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Press Release

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UDR ANNOUNCES FOURTH QUARTER AND FULL-YEAR 2015 RESULTS

~ Provides 2016 Guidance and Updated 2-Year Strategic Outlook ~

UDR (the “Company”) Fourth Quarter 2015 Highlights:

- Funds from Operations (“FFO”) per share was \$0.41, FFO as Adjusted per share was \$0.42 (+9% year-over-year) and AFFO per share was \$0.37 (+11%).
- Year-over-year same-store revenue and net operating income (“NOI”) growth for the quarter were 6.2 percent and 6.6 percent, respectively.
- Acquired \$901 million of apartment communities located in Washington, D.C. in conjunction with the Home Properties privatization.
- Amended unsecured revolving credit facility and amended and consolidated term loans outstanding.
- Sold nine wholly-owned communities for \$299 million at a weighted average 5.8 percent cash flow cap rate.

Full-Year 2015 Highlights:

- FFO, FFO as Adjusted and AFFO per share were \$1.66 (+6% year-over-year), \$1.67 (+10%) and \$1.51 (+11%), respectively.
- Same-store revenue and NOI growth were 5.6 percent and 6.7 percent, respectively.
- Entered into \$559 million West Coast Development JV, consisting of 5 development communities in varied stages of construction.
- Completed one development community containing 369 homes for an estimated cost of \$218 million in Boston, MA.
- Completed one development community in conjunction with a participating loan investment containing 218 homes for an estimated cost of \$93 million in Denver, CO.
- Commenced construction of a community located in Mountain View, CA and a community located in Huntington Beach, CA containing a combined 671 homes for an estimated aggregate pro-rata cost of \$392 million.
- Issued ~\$211 million of common equity, net of fees, at or above Street consensus NAV.
- Received a senior unsecured credit upgrade from S&P Rating Services to BBB+.
- Sold twelve wholly-owned communities for \$409 million at a weighted average 5.8 percent cash flow cap rate.
- Sold our 20 percent interest in Texas JV, consisting of 3,359 homes in January 2015 for a total price of \$400 million, of which UDR’s share of the proceeds was \$44 million.
- Increased the Company’s declared dividend per share to \$1.11 (+7% year-over-year).

Summary of Earnings Metrics

	Q4 2015	Q4 2014	FY 2015	FY 2014
FFO per common share and unit, diluted	\$0.41	\$0.40	\$1.66	\$1.56
Acquisition-related costs/(fees), including JVs	0.005	0.001	0.013	0.002
Cost/(benefit) associated with debt extinguishment and other	-	-	-	0.001
Texas JV promote and disposition fee income	(0.001)	-	(0.036)	-
Long-term incentive plan transition costs	0.003	-	0.013	-
(Gain)/loss on sale of land	-	0.008	-	0.004
Net gain on prepayment of note receivable	-	-	-	(0.032)
Legal claims, net of tax	0.002	-	0.003	-
Tax benefit associated with the conversion of certain TRS entities into REITs	-	(0.022)	-	(0.022)
Casualty-related (recoveries)/charges, including JVs, net	0.007	0.000	0.017	0.002
FFO as Adjusted per common share and unit, diluted	\$0.42	\$0.39	\$1.67	\$1.52
Recurring capital expenditures	(0.050)	(0.052)	(0.164)	(0.165)
AFFO per common share and unit, diluted	\$0.37	\$0.34	\$1.51	\$1.35

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 fourth quarter supplemental package.

Operations

Same-store NOI increased 6.6 percent year-over-year in the fourth quarter of 2015 driven by same-store revenue growth of 6.2 percent against a 5.2 percent increase in same-store expenses. Same-store physical occupancy was 96.5 percent as compared to 96.8 percent. The annualized rate of turnover increased 40 basis points year-over-year to 44.4 percent in the quarter.

