



Press Release

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UDR ANNOUNCES SECOND QUARTER 2015 RESULTS AND INCREASES FULL-YEAR 2015 EARNINGS AND SAME-STORE GUIDANCE RANGES

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

- Funds from Operations (“FFO”) per share was \$0.41 (+6% year-over-year), FFO as Adjusted per share was \$0.42 (+9%), and AFFO per share was \$0.38 (+11%).
- Year-over-year same-store (“SS”) revenue and net operating income (“NOI”) growth for the quarter were 5.4 percent and 6.8 percent, respectively.
- As previously announced, the Company invested \$136 million for a 48 percent interest in a \$559 million development joint venture that is comprised of five communities, in various stages of construction, on the West Coast. The transaction closed in May 2015 and was immediately accretive to FFO per share.
- During the quarter, the Company announced an agreement to acquire up to six apartment communities valued at \$908 million in the recovering Washington, DC market as part of the Home Properties merger with Lone Star Funds. The transaction is expected to close in the third or fourth quarter of 2015.
- Sold three wholly-owned communities located in Orlando, FL, Tampa, FL and Portland, OR for approximately \$110 million at a weighted average 5.7 percent cash flow cap rate.
- Commenced construction on Pacific City, a \$342 million, 516-home development located in Huntington Beach, CA.
- Received a senior unsecured credit rating upgrade from S&P Rating Services to BBB+.
- Increased full-year 2015 earnings and same-store growth guidance:
 - FFO per share guidance range increased by \$0.01 at the midpoint. FFO as Adjusted and AFFO per share guidance ranges increased by \$0.02 at the midpoints, or 1.2 and 1.4 percent, respectively.
 - SS revenue growth guidance range: 5.00 to 5.50 percent (+75 bps at the midpoint).
 - SS NOI growth guidance range: 5.75 to 6.75 percent (+100 bps at the midpoint).

	Q2 2015	Q2 2014	YTD 2015	YTD 2014
FFO per common share and unit, diluted	\$0.41	\$0.39	\$0.84	\$0.75
Acquisition-related costs/(fees), including joint ventures	0.006	-	0.006	0.000
Cost/(benefit) associated with debt extinguishment and other	-	0.001	-	0.001
Texas Joint Venture promote and disposition fee income	-	-	(0.035)	-
Long-term incentive plan transition costs	0.004	-	0.007	-
(Gain)/loss on sale of land	-	-	-	(0.004)
Casualty-related (recoveries)/charges, net	0.003	-	0.007	0.002
FFO as Adjusted per common share and unit, diluted	\$0.42	\$0.39	\$0.82	\$0.74
Recurring capital expenditures	(0.037)	(0.042)	(0.064)	(0.067)
AFFO per common share and unit, diluted	\$0.38	\$0.34	\$0.76	\$0.68

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

Operations

Same-store NOI increased 6.8 percent year-over-year in the second quarter of 2015 driven by same-store revenue growth of 5.4 percent against a 1.8 percent increase in same-store expenses. Same-store physical occupancy was 96.9 percent as compared to 96.8 percent in the prior year period. The second quarter annualized rate of turnover was 55.9 percent representing a 110 basis points increase year-over-year.

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

Region	Revenue Growth	Expense Growth/ (Decline)	NOI Growth	% of Same-Store Portfolio⁽¹⁾	Same-Store Occupancy⁽²⁾	Number of Same-Store Homes⁽³⁾
West	7.3%	(1.5)%	10.5%	41.2%	96.6%	11,733
Mid-Atlantic	2.1%	3.5%	1.5%	24.2%	96.8%	9,240
Southeast	5.9%	4.5%	6.6%	14.3%	97.1%	7,895
Northeast	5.6%	6.9%	5.2%	13.1%	97.6%	2,384
Southwest	5.4%	0.1%	8.9%	7.2%	97.1%	3,998
Total	5.4%	1.8%	6.8%	100.0%	96.9%	35,250

⁽¹⁾ Based on Q2 2015 NOI.

⁽²⁾ Weighted average same-store occupancy for the quarter.

