



CAMDEN PROPERTY TRUST ANNOUNCES SECOND QUARTER 2014 OPERATING RESULTS

Houston, TEXAS (July 31, 2014) - Camden Property Trust (NYSE: CPT) today announced operating results for the three and six months ended June 30, 2014.

Funds from Operations (“FFO”)

FFO for the second quarter of 2014 totaled \$1.05 per diluted share or \$94.2 million, as compared to \$1.02 per diluted share or \$91.4 million for the same period in 2013. FFO for the three months ended June 30, 2014 included a \$0.3 million net gain related to land holdings: we recognized a gain of \$1.4 million for the sale of undeveloped land adjacent to an operating property in Dallas, TX, and recorded an impairment of \$1.2 million to the valuation of another adjacent undeveloped land parcel based upon a pending sales contract on this land parcel, which subsequently sold in July 2014. FFO for the three months ended June 30, 2013 included: a \$3.8 million or \$0.04 per diluted share impact from a promoted equity interest recognized in conjunction with the sale of joint venture properties; a \$1.0 million or \$0.01 per diluted share impact from non-recurring fee income; and a \$1.0 million or \$0.01 per diluted share charge related to executive separation costs.

FFO for the six months ended June 30, 2014 totaled \$2.10 per diluted share or \$189.0 million, as compared to \$1.99 per diluted share or \$178.1 million for the same period in 2013. FFO for the six months ended June 30, 2014 included a \$0.6 million net gain related to land holdings: we recognized a gain of \$1.8 million for the sale of two undeveloped land parcels, and recorded an impairment of \$1.2 million to the valuation of an undeveloped land parcel in Dallas, TX. FFO for the six months ended June 30, 2013 included: a \$3.8 million or \$0.04 per diluted share impact from a promoted equity interest recognized in conjunction with the sale of joint venture properties; a \$1.0 million or \$0.01 per diluted share impact from non-recurring fee income; a \$1.0 million or \$0.01 per diluted share charge related to executive separation costs; and a \$0.7 million or \$0.01 per diluted share gain on sale of undeveloped land.

Net Income Attributable to Common Shareholders (“EPS”)

The Company reported EPS of \$35.3 million or \$0.40 per diluted share for the second quarter of 2014, as compared to \$72.2 million or \$0.81 per diluted share for the same period in 2013. EPS for the three months ended June 30, 2014 included a \$0.3 million net gain related to land holdings: we recognized a gain of \$1.4 million for the sale of undeveloped land adjacent to an operating property in Dallas, TX, and recorded an impairment of \$1.2 million to the valuation of another adjacent undeveloped land parcel based upon a pending sales contract on this land parcel, which subsequently sold in July 2014. EPS for the three months ended June 30, 2013 included: a \$24.9 million or \$0.28 per diluted share gain on sale of discontinued operations; a \$13.0 million or \$0.15 per diluted share gain on sale of unconsolidated joint venture properties; a \$3.8 million or \$0.04 per diluted share impact from a promoted equity interest recognized in conjunction with the sale of joint venture properties; a \$1.0 million or \$0.01 per diluted share impact from non-recurring fee income; and a \$1.0 million or \$0.01 per diluted share charge related to executive separation costs.

For the six months ended June 30, 2014, the Company reported EPS of \$75.3 million or \$0.85 per diluted share, as compared to \$135.6 million or \$1.53 per diluted share for the same period in 2013. EPS for the six months ended June 30, 2014 included a \$3.6 million or \$0.04 per diluted share gain on sale of unconsolidated joint venture properties, a \$0.6 million net gain related to land holdings: we recognized a gain of \$1.8 million for the sale of two undeveloped land parcels, and recorded an impairment of \$1.2 million to the valuation of an undeveloped land parcel in Dallas, TX. EPS for the six months ended June 30, 2013 included: a \$56.6 million or \$0.64 per diluted share gain on sale of discontinued operations; a \$13.0 million or \$0.15 per diluted share gain on sale of

unconsolidated joint venture properties; a \$3.8 million or \$0.04 per diluted share impact from a promoted equity interest recognized in conjunction with the sale of joint venture properties; a \$1.0 million or \$0.01 per diluted share impact from non-recurring fee income; a \$1.0 million or \$0.01 per diluted share charge related to executive separation costs; and a \$0.7 million or \$0.01 per diluted share gain on sale of undeveloped land.

