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Press Release

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Contact: Chris Van Ens
Phone: 720.348.7762

UDR ANNOUNCES FOURTH QUARTER AND FULL YEAR 2013 RESULTS

~ Provides 2014 Guidance ~

Fourth Quarter 2013 Highlights:

- Funds from Operations ("FFO") per share was $0.36, FFO as Adjusted per share was $0.35, and AFFO per share was $0.30.
- Year-over-year same-store revenue and net operating income ("NOI") growth for the quarter were 4.5 percent and 5.4 percent, respectively.
- Completed three development communities containing 1,122 homes at an estimated aggregate pro rata cost of $275 million. The communities are located in Huntington Beach, CA, San Diego, CA and Addison, TX.
- Sold $132 million of non-core communities. Exited the Sacramento market.
- Announced the formation of a $318 million, 51%/49% development partnership with MetLife in San Francisco and a participating debt financing arrangement for a $108 million development in Denver.

Full-Year 2013 Highlights:

- FFO, FFO as Adjusted and AFFO per share were $1.44, $1.39 and $1.23, respectively.
- Same-store revenue and NOI growth were 4.9 percent and 6.0 percent, respectively.
- Completed four development communities containing 1,377 homes at an estimated aggregate pro rata cost of $400 million. The communities are located in Huntington Beach, CA, San Diego, CA, Addison, TX and Washington, D.C.
- Expanded the MetLife relationship with the formation of a 50%/50% partnership for a portion of the Company's Vitruvian Park® master plan community in Addison, TX in addition to the previously mentioned development partnership in San Francisco.
- Declared dividend per share increased to $0.94 (+7% year-over-year).

	Q4 2013	Q4 2012	FY 2013	FY 2012
FFO per share	**$0.36**	**$0.30**	**$1.44**	**$1.40**
Gain on sale of TRS property/marketable securities	(0.010)	-	(0.010)	(0.031)
Hurricane-related (recoveries)/charges, net	-	0.035	(0.037)	0.037
Reversal of deferred tax valuation allowance	-	0.005	-	(0.085)
Other	-	0.004	-	0.024
FFO as Adjusted per share	**$0.35**	**$0.35**	**$1.39**	**$1.35**
Recurring capital expenditures	(0.044)	(0.036)	(0.162)	(0.167)
AFFO per share	**$0.30**	**$0.31**	**$1.23**	**$1.18**

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 Financial Information.

Operations

Same-store NOI increased 5.4 percent year-over-year in the fourth quarter of 2013 while same-store revenue increased 4.5 percent during the same period. Same-store physical occupancy was 96.2 percent as compared to 95.9 percent in the prior year period. Same-store expenses increased 2.4 percent driven by an increase in personnel, administrative, marketing and insurance costs. The annualized rate of turnover decreased 220 basis points to 45.7 percent.

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

Region	Revenue Growth	Expense Growth/ (Decline)	NOI Growth	% of Same-Store Portfolio[1]	Same-Store Occupancy[2]	Number of Same-Store Homes[3]
West	5.7%	4.1%	6.3%	39.7%	95.8%	12,111
Mid-Atlantic	2.1%	2.9%	1.8%	26.0%	96.0%	9,578
Southeast	5.2%	(1.1)%	8.6%	17.4%	96.7%	9,515
Northeast	4.2%	0.3%	5.6%	9.7%	96.3%	1,879
Southwest	5.9%	4.3%	7.0%	7.2%	96.6%	3,998
Total	**4.5%**	**2.4%**	**5.4%**	**100.0%**	**96.2%**	**37,081**

(1) Based on Q4 2013 NOI.

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

(3) During the fourth quarter, 37,081 apartment homes, or approximately 90 percent of 41,250 total consolidated apartment homes (versus 52,949 apartment homes inclusive of joint ventures and development pipeline homes upon completion), were classified as same-store. The Company defines QTD same-store as all multifamily communities owned and stabilized for at least five consecutive quarters as of the beginning of the most recent quarter.

Sequentially, the Company's same-store NOI increased by 2.9 percent on revenue growth of 0.5 percent and a 4.8 percent decrease in expenses during the fourth quarter of 2013.

For the twelve months ended December 31, 2013, the Company's same-store revenue increased 4.9 percent as compared to the prior year period while expenses increased 2.6 percent, resulting in a same-store NOI increase of 6.0 percent. Year-over-year occupancy increased by 20 basis points to 96.0 percent.