Summary of Same-Store Results Fourth Quarter 2015 versus Fourth Quarter 2014

Region	Revenue Growth/ (Decline)	Expense Growth	NOI Growth/ (Decline)	% of Same-Store Portfolio ⁽¹⁾	Same-Store Occupancy ⁽²⁾	Number of Same-Store Homes ⁽³⁾
West	9.2%	6.9%	10.0%	44.1%	96.2%	12,229
Mid-Atlantic	1.5%	5.8%	(0.3)%	21.8%	96.3%	8,304
Southeast	6.4%	2.5%	8.4%	14.0%	97.1%	7,683
Northeast	5.4%	6.4%	5.1%	12.9%	97.3%	2,384
Southwest	5.3%	1.3%	7.8%	7.2%	96.7%	3,998
Total	6.2%	5.2%	6.6%	100.0%	96.5%	34,598

(1) Based on Q4 2015 NOI.

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

(3) During the fourth quarter, 34,598 apartment homes, or approximately 85% of 40,728 total consolidated apartment homes (versus 50,646 apartment homes inclusive of joint ventures, preferred equity investments and development pipeline homes upon completion), were classified as same-store. The Company defines QTD SS Communities as those communities stabilized for five full consecutive quarters. These communities were owned and had stabilized occupancy and operating expenses as of the beginning of the quarter in the prior year, were not in process of any substantial redevelopment activities, and not held for disposition.

Sequentially, the Company's same-store NOI increased by 1.9 percent on revenue growth of 0.6 percent and a 2.6 percent decrease in expenses during the fourth quarter of 2015.

For the twelve months ended December 31, 2015, the Company's same-store revenue increased 5.6 percent as compared to the prior year period in 2014. Same-store expenses increased 3.0 percent year-over-year resulting in a same-store NOI increase of 6.7 percent as compared to the prior year period in 2014. Year-over-year same-store physical occupancy remained stable at 96.7 percent and annual turnover increased 20 basis points to 51.9% compared to 2014.

Summary of Same-Store Results Full-Year 2015 versus Full-Year 2014

Region	Revenue Growth	Expense Growth	NOI Growth	% of Same-Store Portfolio ⁽¹⁾	Same-Store Occupancy ⁽²⁾	Number of Same-Store Homes ⁽³⁾
West	8.1%	0.7%	10.9%	40.7%	96.5%	10,950
Mid-Atlantic	1.7%	4.1%	0.7%	23.0%	96.6%	8,048
Southeast	6.0%	3.3%	7.3%	14.9%	97.1%	7,683
Northeast	5.6%	6.6%	5.3%	13.8%	97.3%	2,384
Southwest	5.2%	3.9%	6.1%	7.6%	97.0%	3,998
Total	5.6%	3.0%	6.7%	100.0%	96.7%	33,063

(1) Based on YTD 2015 NOI.

(2) Average same-store occupancy for YTD 2015.

(3) During the twelve months ended December 31, 2015, 33,063 apartment homes, or approximately 81% of 40,728 total consolidated apartment homes, were classified as same-store. The Company defines YTD SS Communities as those communities stabilized for two full consecutive calendar years. These communities were owned and had stabilized occupancy and operating expenses as of the beginning of the prior year, were not in process of any substantial redevelopment activities, and not held for disposition.

Development Activity

At the end of the fourth quarter, the Company had an under-construction development pipeline for which its pro rata share totaled \$670 million with 55 percent of the equity commitment funded. Of the \$670 million in development projects left to complete, \$162 million is expected to be completed in 2016, \$166 million in 2017 and the balance in 2018. The development pipeline is currently expected to produce a weighted average spread between estimated stabilized yields and current market cap rates at or above the upper end of the Company's 150 to 200 basis point targeted range.

In addition, the Company had preferred equity and participating loan investments for which its pro rata share totaled \$364 million with 99 percent of the equity commitment funded. The \$364 million consisted of a \$93 million completed, non-stabilized project and \$271 million of under construction projects. Of the \$271 million in development projects left to complete, \$215 million is expected to be completed in 2016 and the balance in 2017.