⁽³⁾ During the second quarter, 35,250 apartment homes, or approximately 90 percent of 39,404 total consolidated apartment homes (versus 49,322 apartment homes inclusive of joint ventures 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, there is no plan to conduct substantial redevelopment activities, and the community is not held for disposition within the current year.

Sequentially, same-store NOI increased by 3.8 percent on revenue growth of 2.2 percent coupled with a 1.4 percent decline in expenses in the second quarter of 2015.

Year-to-date, for the six months ended June 30, 2015, the Company's same-store revenue increased 5.2 percent against a 2.1 percent increase in same-store expenses resulting in a same-store NOI increase of 6.6 percent year-over-year. Same-store physical occupancy was 96.8% as compared to 96.5% in the prior year period.

Development and Redevelopment Activity

At the end of the second quarter, the Company's pro-rata share of the development pipeline totaled \$1,066 million and the equity commitment was 69 percent funded. The \$1,066 million consisted of \$397 million of completed, non-stabilized projects and \$670 million of under construction projects. Of the remaining \$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.

The Company had an additional pro rata share of development exposure totaling \$363 million through preferred equity and participating loan investments and the Company's equity commitment was 94 percent funded. The \$363 million consisted of \$92 million of completed, non-stabilized projects and \$271 million of under construction projects. Of the remaining \$271 million in development projects left to complete, \$215 is expected to be completed in 2016, and the balance in 2017.

The Company commenced one new development project during the second quarter. Pacific City, a 516-home community located in Huntington Beach, CA, is being developed for a budgeted cost of \$342 million and is included in the Company's \$1,066 million development pipeline. The project is expected to be completed in 2018.

Transactional Activity

During the quarter, the Company entered into an agreement with Lone Star, Inc., Lone Star L.P (collectively "Lone Star"), Home Properties, Inc. and Home Operating Partnership (collectively "Home") to acquire up to six communities in the Washington, DC market for total consideration of up to \$908 million at an estimated year-one

cap rate of approximately 5.2 percent. The terms of the transaction are dependent on the number of Home OP unitholders converting to common OP units of a newly formed operating partnership of the Company ("UDR OP Units"). If all Home OP unitholders convert to UDR OP Units, the transaction would be funded through a combination of \$753 million UDR OP Units issued at \$35 per unit, the assumption of \$90 million of debt and \$65 million in cash. The number of UDR OP Units and the amount of cash will be determined at the closing of the consent solicitation of the Home OP unitholders which we anticipate to be completed during the first week of August 2015.

Based upon the level of Home OP unitholders electing to receive UDR OP units, UDR will have the option to either acquire less than six properties or to acquire some of the properties through Section 1031 exchanges pursuant to the Internal Revenue Code. The closing of the transaction is subject to certain customary closing conditions, including, among others, the satisfaction (or waiver) of certain closing conditions to the merger between Lone Star and Home, and is anticipated to occur during the third or fourth quarter of 2015.

The transaction will be accretive to 2016 FFO, FFO as Adjusted and AFFO by up to \$0.015 per share depending on the number of units issued and the assets acquired. Additionally, if all Home OP unitholders convert to UDR OP Units, the Company's 2016 balance sheet metrics will be positively impacted with debt to assets and net debt to EBITDA incrementally improving by up to 175 basis points and 0.2x, respectively.

Additionally, during the quarter, the Company disposed of three communities containing 812 homes in Orlando, FL, Tampa, FL and Portland, OR for an aggregate sales price of \$110 million. Combined, the three sales were transacted at a weighted average 5.7 percent cash flow cap rate, had an average monthly revenue per occupied home of \$1,190 in the second quarter of 2015 and were 30 years old on average.