Summary of Same-Store Results Full-Year 2013 versus Full-Year 2012

Region	Revenue Growth	Expense Growth	NOI Growth	% of Same-Store Portfolio[1]	Same-Store Occupancy[2]	Number of Same-Store Homes[3]
West	5.6%	1.9%	7.2%	39.1%	95.5%	11,703
Mid-Atlantic	2.8%	2.9%	2.8%	27.2%	96.2%	9,578
Southeast	5.2%	2.9%	6.5%	17.8%	96.3%	9,515
Northeast	6.6%	4.2%	7.6%	10.0%	96.5%	1,879
Southwest	6.5%	2.8%	9.0%	5.9%	96.5%	3,115
Total	**4.9%**	**2.6%**	**6.0%**	**100.0%**	**96.0%**	**35,790**

(1) Based on YTD 2013 NOI.

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

(3) During the twelve months ended December 31, 2013, 35,790 apartment homes, or approximately 87 percent of 41,250 total consolidated apartment homes, were classified as same-store. The Company defines YTD same-store as all multifamily communities owned and stabilized for at least nine consecutive quarters as of the beginning of the most recent year.

Development and Redevelopment Activity

In the fourth quarter, the Company completed three development communities containing 1,122 apartment homes in Huntington Beach, CA, San Diego, CA and Addison, TX. The Company's share of the aggregated estimated cost of the communities totaled $275 million.

As of year-end 2013, the Company's development pipeline totaled $1.2 billion, of which 64 percent had been funded. Of the remaining $970 million in development left to complete, $480 million is expected to be completed in 2014, $325 million in 2015 and the remainder in 2016.

During the fourth quarter, the Company completed the redevelopment of 155 homes at an aggregated cost of $16.5 million at its Rivergate and 27 Seventy Five Mesa Verde projects. The scope of the redevelopments at both projects changed in the quarter. The budget for our Rivergate project in Manhattan expanded due to the identification of further revenue generating opportunities, while we tabled for the foreseeable future additional home interior renovations at our 27 Seventy Five Mesa Verde project in Orange County due to lower than expected demand in that particular submarket.

Transactional Activity

On December 5, 2013, the Company announced the disposition of three non-core communities. The sales closed in mid-December for $132 million at a weighted average cap rate of 6.0 percent.

- The Company exited the non-core Sacramento market with the sale of two communities that averaged 31 years in age for total proceeds of $81.1 million.
- The Company disposed of its recently developed Lodge at Stoughton community for $51.0 million. The community was a 95%/5% joint venture with a third-party. At its 95 percent ownership interest, proceeds to the Company totaled approximately $48.5 million.

At the time of sale, the three dispositions' weighted average occupancy and revenue per occupied home were 95.3 percent and $1,082, respectively. Additional details can be found in the Company's press release issued on December 5, 2013 on its website at www.udr.com.

During the fourth quarter, the Company consolidated its 95%/5% development joint ventures 13th and Market in San Diego, CA and Domain College Park in Metro Washington, D.C. The consolidation was due to the Company becoming the managing partner of each of the joint ventures.

Following year-end, the Company,

- Acquired the land for the development of Pacific City, a 516 home community located in Huntington Beach, CA for $78 million. The site has immediate access to the Pacific Coast Highway and is only three blocks from the Huntington Beach pier.

- Sold its non-core Presidio at Rancho del Oro community located in North County San Diego for $48.7 million. The 27 year old property had average revenue per occupied home of $1,485 in the fourth quarter and was sold at a 5.4 percent cap rate.

Joint Venture/Partnership Investment Activity

As previously announced, the Company formed a 51%/49% development partnership with MetLife to construct a luxury, for-rent high-rise on its 399 Fremont land parcel in San Francisco. The building is projected to cost $318 million, include 447 homes and is located adjacent to the Company's existing operating community, 388 Beale. The development broke ground in January 2014.

In addition, the Company entered into a participating debt financing arrangement with a third-party developer to fund the construction of a $108 million, 218 home luxury apartment community located in the Cherry Creek neighborhood of Denver. The Company will provide up to $92 million of financing for the project, has a substantial third-party equity cushion in front of its participating loan, is paid 6.5 percent interest on the outstanding loan balance and will receive 50 percent of any upside to cost at subsequent purchase of the community by the Company or sale to a third-party. The project broke ground in December 2013.

Additional details can be found in the Company's press release issued on December 5, 2013 on its website at www.udr.com.

Balance Sheet

At December 31, 2013, the Company had $930 million in availability through a combination of cash and undrawn capacity on its credit facilities.