A reconciliation of net income attributable to common shareholders to FFO is included in the financial tables accompanying this press release.

Same Property Results

For the 47,916 apartment homes included in consolidated same property results, second quarter 2014 same property net operating income (“NOI”) increased 5.1% compared to the second quarter of 2013, with revenues increasing 4.5% and expenses increasing 3.5%. On a sequential basis, second quarter 2014 same property NOI increased 1.1% compared to the first quarter of 2014, with revenues increasing 1.6% and expenses increasing 2.5% compared to the prior quarter. On a year-to-date basis, 2014 same property NOI increased 5.7%, with revenues increasing 4.6% and expenses increasing 2.8% compared to the same period in 2013. Same property physical occupancy levels for the portfolio averaged 95.7% during the second quarter of 2014, compared to 95.6% in the first quarter of 2014 and 95.3% in the second quarter of 2013.

The Company defines same property communities as communities owned and stabilized since January 1, 2013. A reconciliation of net income to net operating income and same property net operating income is included in the financial tables accompanying this press release.

Disposition Activity

Camden sold approximately 4.7 acres of land adjacent to an operating community in Dallas, TX for \$8.3 million, recognizing a gain of \$1.4 million. The Company also recognized a \$1.2 million impairment on an adjacent 2.4 acre land parcel. The impairment charge was based upon a pending sales contract on this land parcel, which subsequently sold in July 2014.

Development Activity

Construction was completed at one wholly-owned community: Camden NoMa, a \$101 million project with 321 apartment homes in Washington, DC which is currently 75% leased. Lease-up activity is currently underway at five communities which are still under construction: Camden Flatirons, a \$78 million project with 424 apartment homes in Denver, CO which is 12% leased; Camden Lamar Heights in Austin, TX, a \$47 million project with 314 apartment homes which is 7% leased; Camden La Frontera, a \$36 million project with 300 apartment homes in Round Rock, TX which is 6% leased; Camden Foothills in Scottsdale, AZ, a \$50 million project with 220 apartment homes which is 6% leased; and Camden Paces, a \$110 million project with 379 apartment homes in Atlanta, GA which is 3% leased.

Construction continued at eight additional wholly-owned development communities: Camden Boca Raton in Boca Raton, FL, a \$54 million project with 261 apartment homes; Camden Hayden in Tempe, AZ, a \$48 million project with 234 apartment homes; Camden Glendale in Glendale, CA, a \$115 million project with 303 apartment homes; Camden Gallery in Charlotte, NC, a \$58 million project with 323 apartment homes; Camden Victory Park in Dallas, TX, an \$82 million project with 423 apartment homes; Camden Chandler in Chandler, AZ, a \$75 million project with 380 apartment homes; The Camden in Los Angeles, CA, a \$145 million project with 287 apartment homes; and Camden Miramar Phase IXB in Corpus Christi, TX, an \$8 million 75-unit expansion of an existing community.

Lease-up continued during the quarter at Camden South Capitol in Washington, DC, a \$78 million joint venture project with 276 apartment homes which is currently 95% leased; and Camden Waterford Lakes in Orlando, FL, a \$37 million joint venture project with 300 apartment homes which is currently 97% leased. Construction also continued at Camden Southline in Charlotte, NC, a \$48 million joint venture project with 266 apartment homes.

During the quarter, Camden acquired 7.6 acres of land in Montgomery County, MD for \$23.8 million for the future development of approximately 457 apartment homes.

Earnings Guidance

Camden updated its FFO earnings guidance for 2014 based on its current and expected views of the apartment market and general economic conditions. Full-year 2014 FFO is expected to be \$4.20 to \$4.30 per diluted share, and full-year 2014 EPS is expected to be \$1.57 to \$1.67 per diluted share. Third quarter 2014 earnings guidance is \$1.04 to \$1.08 per diluted share for FFO and \$0.37 to \$0.41 per diluted share for EPS. Guidance for EPS excludes future gains on real estate transactions.