Transactional Activity

During the quarter, the Company disposed of nine wholly-owned communities containing 1,923 homes in Norfolk, VA, Huntington Beach, CA, Tampa, FL and Baltimore, MD for \$299 million in

total proceeds. Combined, the nine sales were transacted at a weighted average 5.8 percent cash flow cap rate, had a weighted average monthly rent per occupied home of \$1,348 and were 38 years old on average.

Capital Markets

During the fourth quarter, the Company issued \$565 million common UDR DownREIT units at \$35 per unit in conjunction with the Washington, D.C. acquisition.

Additionally, the Company amended its unsecured revolving credit facility. The amendment increases the facility size from \$900 million to \$1.1 billion and extends the maturity date from December 2017 to January 2021, inclusive of a 1 year extension exercisable at the option of the borrower. Based on the Company's current credit rating, the credit facility carries an interest rate equal to LIBOR plus a spread of 90 basis points, a reduction of 10 basis points from its previous agreement and the facility fee remains at 15 basis points.

In addition, the Company amended and consolidated its \$350 million of term loans outstanding under the same facility. The loans were repriced to LIBOR plus 95 basis points from LIBOR plus 115 basis points and the maturity date was extended to January 2021.

Balance Sheet

At December 31, 2015, the Company had \$987 million in availability through a combination of cash and undrawn capacity on its credit facilities.

The Company's total indebtedness at December 31, 2015 was \$3.6 billion. The Company ended the quarter with fixed-rate debt representing 83% of its total debt, a total weighted effective interest rate of 3.7% and a weighted average maturity of 5.0 years. The Company's leverage was 34.6% versus 38.6% a year ago, net debt-to-EBITDA was 5.7x versus 6.5x a year ago and fixed charge coverage was 4.1x versus 3.6x a year ago.

Other

In conjunction with this release, the Company published its updated 2-Year Strategic Outlook which outlines its 2016 and 2017 plan and expectations. The 2-Year Strategic Outlook document is available in the Investor Relations section of the Company's website at ir.udr.com.

Dividend

As previously announced, the Company's Board of Directors declared a regular quarterly dividend on its common stock for the fourth quarter of 2015 in the amount of \$0.2775 per share. The dividend was paid in cash on February 1, 2016 to UDR common stock shareholders of record as of January 11, 2016. The fourth quarter 2015 dividend represented the 173rd consecutive quarterly dividend paid by the Company on its common stock.

In conjunction with this release, the Company has declared a 2016 annualized dividend per share of \$1.18, a 6% increase over 2015.

Outlook

For the first quarter of 2016, the Company has established the following guidance ranges:

FFO per share	\$0.42 to \$0.44
FFO as Adjusted per share	\$0.42 to \$0.44
AFFO per share	\$0.40 to \$0.42

For the full-year 2016, the Company has established the following guidance ranges:

FFO per share	\$1.75 to \$1.81
FFO as Adjusted per share	\$1.75 to \$1.81
AFFO per share	\$1.59 to \$1.65

For the full-year 2016, the Company's primary same-store growth assumptions are:

Revenue	5.50% to 6.00%
Expense	3.00% to 3.50%
Net operating income	6.50% to 7.00%
Physical occupancy	96.6%

Additional assumptions for the Company's first quarter and full-year 2016 guidance can be found on Attachment 15 of the Company's fourth quarter Supplemental Financial Information.

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 ir.udr.com.

Conference Call and Webcast Information

UDR will host a webcast and conference call at 3:00 p.m. Eastern Time on February 3, 2016 to discuss fourth quarter and full-year results as well as its updated 2-Year Strategic Outlook for the 2016 to 2017 timeframe. The webcast will be available on UDR's website at ir.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 844-855-7559 for domestic and 704-859-4562 for international and provide the following conference ID number: 14882417.

A replay of the conference call will be available through March 5, 2016, by dialing 800-585-8367 for domestic and 404-537-3406 for international and entering the confirmation number, 14882417, when prompted for the pass code.