The Company's total indebtedness at December 31, 2013 was $3.5 billion. The Company ended the year with fixed-rate debt representing 89 percent of its total debt, a total blended interest rate of 4.3 percent and a weighted average maturity of 4.4 years. The Company's leverage was 39.2 percent versus 38.8 percent a year ago, net debt-to-EBITDA was 7.0 times, flat with a year ago, and fixed charge coverage was 3.1x versus 3.0x a year ago.

Dividend

As previously announced, the Company's Board of Directors declared a regular quarterly dividend on its common stock for the fourth quarter of 2013 in the amount of $0.235 per share. The dividend was paid in cash on January 31, 2014 to UDR common stock shareholders of record as of January 10, 2014. The fourth quarter 2013 dividend represented the 165th consecutive quarterly dividend paid by the Company on its common stock.

In conjunction with this release, the Company declared a 2014 annualized dividend per share of $1.04, an 11 percent increase versus 2013.

Outlook

For the first quarter of 2014, the Company has established the following guidance ranges:

- FFO per share: $0.34 to $0.36
- FFO as Adjusted per share: $0.33 to $0.35
- AFFO per share: $0.30 to $0.32

For the full-year 2014, the Company has established the following guidance ranges:

- FFO per share: $1.47 to $1.53
- FFO as Adjusted per share: $1.47 to $1.53
- AFFO per share: $1.30 to $1.36
- Declared Dividend per share: $1.04

For the full-year 2014, the primary same-store growth assumptions are:

- Revenue: 3.50% to 4.25%
- Expense: 2.75% to 3.25%
- Net operating income: 3.75% to 5.00%
- Physical occupancy: 96.0%

Additional assumptions for the Company's first quarter and full-year 2014 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 www.udr.com.

Conference Call and Webcast Information

UDR will host a webcast and conference call at 1:00 p.m. EST on February 4, 2014 to discuss fourth quarter and full-year results as well as an update to its Three-Year Strategic Plan. The 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 480-629-9645 for international and provide the following conference ID number: 4659587.

A replay of the conference call will be available through March 4, 2014, by dialing 800-406-7325 for domestic and 303-590-3030 for international and entering the confirmation number, 4659587, 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 fourth 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
December 31, 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.

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, RE^3 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 2013	YTD 2013
Income/(loss) from unconsolidated entities	$ 5,666	$ (415)
Management fee	980	3,647
Interest expense	7,359	27,056
Depreciation	9,491	34,953
General and administrative	273	495
Other income/expense	328	781
NOI from sold and newly consolidated properties	(621)	(2,400)
Gain on sale	(8,331)	(8,331)
Total Joint Venture NOI at UDR's Pro-Rata Ownership	$ 15,145	$ 55,786

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 RE^3 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 2013	3Q 2013	2Q 2013	1Q 2013	4Q 2012	YTD 2013	YTD 2012
Net income/(loss) attributable to UDR, Inc.	$ 36,700	$ 3,188	$ 5,192	$ (268)	$ (12,300)	$ 44,812	$ 212,177
Property management	5,233	5,168	5,123	5,004	4,954	20,528	19,378
Other operating expenses	1,925	1,776	1,799	1,636	1,457	7,136	5,718
Real estate depreciation and amortization	88,301	83,738	84,595	82,898	82,917	339,532	341,926
Interest expense	33,360	30,939	30,803	30,981	30,660	126,083	138,792
Hurricane-related (recoveries)/charges, net	-	(6,460)	(2,772)	(3,021)	8,495	(12,253)	8,495
General and administrative	11,532	11,364	9,866	9,476	10,653	42,238	43,792
Tax provision/(benefit), net (includes valuation adjustment)	15	(2,658)	(2,683)	(1,973)	(1,628)	(7,299)	(30,282)
Income/(loss) from unconsolidated entities	(5,666)	3,794	(515)	2,802	2,757	415	8,579
Interest and other income, net	(1,328)	(829)	(1,446)	(1,016)	(1,089)	(4,619)	(3,524)
Joint venture management and other fees	(3,095)	(3,207)	(3,217)	(2,923)	(2,885)	(12,442)	(11,911)
Other depreciation and amortization	3,281	1,176	1,138	1,146	1,092	6,741	4,105
Income from discontinued operations, net of tax	(41,376)	(884)	(829)	(853)	(1,017)	(43,942)	(266,608)
Net income/(loss) attributable to noncontrolling interests	1,302	47	162	(41)	(655)	1,470	8,126
Total consolidated NOI	$ 130,184	$ 127,152	$ 127,216	$ 123,848	$ 123,411	$ 508,400	$ 478,763