The Company's 2014 earnings guidance is based on projections of same property revenue growth between 4.0% and 4.6%, expense growth between 3.4% and 4.0%, and NOI growth between 4.25% and 5.25%.

Camden intends to update its earnings guidance to the market on a quarterly basis. Additional information on the Company's 2014 financial outlook and a reconciliation of expected net income attributable to common shareholders to expected FFO are included in the financial tables accompanying this press release.

Conference Call

The Company will hold a conference call on Friday, August 1, 2014 at 11:00 a.m. Central Time to review its second quarter 2014 results and discuss its outlook for future performance. To participate in the call, please dial (888) 317-6003 (Domestic) or (412) 317-6061 (International) by 10:50 a.m. Central Time and enter passcode: 4633771, or join the live webcast of the conference call by accessing the Investor Relations section of the Company's website at camdenliving.com. Supplemental financial information is available in the Investor Relations section of the Company's website under Earnings Releases or by calling Camden's Investor Relations Department at (800) 922-6336.

Forward-Looking Statements

In addition to historical information, this press release contains forward-looking statements under the federal securities law. These statements are based on current expectations, estimates and projections about the industry and markets in which Camden operates, management's beliefs, and assumptions made by management. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties which are difficult to predict. Factors which may cause the Company's actual results or performance to differ materially from those contemplated by forward-looking statements are described under the heading "Risk Factors" in Camden's Annual Report on Form 10-K and in other filings with the Securities and Exchange Commission (SEC). Forward-looking statements made in today's press release represent management's current opinions, and the Company assumes no obligation to update or supplement these statements because of subsequent events.

About Camden

Camden Property Trust, an S&P 400 Company, is a real estate company engaged in the ownership, management, development, redevelopment, acquisition, and construction of multifamily apartment communities. Camden owns interests in and operates 170 properties containing 59,963 apartment homes across the United States. Upon completion of 13 properties under development and the expansion of an existing community, the Company's portfolio will increase to 64,152 apartment homes in 183 properties. Camden was recently named by FORTUNE® Magazine for the seventh consecutive year as one of the "100 Best Companies to Work For" in America, ranking #11.

For additional information, please contact Camden's Investor Relations Department at (800) 922-6336 or (713) 354-2787 or access our website at camdenliving.com.

CAMDEN

OPERATING RESULTS

(In thousands, except per share and property data amounts)