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

Mail -- For those without Internet access, the fourth quarter 2015 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 720-922-6082.



Attachment 16(B)

UDR, Inc. Definitions and Reconciliations December 31, 2015 (Unaudited)

Funds From Operations ("FFO") attributable to common stockholders and unitholders: The Company defines FFO as net income attributable to common stockholders and unitholders, 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 noncontrolling interests, 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, 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), 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.

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, TRS 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

	4Q 2015	YTD 2015
Income/(loss) from unconsolidated entities	\$ 1,052	\$ 62,329
Management fee	1,103	4,099
Interest expense	7,925	31,589
Depreciation	9,389	38,652
General and administrative	123	820
Other income/expense (includes 717 Olympic casualty expense)	(2,030)	(7,293)
Gain on sale	(372)	(59,445)
Total Joint Venture NOI at UDR's Pro-Rata Ownership Interest	\$ 17,190	\$ 70,751

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 TRS 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

	4Q 2015	3Q 2015	2Q 2015	1Q 2015	4Q 2014
Net income/(loss) attributable to UDR, Inc.	\$ 162,200	\$ 13,291	\$ 86,855	\$ 73,822	\$ 65,417
Property management	6,445	5,988	5,851	5,694	5,668
Other operating expenses	3,534	2,639	1,769	1,766	2,174
Real estate depreciation and amortization	104,909	90,568	90,344	88,777	91,406
Interest expense	33,170	30,232	29,673	28,800	32,792
Casualty-related (recoveries)/charges, net	(45)	541	843	996	41
General and administrative	17,993	15,824	13,721	12,152	11,722
Tax provision/(benefit), net (includes valuation adjustment)	(1,424)	(633)	(1,404)	(425)	(7,087)
Income/(loss) from unconsolidated entities	(1,052)	(2,691)	573	(59,159)	2,074
Interest and other income, net	(407)	(402)	(382)	(360)	44
Joint venture management and other fees	(3,253)	(3,653)	(3,098)	(12,706)	(3,445)
Other depreciation and amortization	1,899	1,457	1,700	1,623	2,117
(Income)/loss from discontinued operations, net of tax	-	-	-	-	-
(Gain)/loss on sale of real estate owned, net of tax	(172,635)	-	(79,042)	-	(61,267)
Net income/(loss) attributable to noncontrolling interests	14,963	404	3,029	2,595	2,335
Total consolidated NOI	\$ 166,297	\$ 153,565	\$ 150,432	\$ 143,575	\$ 143,991

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 December 31, 2015, UDR owned or had an ownership position in 50,646 apartment homes including 3,222 homes under development. For over 43 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 ir.udr.com.



