

(In thousands, except per share amounts)

(Unaudited)

Net Operating Income (NOI)

NOI is defined by the Company as total property income less property operating and maintenance expenses less real estate taxes. The Company considers NOI to be an appropriate supplemental measure of operating performance to net income attributable to common shareholders because it reflects the operating performance of our communities without allocation of corporate level property management overhead or general and administrative costs. A reconciliation of net income attributable to common shareholders to net operating income is provided below:

	<u>Three months ended March 31,</u>	
	<u>2016</u>	<u>2015</u>
Net income	\$42,940	\$121,065
Less: Fee and asset management	(1,765)	(1,563)
Less: Interest and other income	(224)	(60)
Less: Income on deferred compensation plans	(63)	(1,864)
Plus: Property management	7,140	5,792
Plus: Fee and asset management	952	1,076
Plus: General and administrative	12,223	9,748
Plus: Interest	23,790	25,052
Plus: Depreciation and amortization	62,091	57,984
Plus: Expense on deferred compensation plans	63	1,864
Less: Gain on sale of operating properties, including land	(443)	(85,192)
Less: Equity in income of joint ventures	(1,497)	(1,382)
Plus: Income tax expense	315	429
Less: Income from discontinued operations	(5,076)	(4,869)
Net Operating Income (NOI)	<u>\$140,446</u>	<u>\$128,080</u>
"Same Property" Communities	\$124,968	\$117,511
Non-"Same Property" Communities	11,899	8,470
Development and Lease-Up Communities	2,734	343
Dispositions/Other	845	1,756
Net Operating Income (NOI)	<u>\$140,446</u>	<u>\$128,080</u>

EBITDA

EBITDA is defined by the Company as earnings before interest, taxes, depreciation and amortization, including net operating income from discontinued operations, excluding equity in (income) loss of joint ventures, (gain) loss on sale of unconsolidated joint venture interests, gain on acquisition of controlling interest in joint ventures, gain on sale of operating properties including land, net of tax, and income (loss) allocated to non-controlling interests. The Company considers EBITDA to be an appropriate supplemental measure of operating performance to net income attributable to common shareholders because it represents income before non-cash depreciation and the cost of debt, and excludes gains or losses from property dispositions. A reconciliation of net income attributable to common shareholders to EBITDA is provided below:

	<u>Three months ended March 31,</u>	
	<u>2016</u>	<u>2015</u>
Net income attributable to common shareholders	\$41,730	\$115,599
Plus: Interest	23,790	25,052
Plus: Depreciation and amortization	62,091	57,984
Plus: Income allocated to non-controlling interests from continuing operations	1,210	5,466
Plus: Income tax expense	315	429
Plus: Real estate depreciation from discontinued operations	4,327	3,904
Less: Gain on sale of operating properties, including land	(443)	(85,192)
Less: Equity in income of joint ventures	(1,497)	(1,382)
EBITDA	<u>\$131,523</u>	<u>\$121,860</u>