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, 2013, UDR owned or had an ownership position in 52,949 apartment homes including 1,790 homes under development. For over 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 December 31, 2013	Three Months Ended December 31, 2012	Twelve Months Ended December 31, 2013	Twelve Months Ended December 31, 2012
REVENUES:				
Rental income [2]	$ 190,321	$ 180,149	$ 746,484	$ 704,701
Joint venture management and other fees	3,095	2,885	12,442	11,911
Total revenues	193,416	183,034	758,926	716,612
OPERATING EXPENSES:				
Property operating and maintenance	36,660	34,928	144,319	139,784
Real estate taxes and insurance	23,477	21,810	93,765	86,154
Property management	5,233	4,954	20,528	19,378
Other operating expenses	1,925	1,457	7,136	5,718
Real estate depreciation and amortization	88,301	82,917	339,532	341,926
Acquisition costs	-	528	-	2,336
General and administrative	11,532	10,125	42,238	41,456
Hurricane-related (recoveries)/charges, net	-	8,495	(12,253)	8,495
Other depreciation and amortization	3,281	1,092	6,741	4,105
Total operating expenses	170,409	166,306	642,006	649,352
Operating income	23,007	16,728	116,920	67,260
Income/(loss) from unconsolidated entities [3]	5,666	(2,757)	(415)	(8,579)
Interest expense	(33,360)	(30,660)	(125,905)	(139,069)
Other debt (charges)/benefits, net [4]	-	-	(178)	277
Total interest expense	(33,360)	(30,660)	(126,083)	(138,792)
Interest and other income/(expense), net	1,328	1,089	4,619	3,524
Income/(loss) before income taxes and discontinued operations	(3,359)	(15,600)	(4,959)	(76,587)
Tax benefit/(provision), net [3]	(15)	2,974	7,299	8,752
Tax valuation allowance for RE3 [5]	-	(1,346)	-	21,530
Income/(loss) from continuing operations	(3,374)	(13,972)	2,340	(46,305)
Income/(loss) from discontinued operations, net of tax	41,376	1,017	43,942	266,608
Net income/(loss)	38,002	(12,955)	46,282	220,303
Net (income)/loss attributable to redeemable noncontrolling interests in the OP	(1,332)	658	(1,530)	(7,986)
Net (income)/loss attributable to noncontrolling interests	30	(3)	60	(140)
Net income/(loss) attributable to UDR, Inc.	36,700	(12,300)	44,812	212,177
Distributions to preferred stockholders - Series E (Convertible)	(931)	(931)	(3,724)	(3,724)
Distributions to preferred stockholders - Series G	-	-	-	(2,286)
Premium on preferred stock redemptions, net	-	-	-	(2,791)
Net income/(loss) attributable to common stockholders	$ 35,769	$ (13,231)	$ 41,088	$ 203,376
Income/(loss) per weighted average common share - basic:				
Income/(loss) from continuing operations attributable to common stockholders	($0.02)	($0.06)	($0.01)	($0.22)
Income/(loss) from discontinued operations attributable to common stockholders	$0.16	$0.00	$0.17	$1.07
Net income/(loss) attributable to common stockholders	$0.14	($0.05)	$0.16	$0.85
Income/(loss) per weighted average common share - diluted:				
Income/(loss) from continuing operations attributable to common stockholders	($0.02)	($0.06)	($0.01)	($0.22)
Income/(loss) from discontinued operations attributable to common stockholders	$0.16	$0.00	$0.17	$1.07
Net income/(loss) attributable to common stockholders	$0.14	($0.05)	$0.16	$0.85
Common distributions declared per share	$0.235	$0.220	$0.940	$0.880
Weighted average number of common shares outstanding - basic	249,987	249,809	249,969	238,851
Weighted average number of common shares outstanding - diluted	249,987	249,809	249,969	238,851

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

(2) The twelve months ended December 31, 2013 is impacted by $3.4 million of lost rent due to business interruption related to Hurricane Sandy.

(3) During 4Q 2013, the Company sold its interest in the Lodge at Stoughton community and recognized a gross GAAP gain of $8.3 million, which was recorded as Income/(loss) from unconsolidated entities, and related tax expense of $3.0 million, which was recorded as tax benefit/(provision), net.