Attachment 1

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

In thousands, except per share amounts	Three Months Ended December 31		Twelve Months Ended December 31	
	2015	2014	2015	2014
REVENUES:				
Rental income	\$ 234,352	\$ 206,104	\$ 871,928	\$ 805,002
Joint venture management and other fees ⁽²⁾	3,253	3,445	22,710	13,044
Total revenues	<u>237,605</u>	<u>209,549</u>	<u>894,638</u>	<u>818,046</u>
OPERATING EXPENSES:				
Property operating and maintenance	41,174	36,782	155,096	149,428
Real estate taxes and insurance	26,881	25,331	102,963	99,175
Property management	6,445	5,668	23,978	22,138
Other operating expenses	3,534	2,174	9,708	8,271
Real estate depreciation and amortization	104,909	91,406	374,598	358,154
Acquisition costs	1,433	107	2,126	373
General and administrative	16,560	11,615	57,564	47,427
Casualty-related (recoveries)/charges, net	(45)	41	2,335	541
Other depreciation and amortization	1,899	2,117	6,679	5,775
Total operating expenses	<u>202,790</u>	<u>175,241</u>	<u>735,047</u>	<u>691,282</u>
Operating income	34,815	34,308	159,591	126,764
Income/(loss) from unconsolidated entities ⁽²⁾	1,052	(2,074)	62,329	(7,006)
Interest expense	(33,170)	(32,792)	(121,875)	(130,262)
Other debt (charges)/benefits, net	-	-	-	(192)
Total interest expense	<u>(33,170)</u>	<u>(32,792)</u>	<u>(121,875)</u>	<u>(130,454)</u>
Interest income and other income/(expense), net	407	(44)	1,551	11,858
Income/(loss) before income taxes, discontinued operations and gain/(loss) on sale of real estate owned	3,104	(602)	101,596	1,162
Tax benefit/(provision), net	1,424	7,087	3,886	15,098
Income/(loss) from continuing operations	4,528	6,485	105,482	16,260
Income/(loss) from discontinued operations, net of tax	-	-	-	10
Income/(loss) before gain/(loss) on sale of real estate owned	4,528	6,485	105,482	16,270
Gain/(loss) on sale of real estate owned, net of tax	172,635	61,267	251,677	143,572
Net income/(loss)	177,163	67,752	357,159	159,842
Net (income)/loss attributable to redeemable noncontrolling interests in the OP and DownREIT Partnership ^{(3) (4)}	(14,966)	(2,340)	(16,773)	(5,511)
Net (income)/loss attributable to noncontrolling interests	3	5	(3)	3
Net income/(loss) attributable to UDR, Inc.	162,200	65,417	340,383	154,334
Distributions to preferred stockholders - Series E (Convertible)	(930)	(931)	(3,722)	(3,724)
Net income/(loss) attributable to common stockholders	\$ 161,270	\$ 64,486	\$ 336,661	\$ 150,610
Income/(loss) per weighted average common share - basic:				
Income/(loss) from continuing operations attributable to common stockholders	\$0.62	\$0.25	\$1.30	\$0.60
Income/(loss) from discontinued operations attributable to common stockholders	\$0.00	\$0.00	\$0.00	\$0.00
Net income/(loss) attributable to common stockholders	\$0.62	\$0.25	\$1.30	\$0.60
Income/(loss) per weighted average common share - diluted:				
Income/(loss) from continuing operations attributable to common stockholders	\$0.61	\$0.25	\$1.29	\$0.59
Income/(loss) from discontinued operations attributable to common stockholders	\$0.00	\$0.00	\$0.00	\$0.00
Net income/(loss) attributable to common stockholders	\$0.61	\$0.25	\$1.29	\$0.59
Common distributions declared per share	\$0.2775	\$0.2600	\$1.1100	\$1.0400
Weighted average number of common shares outstanding - basic	260,830	253,983	258,669	251,528
Weighted average number of common shares outstanding - diluted	266,108	256,000	263,752	253,445

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

(2) In January 2015, the eight communities held by the Texas joint venture were sold, generating proceeds to UDR of \$44.2 million. The Company recorded promote and disposition fee income of approximately \$0.4 million and \$10.0 million and a gain of approximately \$0.4 million and \$59.4 million in connection with the sale during the three and twelve months ended December 31, 2015.

(3) In October 2015, UDR completed the acquisition of six Washington, DC area communities from Home Properties, L.P. for a total purchase price of \$901 million. Four of the six communities were acquired through UDR's 50.1% ownership in newly formed UDR Lighthouse DownREIT L.P. (the "DownREIT Partnership"). The increase in the percentage of net income attributable to noncontrolling interests during the 4th quarter relates to third parties' 49.9% interest in the DownREIT Partnership.

(4) Due to the quarterly pro-rata calculation of noncontrolling interest, the sum of the quarterly amounts will not equal the annual totals.