Joint Venture / Partnership Investment Activity

As previously announced, the Company entered into a joint venture agreement with real estate private equity firm, The Wolff Company, Scottsdale, AZ (the "Partner") to invest \$136 million for a 48 percent interest in a portfolio of five communities that are currently under construction. The transaction closed in May 2015. The communities are located in three of the Company's core, coastal markets: Metro Seattle, Los Angeles and Orange County, CA. The Company's investment is based on an initial all-in price of \$559 million and the transaction will be immediately accretive to FFO per share. The Company's average stabilized yield on initial price is estimated at 5.4 percent. In addition, the Company will earn a 6.5 percent preferred return on its \$136 million investment through each individual community's date of stabilization, defined as when a community reaches 80 percent occupancy for ninety consecutive days, while the Partner is allocated all economics (income and expense) during the pre-stabilization period. Upon stabilization, economics will be shared based on each partner's ownership percentage. The Company will serve as property manager and be paid a management fee during the lease-up phase and subsequent operation of each of the communities.

The Company has a fixed price option to acquire the Partner's remaining interest in each community beginning one year after completion. If the options are exercised for all five communities, the Company's total price will be \$597 million and the all-in stabilized yield is estimated to be 5.0 percent. In the event the Company does not exercise its options to purchase at least two communities, the Partner will be entitled to a 6.5 percent return on its implied equity in the communities not acquired. The Partner is providing certain guaranties and there will be construction loans on all five communities.

Once completed the five communities will contain 1,533 homes with a weighted average size of 844 square feet and a total of 29,100 square feet of retail.

Additional details on the transaction can be found on the Company's website at www.udr.com.

Balance Sheet

During the quarter, S&P Rating Services upgraded the Company's senior unsecured credit rating to BBB+.

At June 30, 2015, the Company had \$446 million in availability through a combination of cash and undrawn capacity on its credit facilities.

The Company's total indebtedness at June 30, 2015 was \$3.6 billion. The Company ended the quarter with fixed-rate debt representing 75.7 percent of its total debt, a total blended interest rate of 3.6 percent and a weighted average maturity of 4.1 years. The Company's leverage was 37.5 percent versus 40.5 percent a year ago, net debt-to-EBITDA was 6.2x versus 6.9x a year ago and fixed charge coverage was 4.2x versus 3.6x a year ago.

Dividend

As previously announced, the Company's Board of Directors declared a regular quarterly dividend on its common stock for the second quarter of 2015 in the amount of \$0.2775 per share. The dividend will be paid in cash on July 31, 2015 to UDR common stock shareholders of record as of July 10, 2015. The second quarter 2015 dividend will represent the 171st consecutive quarterly dividend paid by the Company on its common stock.

On an annualized declared basis, the Company's \$1.11 per share 2015 dividend represents a 7 percent increase versus 2014.

Outlook

For the third quarter of 2015, the Company has established the following earnings guidance ranges:

- FFO per share: \$0.39 to \$0.41
- FFO as Adjusted per share: \$0.39 to \$0.41
- AFFO per share: \$0.34 to \$0.36

For the full-year 2015, the Company has increased its previously provided earnings guidance ranges as a result of better-than-expected operations and expected accretion from its newly formed West Coast development joint venture:

	<u>Revised</u>	<u>April 2015</u>
FFO per share	\$1.64 to \$1.68	\$1.63 to \$1.67
FFO as Adjusted per share	\$1.63 to \$1.67	\$1.61 to \$1.65
AFFO per share	\$1.46 to \$1.50	\$1.44 to \$1.48

For the full-year 2015, the Company has increased its previously provided same-store growth guidance ranges as a result of stronger-than-expected new lease and renewal rate growth combined with stable occupancy and lower turnover:

	<u>Revised</u>	<u>April 2015</u>
Revenue	5.00% to 5.50%	4.25% to 4.75%
Expense	2.50% to 3.00%	2.50% to 3.00%
Net operating income	5.75% to 6.75%	4.75% to 5.75%

Additional assumptions for the Company's third quarter and full-year 2015 guidance can be found on Attachment 15 of the Company's second 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. Eastern Time on July 28, 2015 to discuss second quarter results. 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 888-576-4382 for domestic and 719-325-2280 for international and provide the following conference ID number: 3327676.

A replay of the conference call will be available through August 27, 2015, by dialing 888-203-1112 for domestic and 719-457-0820 for international and entering the confirmation number, 3327676, when prompted for the passcode.