(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|-----------------|---------------------------|------------------|
| | 2014 | 2013 | 2014 | 2013 |
| OPERATING DATA | | | | |
| Property revenues | | | | |
| Rental revenues | \$180,438 | \$168,634 | \$359,402 | \$333,027 |
| Other property revenues | 28,054 | 26,349 | 55,019 | 51,767 |
| Total property revenues | 208,492 | 194,983 | 414,421 | 384,794 |
| Property expenses | | | | |
| Property operating and maintenance | 52,264 | 49,787 | 103,011 | 98,050 |
| Real estate taxes | 23,616 | 21,810 | 47,193 | 42,993 |
| Total property expenses | 75,880 | 71,597 | 150,204 | 141,043 |
| Non-property income | | | | |
| Fee and asset management | 2,147 | 2,827 | 5,170 | 5,721 |
| Interest and other income | 44 | 1,038 | 332 | 1,090 |
| Income (loss) on deferred compensation plans | 2,018 | (102) | 2,699 | 2,897 |
| Total non-property income | 4,209 | 3,763 | 8,201 | 9,708 |
| Other expenses | | | | |
| Property management | 5,853 | 5,242 | 11,692 | 11,225 |
| Fee and asset management | 1,247 | 1,486 | 2,506 | 2,963 |
| General and administrative | 10,534 | 11,590 | 20,079 | 21,384 |
| Interest | 22,746 | 24,797 | 45,879 | 49,692 |
| Depreciation and amortization | 57,953 | 52,629 | 115,349 | 104,232 |
| Amortization of deferred financing costs | 816 | 898 | 1,657 | 1,814 |
| Expense (benefit) on deferred compensation plans | 2,018 | (102) | 2,699 | 2,897 |
| Total other expenses | 101,167 | 96,540 | 199,861 | 194,207 |
| Gain on sale of land | 1,447 | — | 1,801 | 698 |
| Impairment associated with land holdings | (1,152) | — | (1,152) | — |
| Equity in income of joint ventures | 736 | 17,798 | 5,026 | 18,732 |
| Income from continuing operations before income taxes | 36,685 | 48,407 | 78,232 | 78,682 |
| Income tax expense | (401) | (468) | (875) | (867) |
| Income from continuing operations | 36,284 | 47,939 | 77,357 | 77,815 |
| Income from discontinued operations | — | 2,132 | — | 4,906 |
| Gain on sale of discontinued operations, net of tax | — | 24,866 | — | 56,649 |
| Net income | 36,284 | 74,937 | 77,357 | 139,370 |
| Less income allocated to non-controlling interests from continuing operations | (1,012) | (1,001) | (2,049) | (1,865) |
| Less income, including gain on sale, allocated to non-controlling interests from discontinued operations | — | (1,764) | — | (1,857) |
| Net income attributable to common shareholders | \$35,272 | \$72,172 | \$75,308 | \$135,648 |
| CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME | | | | |
| Net income | \$36,284 | \$74,937 | \$77,357 | \$139,370 |
| Other comprehensive income | | | | |
| Reclassification of prior service cost and net loss on post retirement obligations | 14 | 13 | 29 | 27 |
| Comprehensive income | 36,298 | 74,950 | 77,386 | 139,397 |
| Less income allocated to non-controlling interests from continuing operations | (1,012) | (1,001) | (2,049) | (1,865) |
| Less income, including gain on sale, allocated to non-controlling interests from discontinued operations | — | (1,764) | — | (1,857) |
| Comprehensive income attributable to common shareholders | \$35,286 | \$72,185 | \$75,337 | \$135,675 |
| PER SHARE DATA | | | | |
| Total earnings per common share -- basic | \$0.40 | \$0.82 | \$0.85 | \$1.54 |
| Total earnings per common share -- diluted | 0.40 | 0.81 | 0.85 | 1.53 |
| Earnings per common share from continuing operations -- basic | 0.40 | 0.53 | 0.85 | 0.86 |
| Earnings per common share from continuing operations -- diluted | 0.40 | 0.53 | 0.85 | 0.85 |
| Weighted average number of common shares outstanding: | | | | |
| Basic | 87,845 | 87,191 | 87,748 | 86,949 |
| Diluted | 88,972 | 88,472 | 88,899 | 88,283 |

Note: Please refer to the following pages for definitions and reconciliations of all non-GAAP financial measures presented in this document.

CAMDEN

FUNDS FROM OPERATIONS

(In thousands, except per share and property data amounts)

(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|-----------------|---------------------------|------------------|
| | 2014 | 2013 | 2014 | 2013 |
| FUNDS FROM OPERATIONS | | | | |
| Net income attributable to common shareholders | \$35,272 | \$72,172 | \$75,308 | \$135,648 |
| Real estate depreciation from continuing operations | 56,556 | 51,408 | 112,567 | 101,914 |
| Real estate depreciation from discontinued operations | — | 1,686 | — | 3,553 |
| Adjustments for unconsolidated joint ventures | 1,326 | 1,313 | 2,640 | 2,921 |
| Income allocated to units convertible into common shares | 1,012 | 2,765 | 2,049 | 3,722 |
| Gain on sale of unconsolidated joint venture property | — | (13,032) | (3,566) | (13,032) |
| Gain on sale of discontinued operations | — | (24,866) | — | (56,649) |
| Funds from operations - diluted | \$94,166 | \$91,446 | \$188,998 | \$178,077 |
| PER SHARE DATA | | | | |
| Funds from operations - diluted | \$1.05 | \$1.02 | \$2.10 | \$1.99 |
| Distributions declared per common share | 0.66 | 0.63 | 1.32 | 1.26 |
| Weighted average number of common shares outstanding: | | | | |
| FFO - diluted | 90,058 | 89,558 | 89,985 | 89,369 |
| PROPERTY DATA | | | | |
| Total operating properties (end of period) ^(a) | 170 | 179 | 170 | 179 |
| Total operating apartment homes in operating properties (end of period) ^(a) | 59,963 | 62,021 | 59,963 | 62,021 |
| Total operating apartment homes (weighted average) | 52,709 | 54,186 | 52,684 | 54,249 |
| Total operating apartment homes - excluding discontinued operations (weighted average) | 52,709 | 51,500 | 52,684 | 51,259 |

(a) Includes joint ventures and properties held for sale.