(4) Includes prepayment penalties, write-off of deferred financing costs and unamortized discounts/premiums on early debt extinguishment.

(5) 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 December 31, 2013	Three Months Ended December 31, 2012	Twelve Months Ended December 31, 2013	Twelve Months Ended December 31, 2012
Net income/(loss) attributable to UDR, Inc.	$ 36,700	$ (12,300)	$ 44,812	$ 212,177
Distributions to preferred stockholders	(931)	(931)	(3,724)	(6,010)
Real estate depreciation and amortization, including discontinued operations	88,651	83,456	341,490	350,400
Noncontrolling interests	1,302	(655)	1,470	8,126
Real estate depreciation and amortization on unconsolidated joint ventures [2]	7,718	9,897	33,180	32,531
Net (gain)/loss on the sale of depreciable property in discontinued operations, excluding TRS	(40,450)	(156)	(40,450)	(243,805)
Premium on preferred stock redemptions, net	-	-	-	(2,791)
Funds from operations ("FFO") - basic	$ 92,990	$ 79,311	$ 376,778	$ 350,628
Distributions to preferred stockholders - Series E (Convertible)	931	931	3,724	3,724
FFO, diluted [3]	$ 93,921	$ 80,242	$ 380,502	$ 354,352
FFO per common share, basic	$ 0.36	$ 0.31	$ 1.45	$ 1.41
FFO per common share, diluted	$ 0.36	$ 0.30	$ 1.44	$ 1.40
Weighted average number of common shares and OP Units outstanding - basic	259,310	259,211	259,306	248,262
Weighted average number of common shares, OP Units, and common stock equivalents outstanding - diluted	263,908	263,529	263,926	252,659
Impact of adjustments to FFO:				
Acquisition-related costs (including joint ventures)	$ -	$ 550	$ -	$ 2,762
Joint venture financing and acquisition fees	-	-	(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 [3]	(2,651)	-	(2,651)	(7,749)
Severance costs and other restructuring expense	-	484	-	733
Reversal of deferred tax valuation allowance [4]	-	1,346	-	(21,530)
Hurricane-related (recoveries)/charges, net [5]	-	9,262	(9,665)	9,262
	$ (2,651)	$ 11,642	$ (12,392)	$ (14,008)
FFO as Adjusted, diluted [3]	$ 91,270	$ 91,884	$ 368,110	$ 340,344
FFO as Adjusted per common share, diluted	$ 0.35	$ 0.35	$ 1.39	$ 1.35
Recurring capital expenditures	(11,732)	(9,389)	(42,707)	(42,249)
AFFO	$ 79,538	$ 82,495	$ 325,403	$ 298,095
AFFO per common share, diluted	$ 0.30	$ 0.31	$ 1.23	$ 1.18

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

(2) Real estate depreciation on unconsolidated joint ventures excludes the portion of the GAAP gain (discussed in Note 3 of Attachment 1) related to depreciation, net of tax, in order to accurately reflect the FFO gain of the transaction.

(3) $2.7 million of the net gain on the sale of our interest in the unconsolidated joint venture (discussed in Note 3 of Attachment 1) is included in FFO and excluded from FFO as Adjusted as it was a gain on a development asset, which is incidental to our main business. The $2.7 million FFO gain represents the net sales proceeds less a tax provision and the gross investment basis of the asset before accumulated depreciation.

(4) 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.

