0%	95.5%

Additional assumptions for the Company's fourth quarter and full-year 2013 guidance can be found on Attachment 15 of the Company's third 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 October 29, 2013 to discuss third 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 866-225-8754 for domestic and 480-629-9818 for international and provide the following conference ID number: 4643653.

A replay of the conference call will be available through November 29, 2013, by dialing 800-406-7325 for domestic and 303-590-3030 for international and entering the confirmation number, 4643653, 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 third 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(B)

UDR, Inc. Definitions and Reconciliations September 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 sort-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.

Held For Disposition Communities: The Company defines Held for Disposition Communities as those communities that were held for sale as of the end of the most recent quarter.

Interest Coverage Ratio: The Company defines Interest Coverage Ratio as net income, excluding the impact of interest expense, real estate depreciation and amortization of wholly owned and joint venture communities, other depreciation and amortization, noncontrolling interests, net gain on the sale of depreciable property, RE³ income tax, divided by total interest.

Management considers interest coverage ratio 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 of the components that comprise interest coverage ratio is provided on Attachment 4(C) of the Company's quarterly supplemental disclosure.

Joint Venture Reconciliation at UDR's Weighted Average Pro-Rata Ownership Interest

In thousands

	3Q 2013	YTD 2013
Income/(loss) from unconsolidated entities	\$ (3,794)	\$ (6,081)
Management fee	1,041	2,667
Interest expense	7,178	19,697
Depreciation	10,514	25,462
General and administrative	58	222
Other income/expense	232	453
Total Joint Venture NOI at UDR's Pro-Rata Ownership	\$ 15,229	\$ 42,420

JV Return on Equity ("ROE"): The Company defines JV ROE as the pro rata share of property NOI plus property and asset management fee revenue less interest expense, divided by the average of beginning and ending equity capital for the quarter.

Management considers ROE a useful metric for investors as it provides a widely used measure of how well the Company is investing its capital on a leveraged basis.

JV Return on Invested Capital ("ROIC"): The Company defines JV ROIC as the pro rata share of property NOI plus property and asset management fee revenue divided by the average of beginning and ending invested capital for the quarter.

Management considers ROIC a useful metric for investors as it provides a widely used measure of how well the Company is investing its capital on an unleveraged basis.

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

	3Q 2013	2Q 2013	1Q 2013	4Q 2012	3Q 2012	YTD 2013	YTD 2012
Net income/(loss) attributable to UDR, Inc.	\$ 3,188	\$ 5,192	\$ (268)	\$ (12,300)	\$ (9,031)	\$ 8,112	\$ 224,477
Property management	5,236	5,187	5,068	5,017	4,998	15,491	14,615
Other operating expenses	1,787	1,807	1,643	1,464	1,467	5,237	4,284
Real estate depreciation and amortization	84,266	85,131	83,442	83,456	88,223	252,839	260,604
Interest expense	30,939	30,803	30,981	30,660	31,845	92,723	108,132
Hurricane-related (recoveries)/charges, net	(6,460)	(2,772)	(3,021)	8,495	-	(12,253)	-
General and administrative	11,364	9,866	9,476	10,653	10,022	30,706	33,139
Tax benefit, net (includes valuation adjustment)	(2,658)	(2,683)	(1,973)	(1,628)	(2,960)	(7,314)	(28,654)
Income/(loss) from unconsolidated entities	3,794	(515)	2,802	2,757	719	6,081	5,822
Interest and other income, net	(829)	(1,446)	(1,016)	(1,157)	(1,235)	(3,291)	(2,435)
Joint venture management and other fees	(3,207)	(3,217)	(2,923)	(2,817)	(3,320)	(9,347)	(9,026)
Other depreciation and amortization	1,176	1,138	1,146	1,092	1,078	3,460	3,013
Income from discontinued operations, net of tax	-	-	-	(156)	1,133	-	(263,183)
Net income/(loss) attributable to noncontrolling interests	47	162	(41)	(655)	(645)	168	8,781
Total consolidated NOI	\$ 128,643	\$ 128,653	\$ 125,316	\$ 124,881	\$ 122,294	\$ 382,612	\$ 359,569