Note: Please refer to the following pages for definitions and reconciliations of all non-GAAP financial measures presented in this document.

CAMDEN

BALANCE SHEET

(In thousands)

(Unaudited)

| | Jun 30, 2014 | Mar 31, 2014 | Dec 31, 2013 | Sep 30, 2013 | Jun 30, 2013 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| ASSETS | | | | | |
| Real estate assets, at cost | | | | | |
| Land | \$985,444 | \$978,770 | \$969,711 | \$967,121 | \$965,257 |
| Buildings and improvements | 5,762,428 | 5,691,619 | 5,629,904 | 5,596,754 | 5,552,095 |
| | 6,747,872 | 6,670,389 | 6,599,615 | 6,563,875 | 6,517,352 |
| Accumulated depreciation | (1,755,086) | (1,698,724) | (1,643,713) | (1,619,325) | (1,604,402) |
| Net operating real estate assets | 4,992,786 | 4,971,665 | 4,955,902 | 4,944,550 | 4,912,950 |
| Properties under development, including land | 599,139 | 515,141 | 472,566 | 438,968 | 393,694 |
| Investments in joint ventures | 36,167 | 36,719 | 42,155 | 43,338 | 44,630 |
| Properties held for sale | — | — | — | 58,765 | — |
| Total real estate assets | 5,628,092 | 5,523,525 | 5,470,623 | 5,485,621 | 5,351,274 |
| Accounts receivable – affiliates | 26,501 | 26,145 | 27,724 | 27,474 | 27,274 |
| Other assets, net ^(a) | 114,002 | 107,862 | 109,401 | 112,520 | 94,847 |
| Cash and cash equivalents | 16,069 | 16,768 | 17,794 | 4,707 | 6,506 |
| Restricted cash | 5,424 | 5,549 | 6,599 | 60,889 | 6,381 |
| Total assets | \$5,790,088 | \$5,679,849 | \$5,632,141 | \$5,691,211 | \$5,486,282 |
| LIABILITIES AND EQUITY | | | | | |
| Liabilities | | | | | |
| Notes payable | | | | | |
| Unsecured | \$1,769,287 | \$1,649,041 | \$1,588,798 | \$1,721,998 | \$1,579,733 |
| Secured | 930,952 | 940,881 | 941,968 | 943,039 | 944,090 |
| Accounts payable and accrued expenses | 122,307 | 124,981 | 113,307 | 124,336 | 100,279 |
| Accrued real estate taxes | 40,232 | 21,922 | 35,648 | 50,247 | 36,863 |
| Distributions payable | 59,770 | 59,728 | 56,787 | 56,793 | 56,821 |
| Other liabilities ^(b) | 90,944 | 88,693 | 88,272 | 69,716 | 63,366 |
| Total liabilities | 3,013,492 | 2,885,246 | 2,824,780 | 2,966,129 | 2,781,152 |
| Commitments and contingencies | | | | | |
| Non-qualified deferred compensation share awards | 61,727 | 55,498 | 47,180 | 47,092 | — |
| Equity | | | | | |
| Common shares of beneficial interest | 967 | 966 | 967 | 967 | 967 |
| Additional paid-in capital | 3,595,315 | 3,593,633 | 3,596,069 | 3,595,536 | 3,625,283 |
| Distributions in excess of net income attributable to common shareholders | (550,050) | (523,321) | (494,167) | (571,935) | (574,286) |
| Treasury shares, at cost | (398,474) | (399,510) | (410,227) | (410,309) | (410,665) |
| Accumulated other comprehensive loss ^(c) | (1,077) | (1,091) | (1,106) | (1,021) | (1,035) |
| Total common equity | 2,646,681 | 2,670,677 | 2,691,536 | 2,613,238 | 2,640,264 |
| Non-controlling interests | 68,188 | 68,428 | 68,645 | 64,752 | 64,866 |
| Total equity | 2,714,869 | 2,739,105 | 2,760,181 | 2,677,990 | 2,705,130 |
| Total liabilities and equity | \$5,790,088 | \$5,679,849 | \$5,632,141 | \$5,691,211 | \$5,486,282 |