Attachment 2

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

In thousands, except per share amounts	Three Months Ended December 31		Twelve Months Ended December 31	
	2015	2014	2015	2014
Net income/(loss) attributable to common stockholders	\$ 161,270	\$ 64,486	\$ 336,661	\$ 150,610
Real estate depreciation and amortization, including discontinued operations	104,909	91,406	374,598	358,154
Noncontrolling interests ⁽²⁾	14,963	2,335	16,776	5,508
Real estate depreciation and amortization on unconsolidated joint ventures	9,389	12,207	38,652	42,133
Net (gain)/loss on the sale of unconsolidated depreciable property ⁽³⁾	(372)	-	(59,445)	-
Net (gain)/loss on the sale of depreciable property, excluding TRS	(172,635)	(63,443)	(251,677)	(144,703)
Funds from operations ("FFO") attributable to common stockholders and unitholders, basic	\$ 117,524	\$ 106,991	\$ 455,565	\$ 411,702
Distributions to preferred stockholders - Series E (Convertible) ⁽⁴⁾	930	931	3,722	3,724
FFO attributable to common stockholders and unitholders, diluted	\$ 118,454	\$ 107,922	\$ 459,287	\$ 415,426
FFO per common share and unit, basic	\$ 0.41	\$ 0.41	\$ 1.68	\$ 1.58
FFO per common share and unit, diluted	\$ 0.41	\$ 0.40	\$ 1.66	\$ 1.56
Weighted average number of common shares and OP/DownREIT Units outstanding - basic	285,144	263,149	271,616	260,775
Weighted average number of common shares, OP/DownREIT Units, and common stock equivalents outstanding - diluted	290,422	268,201	276,699	265,728
Impact of adjustments to FFO:				
Acquisition-related costs/(fees), including joint ventures ⁽⁵⁾	\$ 1,433	\$ 264	\$ 3,586	\$ 442
Cost/(benefit) associated with debt extinguishment and other	-	-	-	192
Texas Joint Venture promote and disposition fee income ⁽³⁾	(372)	-	(10,005)	-
Long-term incentive plan transition costs	884	-	3,537	-
(Gain)/loss on sale of land	-	2,176	-	1,056
Net gain on prepayment of note receivable	-	-	-	(8,411)
Legal claims, net of tax	705	-	705	-
Tax benefit associated with the conversion of certain TRS entities into REITs ⁽⁶⁾	-	(5,770)	-	(5,770)
Casualty-related (recoveries)/charges, including joint ventures, net ⁽⁷⁾	2,173	41	4,809	541
	\$ 4,823	\$ (3,289)	\$ 2,632	\$ (11,950)
FFO as Adjusted attributable to common stockholders and unitholders, diluted	\$ 123,277	\$ 104,633	\$ 461,919	\$ 403,476
FFO as Adjusted per common share and unit, diluted	\$ 0.42	\$ 0.39	\$ 1.67	\$ 1.52
Recurring capital expenditures	(14,419)	(13,944)	(45,467)	(43,921)
AFFO attributable to common stockholders and unitholders	\$ 108,858	\$ 90,689	\$ 416,452	\$ 359,555
AFFO per common share and unit, diluted	\$ 0.37	\$ 0.34	\$ 1.51	\$ 1.35

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

(2) See Note 3 in Attachment 1.

(3) In January 2015, the eight communities held by the Texas joint venture were sold, generating proceeds to UDR of \$44.2 million. The Company recorded promote and disposition fee income of approximately \$0.4 million and \$10.0 million and a gain of approximately \$0.4 million and \$59.4 million in connection with the sale during the three and twelve months ended December 31, 2015.

(4) Series E preferred shares are dilutive for purposes of calculating FFO per share. Consequently, distributions to Series E preferred shareholders are added to FFO and the weighted average number of shares are included in the denominator when calculating FFO per common share and unit, diluted.

(5) Twelve months ended December 31, 2015 acquisition-related costs include \$1.5 million related to UDR's share of the West Coast Development joint venture's transaction expenses, which are recorded as income/(loss) from unconsolidated entities in Attachment 1.

(6) During 4Q14, the Company recognized a one-time tax benefit of \$5.8 million related to the conversion of certain taxable REIT subsidiary entities into REITs.