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

Full Text of the Earnings Report and Supplemental Data

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

Mail -- For those without Internet access, the second quarter 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 June 30, 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

	2Q 2015	YTD 2015
Income/(loss) from unconsolidated entities	\$ (573)	\$ 58,586
Management fee	1,003	1,984
Interest expense	7,841	15,625
Depreciation	10,017	19,867
General and administrative	351	533
Other income/expense	(922)	(1,851)
Gain on sale	-	(59,073)
Total Joint Venture NOI at UDR's Pro-Rata Ownership Interest	\$ 17,717	\$ 35,671

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

	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014
Net income/(loss) attributable to UDR, Inc.	\$ 86,855	\$ 73,822	\$ 65,417	\$ 40,549	\$ 30,007
Property management	5,851	5,694	5,668	5,598	5,527
Other operating expenses	1,769	1,766	2,174	2,009	2,162
Real estate depreciation and amortization	90,344	88,777	91,406	89,339	88,876
Interest expense	29,673	28,800	32,792	33,087	31,691
Casualty-related (recoveries)/charges, net	843	996	41	-	-
General and administrative	13,721	12,152	11,722	11,554	12,530
Tax provision/(benefit), net (includes valuation adjustment)	(1,404)	(425)	(7,087)	(2,492)	(2,190)
Income/(loss) from unconsolidated entities	573	(59,159)	2,074	939	428
Interest and other income, net	(382)	(360)	44	(9,061)	(1,426)
Joint venture management and other fees	(3,098)	(12,706)	(3,445)	(3,165)	(2,747)
Other depreciation and amortization	1,700	1,623	2,117	1,385	1,193
(Income)/loss from discontinued operations, net of tax	-	-	-	(79)	(18)
(Gain)/loss on sale of real estate owned, net of tax	(79,042)	-	(61,267)	(31,302)	(26,709)
Net income/(loss) attributable to noncontrolling interests	3,029	2,595	2,335	1,443	1,079
Total consolidated NOI	\$ 150,432	\$ 143,575	\$ 143,991	\$ 139,804	\$ 140,403

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, our expectation that we will be able to close the acquisition of the Washington, DC properties from Home Properties generally on the terms that we have disclosed and other risk factors discussed in documents filed by the Company with the Securities and Exchange Commission from time to time, including the Company's Annual Report on Form 10-K and the Company's Quarterly Reports on Form 10-Q. Actual results may differ materially from those described in the forward-looking statements. These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this press release, and the Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in the Company's expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required under the U.S. securities laws.

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

About UDR, Inc.

UDR, Inc. (NYSE:[UDR](#)), an S&P 400 company, is a leading multifamily real estate investment trust with a demonstrated performance history of delivering superior and dependable returns by successfully managing, buying, selling, developing and redeveloping attractive real estate properties in targeted U.S. markets. As of June 30, 2015, UDR owned or had an ownership position in 49,322 apartment homes including 3,222 homes under development. For 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 www.udr.com.