(a) Includes:

net deferred charges of: \$12,747 \$13,615 \$14,497 \$13,243 \$14,008

(b) Includes:

deferred revenues of: \$1,070 \$1,786 \$1,886 \$1,979 \$1,336

(c) Represents the unrealized loss and unamortized prior service costs on post retirement obligations.

(In thousands, except per share amounts)

(Unaudited)

This document contains certain non-GAAP financial measures management believes are useful in evaluating an equity REIT's performance. Camden's definitions and calculations of non-GAAP financial measures may differ from those used by other REITs, and thus may not be comparable. The non-GAAP financial measures should not be considered as an alternative to net income as an indication of our operating performance, or to net cash provided by operating activities as a measure of our liquidity.

FFO

The National Association of Real Estate Investment Trusts ("NAREIT") currently defines FFO as net income attributable to common shareholders computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains or losses from depreciable operating property sales, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Camden's definition of diluted FFO also assumes conversion of all dilutive convertible securities, including non-controlling interests, which are convertible into common shares. The Company considers FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses on dispositions of operating properties and excluding depreciation, FFO can help one compare the operating performance of a company's real estate investments between periods or as compared to different companies. A reconciliation of net income attributable to common shareholders to FFO is provided below:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|-----------------|---------------------------|------------------|
| | 2014 | 2013 | 2014 | 2013 |
| Net income attributable to common shareholders | \$35,272 | \$72,172 | \$75,308 | \$135,648 |
| Real estate depreciation from continuing operations | 56,556 | 51,408 | 112,567 | 101,914 |
| Real estate depreciation from discontinued operations | — | 1,686 | — | 3,553 |
| Adjustments for unconsolidated joint ventures | 1,326 | 1,313 | 2,640 | 2,921 |
| Income allocated to units convertible into common shares | 1,012 | 2,765 | 2,049 | 3,722 |
| Gain on sale of unconsolidated joint venture property | — | (13,032) | (3,566) | (13,032) |
| Gain on sale of discontinued operations | — | (24,866) | — | (56,649) |
| Funds from operations - diluted | <u>\$94,166</u> | <u>\$91,446</u> | <u>\$188,998</u> | <u>\$178,077</u> |
| Weighted average number of common shares outstanding: | | | | |
| EPS diluted | 88,972 | 88,472 | 88,899 | 88,283 |
| FFO diluted | 90,058 | 89,558 | 89,985 | 89,369 |
| Total earnings per common share -- diluted | \$0.40 | \$0.81 | \$0.85 | \$1.53 |
| FFO per common share - diluted | \$1.05 | \$1.02 | \$2.10 | \$1.99 |

Expected FFO

Expected FFO is calculated in a method consistent with historical FFO, and is considered an appropriate supplemental measure of expected operating performance when compared to expected earnings per common share (EPS). A reconciliation of the ranges provided for diluted EPS to expected FFO per diluted share is provided below:

| | 3Q14 Range | | 2014 Range | |
|---|---------------|---------------|---------------|---------------|
| | Low | High | Low | High |
| Expected earnings per common share - diluted | \$0.37 | \$0.41 | \$1.57 | \$1.67 |
| Expected real estate depreciation | 0.65 | 0.65 | 2.56 | 2.56 |
| Expected adjustments for unconsolidated joint ventures | 0.01 | 0.01 | 0.06 | 0.06 |
| Expected income allocated to non-controlling interests | 0.01 | 0.01 | 0.05 | 0.05 |
| (Gain) on sale of unconsolidated joint venture property | — | — | (0.04) | (0.04) |
| Expected FFO per share - diluted | <u>\$1.04</u> | <u>\$1.08</u> | <u>\$4.20</u> | <u>\$4.30</u> |

Note: This table contains forward-looking statements. Please see the paragraph regarding forward-looking statements earlier in this document.