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 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 September 30, 2013, UDR owned or had an ownership position in 53,656 apartment homes including 2,068 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 September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
REVENUES:				
Rental income ⁽²⁾	\$ 190,379	\$ 181,766	\$ 563,293	\$ 531,483
Joint venture management and other fees	3,207	3,320	9,347	9,026
Total revenues	<u>193,586</u>	<u>185,086</u>	<u>572,640</u>	<u>540,509</u>
OPERATING EXPENSES:				
Property operating and maintenance	37,388	36,839	109,607	106,835
Real estate taxes and insurance	24,348	22,633	71,074	65,079
Property management	5,236	4,998	15,491	14,615
Other operating expenses	1,787	1,467	5,237	4,284
Real estate depreciation and amortization	84,266	88,223	252,839	260,604
Acquisition costs	-	1,312	-	1,808
General and administrative	11,364	8,710	30,706	31,331
Hurricane-related (recoveries)/charges, net	(6,460)	-	(12,253)	-
Other depreciation and amortization	1,176	1,078	3,460	3,013
Total operating expenses	<u>159,105</u>	<u>165,260</u>	<u>476,161</u>	<u>487,569</u>
Operating income	34,481	19,826	96,479	52,940
Income/(loss) from unconsolidated entities	(3,794)	(719)	(6,081)	(5,822)
Interest expense	(30,939)	(31,837)	(92,545)	(108,409)
Other debt (charges)/benefits, net ⁽³⁾	-	(8)	(178)	277
Total interest expense	<u>(30,939)</u>	<u>(31,845)</u>	<u>(92,723)</u>	<u>(108,132)</u>
Interest and other income/(expense), net	<u>829</u>	<u>1,235</u>	<u>3,291</u>	<u>2,435</u>
Income/(loss) before income taxes and discontinued operations	577	(11,503)	966	(58,579)
Tax benefit, net	2,658	2,960	7,314	5,778
Tax valuation allowance for RE ⁽⁴⁾	-	-	-	22,876
Income/(loss) from continuing operations	3,235	(8,543)	8,280	(29,925)
Income/(loss) from discontinued operations, net of tax	-	(1,133)	-	263,183
Net income/(loss)	3,235	(9,676)	8,280	233,258
Net (income)/loss attributable to redeemable noncontrolling interests in the OP	(84)	687	(198)	(8,644)
Net (income)/loss attributable to noncontrolling interests	<u>37</u>	<u>(42)</u>	<u>30</u>	<u>(137)</u>
Net income/(loss) attributable to UDR, Inc.	3,188	(9,031)	8,112	224,477
Distributions to preferred stockholders - Series E (Convertible)	(931)	(931)	(2,793)	(2,793)
Distributions to preferred stockholders - Series G	-	-	-	(2,286)
Premium on preferred stock redemptions, net	-	-	-	(2,791)
Net income/(loss) attributable to common stockholders	\$ 2,257	\$ (9,962)	\$ 5,319	\$ 216,607
Income/(loss) per weighted average common share - basic:				
Income/(loss) from continuing operations attributable to common stockholders	\$0.01	(\$0.04)	\$0.02	(\$0.16)
Income/(loss) from discontinued operations attributable to common stockholders	-	(\$0.00)	-	\$1.08
Net income/(loss) attributable to common stockholders	<u>\$0.01</u>	<u>(\$0.04)</u>	<u>\$0.02</u>	<u>\$0.92</u>
Income/(loss) per weighted average common share - diluted:				
Income/(loss) from continuing operations attributable to common stockholders	\$0.01	(\$0.04)	\$0.02	(\$0.16)
Income/(loss) from discontinued operations attributable to common stockholders	-	(\$0.00)	-	\$1.08
Net income/(loss) attributable to common stockholders	<u>\$0.01</u>	<u>(\$0.04)</u>	<u>\$0.02</u>	<u>\$0.92</u>
Common distributions declared per share	\$0.235	\$0.220	\$0.705	\$0.660
Weighted average number of common shares outstanding - basic	249,985	249,825	249,962	235,173
Weighted average number of common shares outstanding - diluted	251,454	249,825	251,439	235,173

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

(2) Three and nine months ended September 30, 2013 are impacted by \$0.9 million and \$3.4 million of lost rent due to business interruption related to Hurricane Sandy, respectively.