(5) Adjustment primarily represents the portion of Hurricane Sandy insurance recoveries in 2013 that relate to the $9.3 million in charges added back to FFO as Adjusted in 4Q 2012. The $2.6 million difference between the $12.3 million hurricane-related recoveries reflected on the Consolidated Statements of Operations for the twelve months ended December 31, 2013 and the $9.7 million adjustment above represents the amount of 2013 business interruption recoveries during 2013. The business interruption insurance recoveries for the twelve months ended December 31, 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	December 31, 2013 (unaudited)	December 31, 2012 (unaudited)
ASSETS		
Real estate owned:		
Real estate held for investment	$ 7,723,844	$ 7,475,771
Less: accumulated depreciation	(2,200,815)	(1,884,039)
Real estate held for investment, net	5,523,029	5,591,732
Real estate under development		
(net of accumulated depreciation of $1,411 and $1,253)	466,002	489,795
Real estate sold or held for disposition		
(net of accumulated depreciation of $6,568 and $39,390)	10,152	49,619
Total real estate owned, net of accumulated depreciation	5,999,183	6,131,146
Cash and cash equivalents	30,249	12,115
Restricted cash	22,796	23,561
Deferred financing costs, net	26,924	24,990
Notes receivable, net	83,033	64,006
Investment in and advances to unconsolidated joint ventures, net	507,655	477,631
Other assets	137,882	125,654
Total assets	$ 6,807,722	$ 6,859,103
LIABILITIES AND EQUITY		
Liabilities:		
Secured debt	$ 1,442,077	$ 1,430,135
Unsecured debt	2,081,626	1,979,198
Real estate taxes payable	13,847	14,076
Accrued interest payable	32,279	30,937
Security deposits and prepaid rent	27,203	25,025
Distributions payable	61,907	57,915
Accounts payable, accrued expenses, and other liabilities	118,682	104,567
Total liabilities	3,777,621	3,641,853
Redeemable noncontrolling interests in the operating partnership	217,597	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		
250,749,665 shares issued and outstanding (250,139,408 shares at December 31, 2012)	2,507	2,501
Additional paid-in capital	4,109,765	4,098,882
Distributions in excess of net income	(1,342,070)	(1,143,781)
Accumulated other comprehensive income/(loss), net	(5,125)	(11,257)
Total stockholders' equity	2,811,648	2,992,916
Noncontrolling interests	856	916
Total equity	2,812,504	2,993,832
Total liabilities and equity	$ 6,807,722	$ 6,859,103

Attachment 4(C)

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

Coverage Ratios		Quarter Ended December 31, 2013
Net income/(loss) attributable to UDR, Inc.	$	36,700
Adjustments (includes continuing and discontinued operations):		
Interest expense		33,360
Real estate depreciation and amortization		88,651
Real estate depreciation and amortization on unconsolidated joint ventures		10,347
Other depreciation and amortization		3,281
Noncontrolling interests		1,302
Income tax expense/(benefit)		15
EBITDA	$	173,656
Gain on sale of interest in unconsolidated joint venture		(8,331)
Net gain on the sale and impairments of depreciable property		(40,450)
EBITDA - adjusted for non-recurring items	$	124,875
Annualized EBITDA - adjusted for non-recurring items	$	499,500
Interest expense	$	33,360
Capitalized interest expense		6,173
Total interest	$	39,533
Preferred dividends	$	931
Total debt	$	3,523,703
Cash		30,249
Net debt	$	3,493,454
Interest Coverage Ratio		**4.39x**
Fixed Charge Coverage Ratio		**4.29x**
Interest Coverage Ratio - adjusted for non-recurring items		**3.16x**
Fixed Charge Coverage Ratio - adjusted for non-recurring items		**3.09x**
Net Debt-to-EBITDA, adjusted for non-recurring items		**7.0x**

Debt Covenant Overview

Unsecured Line of Credit Covenants [2]	Required	Actual	Compliance
Maximum Leverage Ratio	≤60.0%	40.6%	Yes
Minimum Fixed Charge Coverage Ratio	≥1.5	2.7	Yes
Maximum Secured Debt Ratio	≤40.0%	20.2%	Yes
Minimum Unencumbered Pool Leverage Ratio	≥150.0%	309.5%	Yes

Senior Unsecured Note Covenants [3]	Required	Actual	Compliance
Debt as a percentage of Total Assets	≤60.0%	39.2%	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%	16.0%	Yes
Total Unencumbered Assets to Unsecured Debt	≥150.0%	315.6%	Yes

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

(1) See Attachment 16 for definitions 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
December 31, 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 income/(loss) per share for full year 2014 and first quarter of 2014 to forecasted FFO, FFO as Adjusted and AFFO per share:

	Full Year 2014	
	Low	High
Forecasted earnings per diluted share	$ 0.04	$ 0.10
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	**$ 1.47**	**$ 1.53**
TRS gains from asset sales	(0.01)	(0.01)
Acquisition costs	0.01	0.01
Forecasted FFO as Adjusted per diluted share	**$ 1.47**	**$ 1.53**
Recurring capital expenditures	(0.17)	(0.17)
Forecasted AFFO per diluted share	**$ 1.30**	**$ 1.36**

	1Q 2014	
	Low	High
Forecasted earnings per diluted share	$ (0.02)	$ 0.00
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)	(0.01)
Acquisition costs	-	-
Forecasted FFO as Adjusted per diluted share	**$ 0.33**	**$ 0.35**
Recurring capital expenditures	(0.03)	(0.03)
Forecasted AFFO per diluted share	**$ 0.30**	**$ 0.32**