(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:

| | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|-----------|---------------------------|-----------|
| | 2014 | 2013 | 2014 | 2013 |
| Net income attributable to common shareholders | \$35,272 | \$72,172 | \$75,308 | \$135,648 |
| Less: Fee and asset management | (2,147) | (2,827) | (5,170) | (5,721) |
| Less: Interest and other income (loss) | (44) | (1,038) | (332) | (1,090) |
| Less: Income (loss) on deferred compensation plans | (2,018) | 102 | (2,699) | (2,897) |
| Plus: Property management | 5,853 | 5,242 | 11,692 | 11,225 |
| Plus: Fee and asset management | 1,247 | 1,486 | 2,506 | 2,963 |
| Plus: General and administrative | 10,534 | 11,590 | 20,079 | 21,384 |
| Plus: Interest | 22,746 | 24,797 | 45,879 | 49,692 |
| Plus: Depreciation and amortization | 57,953 | 52,629 | 115,349 | 104,232 |
| Plus: Amortization of deferred financing costs | 816 | 898 | 1,657 | 1,814 |
| Plus: Expense (benefit) on deferred compensation plans | 2,018 | (102) | 2,699 | 2,897 |
| Less: Gain on sale of land | (1,447) | — | (1,801) | (698) |
| Less: Impairment associated with land holdings | 1,152 | — | 1,152 | — |
| Less: Equity in income of joint ventures | (736) | (17,798) | (5,026) | (18,732) |
| Plus: Income tax expense | 401 | 468 | 875 | 867 |
| Less: Income from discontinued operations | — | (2,132) | — | (4,906) |
| Less: Gain on sale of discontinued operations, net of tax | — | (24,866) | — | (56,649) |
| Plus: Income allocated to non-controlling interests from continuing operations | 1,012 | 1,001 | 2,049 | 1,865 |
| Plus: Income, including gain on sale, allocated to non-controlling interests from discontinued operations | — | 1,764 | — | 1,857 |
| Net Operating Income (NOI) | \$132,612 | \$123,386 | \$264,217 | \$243,751 |
| "Same Property" Communities | \$119,976 | \$114,141 | \$238,619 | \$225,787 |
| Non-"Same Property" Communities | 11,939 | 8,388 | 24,252 | 16,312 |
| Development and Lease-Up Communities | 188 | — | 183 | — |
| Other | 509 | 857 | 1,163 | 1,652 |
| Net Operating Income (NOI) | \$132,612 | \$123,386 | \$264,217 | \$243,751 |

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 discontinued operations, 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:

| | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|-----------|---------------------------|-----------|
| | 2014 | 2013 | 2014 | 2013 |
| Net income attributable to common shareholders | \$35,272 | \$72,172 | \$75,308 | \$135,648 |
| Plus: Interest | 22,746 | 24,797 | 45,879 | 49,692 |
| Plus: Amortization of deferred financing costs | 816 | 898 | 1,657 | 1,814 |
| Plus: Depreciation and amortization | 57,953 | 52,629 | 115,349 | 104,232 |
| Plus: Income allocated to non-controlling interests from continuing operations | 1,012 | 1,001 | 2,049 | 1,865 |
| Plus: Income, including gain on sale, allocated to non-controlling interests from discontinued operations | — | 1,764 | — | 1,857 |
| Plus: Income tax expense | 401 | 468 | 875 | 867 |
| Plus: Real estate depreciation from discontinued operations | — | 1,686 | — | 3,553 |
| Less: Gain on sale of land | (1,447) | — | (1,801) | (698) |
| Less: Impairment associated with land holdings | 1,152 | — | 1,152 | — |
| Less: Equity in income of joint ventures | (736) | (17,798) | (5,026) | (18,732) |
| Less: Gain on sale of discontinued operations, net of tax | — | (24,866) | — | (56,649) |
| EBITDA | \$117,169 | \$112,751 | \$235,442 | \$223,449 |