(7) Casualty-related charges for the three and twelve months ended December 31, 2015 include \$2.2 million and \$2.5 million related to UDR's share of the 717 Olympic casualty, which is included in income/(loss) from unconsolidated entities in Attachment 1.



Attachment 3

UDR, Inc. Consolidated Balance Sheets (Unaudited)

In thousands, except share and per share amounts	December 31, 2015	December 31, 2014
ASSETS		
Real estate owned:		
Real estate held for investment	\$ 9,053,599	\$ 8,205,627
Less: accumulated depreciation	(2,646,044)	(2,434,772)
Real estate held for investment, net	6,407,555	5,770,855
Real estate under development (net of accumulated depreciation of \$0 and \$0)	124,072	177,632
Real estate held for disposition (net of accumulated depreciation of \$830 and \$0)	11,775	-
Total real estate owned, net of accumulated depreciation	6,543,402	5,948,487
Cash and cash equivalents	6,742	15,224
Restricted cash	20,798	22,340
Notes receivable, net	16,694	14,369
Investment in and advances to unconsolidated joint ventures, net	938,906	718,226
Other assets	137,302	110,082
Total assets	\$ 7,663,844	\$ 6,828,728
LIABILITIES AND EQUITY		
Liabilities:		
Secured debt ⁽¹⁾	\$ 1,376,945	\$ 1,354,321
Unsecured debt ⁽¹⁾	2,193,850	2,210,978
Real estate taxes payable	18,786	15,978
Accrued interest payable	29,162	34,215
Security deposits and prepaid rent	36,330	34,064
Distributions payable	80,368	69,460
Accounts payable, accrued expenses, and other liabilities	81,356	91,282
Total liabilities	3,816,797	3,810,298
Redeemable noncontrolling interests in the OP and DownREIT Partnership	946,436	282,480
Equity:		
Preferred stock, no par value; 50,000,000 shares authorized		
2,796,903 shares of 8.00% Series E Cumulative Convertible issued and outstanding (2,803,812 shares at December 31, 2014)	46,457	46,571
16,452,496 shares of Series F outstanding (2,464,183 shares at December 31, 2014)	1	-
Common stock, \$0.01 par value; 350,000,000 shares authorized		
261,844,521 shares issued and outstanding (255,114,603 shares at December 31, 2014)	2,618	2,551
Additional paid-in capital	4,447,816	4,223,747
Distributions in excess of net income	(1,584,459)	(1,528,917)
Accumulated other comprehensive income/(loss), net	(12,678)	(8,855)
Total stockholders' equity	2,899,755	2,735,097
Noncontrolling interests	856	853
Total equity	2,900,611	2,735,950
Total liabilities and equity	\$ 7,663,844	\$ 6,828,728

(1) During 4Q15, UDR retroactively adopted Accounting Standards Update ("ASU") 2015-3, *Simplifying the Presentation of Debt Issuance Costs* and related ASU 2015-15, which resulted in classifying approximately \$17.9 million and \$17.8 million of deferred financing costs as a direct reduction to debt outstanding as of December 31, 2015 and 2014, respectively.



Attachment 4(C)