(3) Includes prepayment penalties, write-off of deferred financing costs and unamortized discounts/premiums 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 September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Net income/(loss) attributable to UDR, Inc.	\$ 3,188	\$ (9,031)	\$ 8,112	\$ 224,477
Distributions to preferred stockholders	(931)	(931)	(2,793)	(5,079)
Real estate depreciation and amortization, including discontinued operations	84,266	88,223	252,839	266,944
Noncontrolling interests	47	(645)	168	8,781
Real estate depreciation and amortization on unconsolidated joint ventures	10,514	6,852	25,462	22,634
Net (gain)/loss on the sale of depreciable property in discontinued operations, excluding TRS	-	1,133	-	(243,649)
Premium on preferred stock redemptions, net	-	-	-	(2,791)
Funds from operations ("FFO") - basic	\$ 97,084	\$ 85,601	\$ 283,788	\$ 271,317
Distributions to preferred stockholders - Series E (Convertible)	931	931	2,793	2,793
FFO, diluted ⁽²⁾	\$ 98,015	\$ 86,532	\$ 286,581	\$ 274,110
FFO per common share, basic	\$ 0.37	\$ 0.33	\$ 1.09	\$ 1.11
FFO per common share, diluted	\$ 0.37	\$ 0.33	\$ 1.09	\$ 1.10
Weighted average number of common shares and OP Units outstanding - basic	259,308	259,231	259,305	244,588
Weighted average number of common shares, OP Units, and common stock equivalents outstanding - diluted	263,813	263,631	263,818	248,984
Impact of adjustments to FFO:				
Acquisition-related costs (including joint ventures)	\$ -	\$ 1,451	\$ -	\$ 2,230
Joint venture financing and acquisition fees	(36)	-	(254)	-
Costs/(benefit) associated with debt extinguishment and tender offer	-	-	178	(277)
Redemption of preferred stock	-	-	-	2,791
Gain on sale of TRS property/marketable securities	-	-	-	(7,749)
Severance costs and other restructuring expense	-	-	-	171
Reversal of deferred tax valuation allowance ⁽²⁾	-	-	-	(22,876)
Hurricane-related recoveries, net ⁽³⁾	(4,059)	-	(9,665)	-
	\$ (4,095)	\$ 1,451	\$ (9,741)	\$ (25,710)
FFO as Adjusted, diluted ⁽²⁾	\$ 93,920	\$ 87,983	\$ 276,840	\$ 248,400
FFO as Adjusted per common share, diluted	\$ 0.36	\$ 0.33	\$ 1.05	\$ 1.00
Recurring capital expenditures	(11,989)	(12,848)	(30,975)	(32,736)
AFFO	\$ 81,931	\$ 75,135	\$ 245,865	\$ 215,664
AFFO per common share, diluted	\$ 0.31	\$ 0.29	\$ 0.93	\$ 0.87

(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 \$0.09 per share, and 2012 YTD FFO as Adjusted was unchanged.

(3) Adjustment primarily represents the portion of Hurricane Sandy insurance recoveries in 2013 that relate to the \$9.3M in charges added back to FFO as Adjusted in 4Q 2012. The \$2.4M difference between the \$6.5M hurricane-related recoveries reflected on the Consolidated Statements of Operations for the three months ended September 30, 2013 and the \$4.1M adjustment above represents the amount of 2013 business interruption recoveries during the quarter. The \$2.6M difference between the \$12.3M hurricane-related recoveries reflected on the Consolidated Statements of Operations for the nine months ended September 30, 2013 and the \$9.7M adjustment above represents the amount of 2013 business interruption recoveries during 2013. The business interruption insurance recoveries for the three and nine months ended September 30, 2013 are offset by lost rental revenues from the business interruption in 2013.



Attachment 3

UDR, Inc. Consolidated Balance Sheets

In thousands, except share and per share amounts	September 30, 2013 (unaudited)	December 31, 2012 (audited)
ASSETS		
Real estate owned:		
Real estate held for investment	\$ 7,626,586	\$ 7,564,780
Less: accumulated depreciation	<u>(2,153,141)</u>	<u>(1,923,429)</u>
Real estate held for investment, net	5,473,445	5,641,351
Real estate under development		
(net of accumulated depreciation of \$2,524 and \$1,253)	486,948	489,795
Total real estate owned, net of accumulated depreciation	<u>5,960,393</u>	<u>6,131,146</u>
Cash and cash equivalents	11,149	12,115
Restricted cash	23,022	23,561
Deferred financing costs, net	27,269	24,990
Notes receivable, net	66,707	64,006
Investment in and advances to unconsolidated joint ventures, net	531,712	477,631
Other assets	135,814	125,654
Total assets	<u>\$ 6,756,066</u>	<u>\$ 6,859,103</u>
LIABILITIES AND EQUITY		
Liabilities:		
Secured debt	\$ 1,381,794	\$ 1,430,135
Unsecured debt	2,081,378	1,979,198
Real estate taxes payable	29,052	14,076
Accrued interest payable	26,702	30,937
Security deposits and prepaid rent	26,757	25,025
Distributions payable	61,907	57,915
Accounts payable, accrued expenses, and other liabilities	<u>98,607</u>	<u>104,567</u>
Total liabilities	<u>3,706,197</u>	<u>3,641,853</u>
Redeemable noncontrolling interests in the OP	220,964	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		
250,743,021 shares issued and outstanding (250,139,408 shares at December 31, 2012)	2,507	2,501
Additional paid-in capital	4,106,751	4,098,882
Distributions in excess of net income	(1,321,202)	(1,143,781)
Accumulated other comprehensive loss, net	<u>(6,608)</u>	<u>(11,257)</u>
Total stockholders' equity	<u>2,828,019</u>	<u>2,992,916</u>
Noncontrolling interests	886	916
Total equity	<u>2,828,905</u>	<u>2,993,832</u>
Total liabilities and equity	<u>\$ 6,756,066</u>	<u>\$ 6,859,103</u>