Attachment 1

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

In thousands, except per share amounts	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
REVENUES:				
Rental income	\$ 212,764	\$ 200,959	\$ 419,811	\$ 395,311
Joint venture management and other fees ⁽²⁾	3,098	2,747	15,804	6,434
Total revenues	215,862	203,706	435,615	401,745
OPERATING EXPENSES:				
Property operating and maintenance	37,194	36,840	74,444	73,560
Real estate taxes and insurance	25,138	23,716	51,360	49,147
Property management	5,851	5,527	11,545	10,872
Other operating expenses	1,769	2,162	3,535	4,088
Real estate depreciation and amortization	90,344	88,876	179,121	177,409
Acquisition costs	84	-	283	102
General and administrative	13,637	12,530	25,590	24,422
Casualty-related (recoveries)/charges, net	843	-	1,839	500
Other depreciation and amortization	1,700	1,193	3,323	2,273
Total operating expenses	176,560	170,844	351,040	342,373
Operating income	39,302	32,862	84,575	59,372
Income/(loss) from unconsolidated entities ^{(2) (3)}	(573)	(428)	58,586	(3,993)
Interest expense	(29,673)	(31,499)	(58,473)	(64,383)
Other debt (charges)/benefits, net	-	(192)	-	(192)
Total interest expense	(29,673)	(31,691)	(58,473)	(64,575)
Interest income and other income/(expense), net	382	1,426	742	2,841
Income/(loss) before income taxes, discontinued operations and gain/(loss) on sale of real estate	9,438	2,169	85,430	(6,355)
Tax benefit/(provision), net	1,404	2,190	1,829	5,519
Income/(loss) from continuing operations	10,842	4,359	87,259	(836)
Income/(loss) from discontinued operations, net of tax	-	18	-	(69)
Income/(loss) before gain/(loss) on sale of real estate owned	10,842	4,377	87,259	(905)
Gain/(loss) on sale of real estate owned, net of tax	79,042	26,709	79,042	51,003
Net income/(loss)	89,884	31,086	166,301	50,098
Net (income)/loss attributable to redeemable noncontrolling interests in the OP	(3,029)	(1,077)	(5,617)	(1,724)
Net (income)/loss attributable to noncontrolling interests	-	(2)	(7)	(6)
Net income/(loss) attributable to UDR, Inc.	86,855	30,007	160,677	48,368
Distributions to preferred stockholders - Series E (Convertible)	(931)	(931)	(1,862)	(1,862)
Net income/(loss) attributable to common stockholders	\$ 85,924	\$ 29,076	\$ 158,815	\$ 46,506
Income/(loss) per weighted average common share - basic:				
Income/(loss) from continuing operations attributable to common stockholders	\$0.33	\$0.12	\$0.62	\$0.19
Income/(loss) from discontinued operations attributable to common stockholders	\$0.00	\$0.00	\$0.00	\$0.00
Net income/(loss) attributable to common stockholders	\$0.33	\$0.12	\$0.62	\$0.19
Income/(loss) per weighted average common share - diluted:				
Income/(loss) from continuing operations attributable to common stockholders	\$0.33	\$0.12	\$0.61	\$0.18
Income/(loss) from discontinued operations attributable to common stockholders	\$0.00	\$0.00	\$0.00	\$0.00
Net income/(loss) attributable to common stockholders	\$0.33	\$0.12	\$0.61	\$0.18
Common distributions declared per share	\$0.2775	\$0.2600	\$0.5550	\$0.5200
Weighted average number of common shares outstanding - basic	257,849	250,255	257,344	250,216
Weighted average number of common shares outstanding - diluted	262,806	252,191	259,267	252,091

(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 \$43.5 million. The Company recorded promote and disposition fee income of approximately \$9.6 million and a gain of approximately \$59.1 million in connection with the sale.

(3) Includes \$1.5 million of acquisition-related costs related to UDR's share of the West Coast Development joint venture's transaction expenses.



Attachment 2

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

In thousands, except per share amounts	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net income/(loss) attributable to common stockholders	\$ 85,924	\$ 29,076	\$ 158,815	\$ 46,506
Real estate depreciation and amortization, including discontinued operations	90,344	88,876	179,121	177,409
Noncontrolling interests	3,029	1,079	5,624	1,730
Real estate depreciation and amortization on unconsolidated joint ventures	10,017	8,861	19,867	19,528
Net (gain)/loss on the sale of unconsolidated depreciable property ⁽³⁾	-	-	(59,073)	-
Net (gain)/loss on the sale of depreciable property, excluding TRS	(79,042)	(26,709)	(79,042)	(49,883)
Funds from operations ("FFO") attributable to common stockholders and unitholders, basic	\$ 110,272	\$ 101,183	\$ 225,312	\$ 195,290
Distributions to preferred stockholders - Series E (Convertible)	931	931	1,862	1,862
FFO attributable to common stockholders and unitholders, diluted	\$ 111,203	\$ 102,114	\$ 227,174	\$ 197,152
FFO per common share and unit, basic	\$ 0.41	\$ 0.39	\$ 0.85	\$ 0.75
FFO per common share and unit, diluted	\$ 0.41	\$ 0.39	\$ 0.84	\$ 0.75
Weighted average number of common shares and OP Units outstanding - basic	266,974	259,571	266,489	259,533
Weighted average number of common shares, OP Units, and common stock equivalents outstanding - diluted	271,931	264,543	271,448	264,444
Impact of adjustments to FFO:				
Acquisition-related costs/(fees), including joint ventures ⁽²⁾	\$ 1,544	\$ -	\$ 1,743	\$ 102
Cost/(benefit) associated with debt extinguishment and other	-	192	-	192
Texas Joint Venture promote and disposition fee income ⁽³⁾	-	-	(9,633)	-
Long-term incentive plan transition costs	1,008	-	1,862	-
(Gain)/loss on sale of land	-	-	-	(1,120)
Casualty-related (recoveries)/charges, net	843	-	1,839	500
	\$ 3,395	\$ 192	\$ (4,189)	\$ (326)
FFO as Adjusted attributable to common stockholders and unitholders, diluted	\$ 114,598	\$ 102,306	\$ 222,985	\$ 196,826
FFO as Adjusted per common share and unit, diluted	\$ 0.42	\$ 0.39	\$ 0.82	\$ 0.74
Recurring capital expenditures	(10,111)	(11,096)	(17,354)	(17,697)
AFFO attributable to common stockholders and unitholders	\$ 104,487	\$ 91,210	\$ 205,631	\$ 179,129
AFFO per common share and unit, diluted	\$ 0.38	\$ 0.34	\$ 0.76	\$ 0.68