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

	Quarter Ended December 31, 2015
Coverage Ratios	
Net income/(loss) attributable to UDR, Inc.	\$ 162,200
Adjustments (includes continuing and discontinued operations):	
Interest expense	33,170
Real estate depreciation and amortization	104,909
Real estate depreciation and amortization on unconsolidated joint ventures	9,389
Other depreciation and amortization	1,899
Noncontrolling interests	14,963
Income tax expense/(benefit)	(1,424)
EBITDA	<u>\$ 325,106</u>
(Gain)/loss on sale of real estate owned, net of tax	(172,635)
Net (gain)/loss on the sale of unconsolidated depreciable property	(372)
Long-term incentive plan transition costs	884
Acquisition-related costs/(fees), including joint ventures	1,433
Legal claims, net of tax	705
Texas Joint Venture promote and disposition fee income	(372)
Casualty-related (recoveries)/charges, including joint ventures, net	2,173
EBITDA - adjusted for non-recurring items	<u>\$ 156,922</u>
Annualized EBITDA - adjusted for non-recurring items	<u>\$ 627,688</u>
Interest expense	\$ 33,170
Capitalized interest expense	3,918
Total interest	<u>\$ 37,088</u>
Preferred dividends	\$ 930
Total debt ⁽⁴⁾	\$ 3,570,795
Cash	6,742
Net debt	<u>\$ 3,564,053</u>
Interest Coverage Ratio	<u>8.77x</u>
Fixed Charge Coverage Ratio	<u>8.55x</u>
Interest Coverage Ratio - adjusted for non-recurring items	<u>4.23x</u>
Fixed Charge Coverage Ratio - adjusted for non-recurring items	<u>4.13x</u>
Net Debt-to-EBITDA - adjusted for non-recurring items	<u>5.7x</u>

Debt Covenant Overview

Unsecured Line of Credit Covenants ⁽²⁾	Required	Actual	Compliance
Maximum Leverage Ratio	≤60.0%	34.8% ⁽²⁾	Yes
Minimum Fixed Charge Coverage Ratio	≥1.5	3.4	Yes
Maximum Secured Debt Ratio	≤40.0%	17.4%	Yes
Minimum Unencumbered Pool Leverage Ratio	≥150.0%	369.3%	Yes

Senior Unsecured Note Covenants ⁽³⁾	Required	Actual	Compliance
Debt as a percentage of Total Assets	≤60.0%	34.8% ⁽³⁾	Yes
Consolidated Income Available for Debt Service to Annual Service Charge	≥1.5	4.4	Yes
Secured Debt as a percentage of Total Assets	≤40.0%	13.4%	Yes
Total Unencumbered Assets to Unsecured Debt	≥150.0%	317.0%	Yes

Securities Ratings	Debt	Preferred	Outlook
Moody's Investors Service	Baa1	Baa2	Stable
Standard & Poor's	BBB+	BB+	Stable

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

(2) As defined in our credit agreement dated October 20, 2015.

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

(4) Total debt includes approximately \$17.9 million of deferred financing costs, which are reflected as a direct reduction to debt outstanding as of December 31, 2015.



Attachment 16(D)

UDR, Inc. Definitions and Reconciliations December 31, 2015 (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 income/(loss) per share for full year 2016 and first quarter of 2016 to forecasted FFO, FFO as Adjusted and AFFO per share and unit:

	Full Year 2016	
	Low	High
Forecasted earnings per diluted share	\$ 0.37	\$ 0.44
Conversion from GAAP share count	(0.16)	(0.17)
Depreciation	1.54	1.54
Noncontrolling interests	(0.01)	(0.01)
Preferred dividends	0.01	0.01
Forecasted FFO per diluted share and unit	\$ 1.75	\$ 1.81
Disposition-related FFO	(0.01)	(0.01)
Long-term incentive plan transition costs	0.01	0.01
Forecasted FFO as Adjusted per diluted share and unit	\$ 1.75	\$ 1.81
Recurring capital expenditures	(0.16)	(0.16)
Forecasted AFFO per diluted share and unit	\$ 1.59	\$ 1.65

	1Q 2016	
	Low	High
Forecasted earnings per diluted share	\$ 0.07	\$ 0.09
Conversion from GAAP share count	(0.04)	(0.04)
Depreciation	0.39	0.39
Noncontrolling interests	-	-
Preferred dividends	-	-
Forecasted FFO per diluted share and unit	\$ 0.42	\$ 0.44
Disposition-related FFO	-	-
Long-term incentive plan transition costs	-	-
Forecasted FFO as Adjusted per diluted share and unit	\$ 0.42	\$ 0.44
Recurring capital expenditures	(0.02)	(0.02)
Forecasted AFFO per diluted share and unit	\$ 0.40	\$ 0.42