Attachment 4(C)

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

	Quarter Ended September 30, 2013
Coverage Ratios	
Net income/(loss) attributable to UDR, Inc.	\$ 3,188
Adjustments (includes continuing and discontinued operations):	
Interest expense	30,939
Real estate depreciation and amortization	84,266
Real estate depreciation and amortization on unconsolidated joint ventures	10,514
Other depreciation and amortization	1,176
Noncontrolling interests	47
Income tax expense/(benefit)	(2,658)
EBITDA	<u>\$ 127,472</u>
Joint venture financing and acquisition fees	(36)
Hurricane-related recoveries, net	(4,059)
EBITDA - adjusted for non-recurring items	<u>\$ 123,377</u>
Annualized EBITDA - adjusted for non-recurring items	<u>\$ 493,508</u>
Interest expense	\$ 30,939
Capitalized interest expense	6,635
Total interest	\$ 37,574
Preferred dividends	\$ 931
Total debt	\$ 3,463,172
Cash	11,149
Net debt	<u>\$ 3,452,023</u>
Interest Coverage Ratio	<u>3.39x</u>
Fixed Charge Coverage Ratio	<u>3.31x</u>
Interest Coverage Ratio - adjusted for non-recurring items	<u>3.28x</u>
Fixed Charge Coverage Ratio - adjusted for non-recurring items	<u>3.20x</u>
Net Debt-to-EBITDA, adjusted for non-recurring items	<u>7.0x</u>

Debt Covenant Overview

Unsecured Line of Credit Covenants ⁽²⁾	Required	Actual	Compliance
Maximum Leverage Ratio	≤60.0%	40.1%	Yes
Minimum Fixed Charge Coverage Ratio	≥1.5	2.7	Yes
Maximum Secured Debt Ratio	≤40.0%	20.0%	Yes
Minimum Unencumbered Pool Leverage Ratio	≥150.0%	310.0%	Yes

Senior Unsecured Note Covenants ⁽³⁾	Required	Actual	Compliance
Debt as a percentage of Total Assets	≤60.0%	39.0%	Yes
Consolidated Income Available for Debt Service to Annual Service Charge	≥1.5	3.1	Yes
Secured Debt as a percentage of Total Assets	≤40.0%	15.5%	Yes
Total Unencumbered Assets to Unsecured Debt	≥150.0%	317.8%	Yes

Securities Ratings	Debt	Preferred	Outlook
Moody's Investors Service	Baa2	Baa3	Positive
Standard & Poor's	BBB	BB+	Stable

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

(2) As defined in our Credit Agreement dated October 25, 2011 as amended June 6, 2013.

(3) As defined in our indenture dated November 1, 1995 as amended, supplemented or modified from time to time.



Attachment 16(D)

UDR, Inc. Definitions and Reconciliations September 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	\$ -	\$ 0.02
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	\$ 1.43	\$ 1.45
TRS gains from asset sales	-	(0.01)
Hurricane-related recoveries, net	(0.04)	(0.04)
Other	(0.01)	-
Forecasted FFO as Adjusted per diluted share	\$ 1.38	\$ 1.40
Recurring capital expenditures	(0.16)	(0.16)
Forecasted AFFO per diluted share	\$ 1.22	\$ 1.24

	4Q 2013	
	Low	High
Forecasted earnings per diluted share	\$ (0.02)	\$ -
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	\$ 0.34	\$ 0.36
TRS gains from asset sales	-	(0.01)
Other	(0.01)	-
Forecasted FFO as Adjusted per diluted share	\$ 0.33	\$ 0.35
Recurring capital expenditures	(0.04)	(0.04)
Forecasted AFFO per diluted share	\$ 0.29	\$ 0.31