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

(2) 2Q15 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.

(3) The Company recorded promote and disposition fee income of approximately \$9.6 million and a gain of approximately \$59.1 million in connection with the sale of eight communities held by the Texas Joint Venture in 1Q15.



Attachment 3

UDR, Inc. Consolidated Balance Sheets

In thousands, except share and per share amounts	June 30, 2015 (unaudited)	December 31, 2014 (audited)
ASSETS		
Real estate owned:		
Real estate held for investment	\$ 8,332,634	\$ 8,205,627
Less: accumulated depreciation	(2,557,949)	(2,434,772)
Real estate held for investment, net	5,774,685	5,770,855
Real estate under development (net of accumulated depreciation of \$0 and \$0)	92,645	177,632
Total real estate owned, net of accumulated depreciation	5,867,330	5,948,487
Cash and cash equivalents	2,990	15,224
Restricted cash	22,912	22,340
Deferred financing costs, net	19,930	22,686
Notes receivable, net	15,494	14,369
Investment in and advances to unconsolidated joint ventures, net	914,815	718,226
Other assets	96,259	105,202
Total assets	\$ 6,939,730	\$ 6,846,534
LIABILITIES AND EQUITY		
Liabilities:		
Secured debt	\$ 1,350,439	\$ 1,361,529
Unsecured debt	2,213,964	2,221,576
Real estate taxes payable	18,263	15,978
Accrued interest payable	27,735	34,215
Security deposits and prepaid rent	33,366	34,064
Distributions payable	75,129	69,460
Accounts payable, accrued expenses, and other liabilities	72,054	91,282
Total liabilities	3,790,950	3,828,104
Redeemable noncontrolling interests in the OP	290,278	282,480
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, 2014)	46,571	46,571
Common stock, \$0.01 par value; 350,000,000 shares authorized 259,091,257 shares issued and outstanding (255,114,603 shares at December 31, 2014)	2,591	2,551
Additional paid-in capital	4,342,829	4,223,747
Distributions in excess of net income	(1,525,159)	(1,528,917)
Accumulated other comprehensive income/(loss), net	(9,190)	(8,855)
Total stockholders' equity	2,857,642	2,735,097
Noncontrolling interests	860	853
Total equity	2,858,502	2,735,950
Total liabilities and equity	\$ 6,939,730	\$ 6,846,534



Attachment 4(C)

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

	Quarter Ended June 30, 2015
Coverage Ratios	
Net income/(loss) attributable to UDR, Inc.	\$ 86,855
Adjustments (includes continuing and discontinued operations):	
Interest expense	29,673
Real estate depreciation and amortization	90,344
Real estate depreciation and amortization on unconsolidated joint ventures	10,017
Other depreciation and amortization	1,700
Noncontrolling interests	3,029
Income tax expense/(benefit)	(1,404)
EBITDA	<u>\$ 220,214</u>
(Gain)/loss on sale of real estate owned, net of tax	(79,042)
Long-term incentive plan transition costs	1,008
Acquisition-related costs/(fees), including joint ventures	1,544
Casualty-related (recoveries)/charges, net	843
EBITDA - adjusted for non-recurring items	<u>\$ 144,567</u>
Annualized EBITDA - adjusted for non-recurring items	<u>\$ 578,268</u>
Interest expense	\$ 29,673
Capitalized interest expense	3,775
Total interest	<u>\$ 33,448</u>
Preferred dividends	\$ 931
Total debt	\$ 3,564,403
Cash	2,990
Net debt	<u>\$ 3,561,413</u>
Interest Coverage Ratio	<u>6.58x</u>
Fixed Charge Coverage Ratio	<u>6.41x</u>
Interest Coverage Ratio - adjusted for non-recurring items	<u>4.32x</u>
Fixed Charge Coverage Ratio - adjusted for non-recurring items	<u>4.21x</u>
Net Debt-to-EBITDA, adjusted for non-recurring items	<u>6.2x</u>

Debt Covenant Overview

Unsecured Line of Credit Covenants ⁽²⁾	Required	Actual	Compliance
Maximum Leverage Ratio	≤60.0%	37.4%	Yes
Minimum Fixed Charge Coverage Ratio	≥1.5	3.4	Yes
Maximum Secured Debt Ratio	≤40.0%	18.2%	Yes
Minimum Unencumbered Pool Leverage Ratio	≥150.0%	325.3%	Yes
Senior Unsecured Note Covenants ⁽³⁾	Required	Actual	Compliance
Debt as a percentage of Total Assets	≤60.0%	37.6%	Yes
Consolidated Income Available for Debt Service to Annual Service Charge	≥1.5	4.3	Yes
Secured Debt as a percentage of Total Assets	≤40.0%	14.2%	Yes
Total Unencumbered Assets to Unsecured Debt	≥150.0%	283.8%	Yes
Securities Ratings	Debt	Preferred	Outlook
Moody's Investors Service	Baa1	Baa2	Stable
Standard & Poor's	BBB+ ⁽⁴⁾	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.

(4) Received a senior unsecured credit upgrade from Standard & Poor's to BBB+ in June 2015.



Attachment 16(D)

UDR, Inc. Definitions and Reconciliations June 30, 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 2015 and third quarter of 2015 to forecasted FFO, FFO as Adjusted and AFFO per share and unit:

	Full Year 2015	
	Low	High
Forecasted earnings per diluted share	\$ 0.79	\$ 0.83
Conversion from GAAP share count	(0.10)	(0.10)
Net (gain)/loss on the sale of depreciable property, excluding TRS	(0.50)	(0.50)
Depreciation	1.46	1.46
Noncontrolling Interests	(0.02)	(0.02)
Preferred Dividends	0.01	0.01
Forecasted FFO per diluted share and unit	\$ 1.64	\$ 1.68
Disposition-related FFO	(0.03)	(0.03)
Long-term incentive plan transition costs	0.01	0.01
Acquisition-related and other costs	0.01	0.01
Forecasted FFO as Adjusted per diluted share and unit	\$ 1.63	\$ 1.67
Recurring capital expenditures	(0.17)	(0.17)
Forecasted AFFO per diluted share and unit	\$ 1.46	\$ 1.50

	3Q 2015	
	Low	High
Forecasted earnings per diluted share	\$ 0.05	\$ 0.07
Conversion from GAAP share count	(0.03)	(0.03)
Depreciation	0.37	0.37
Noncontrolling Interests	-	-
Preferred Dividends	-	-
Forecasted FFO per diluted share and unit	\$ 0.39	\$ 0.41
Disposition-related FFO	-	-
Long-term incentive plan transition costs	-	-
Acquisition-related and other costs	-	-
Forecasted FFO as Adjusted per diluted share and unit	\$ 0.39	\$ 0.41
Recurring capital expenditures	(0.05)	(0.05)
Forecasted AFFO per diluted share and unit	\$ 0.34	\$ 0.36