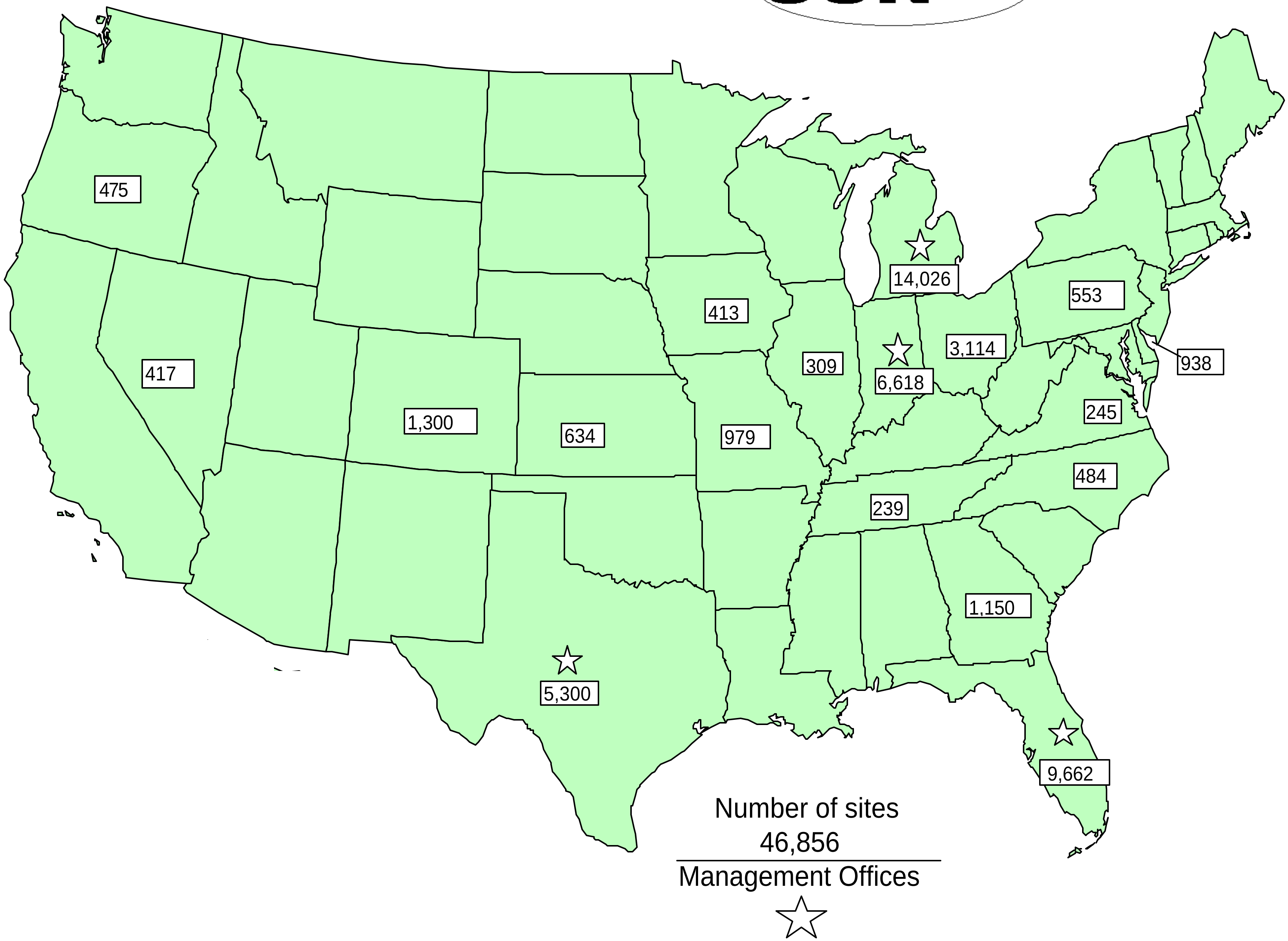
Sun Communities, Inc.

Supplemental Operating and Financial Data

For the Quarter Ended December 31, 2004

SUN

Portfolio Overview



SUN COMMUNITIES, INC.
SUPPLEMENTAL INFORMATION
4th QUARTER 2004

INDEX

(A) The statements of operations provided in this supplemental information package presents funds from operations, net operating income, EBITDA and funds available for distribution which are REIT industry financial measures that are not calculated in accordance with generally accepted accounting principles ("GAAP"). Please see footnote (1) for a definition of these supplemental performance measures.

FOR FURTHER INFORMATION:

AT THE COMPANY:
Jeffrey P. Jorissen
Chief Financial Officer
(248) 208-2500

FOR IMMEDIATE RELEASE

SUN COMMUNITIES, INC. REPORTS 2004 RESULTS

Southfield, MI, February 24, 2005 - Sun Communities, Inc. (NYSE: SUI), a real estate investment trust (REIT) that owns and operates manufactured housing communities, today reported fourth quarter and year ended December 31, 2004 results.

Income from rental property increased 5.5 percent to $167.8 million for the year ended December 31, 2004 from $159.1 million for the year ended December 31, 2003. Net loss for the year ended December 31, 2004 was $(40.5) million or $(2.21) per common share compared to net income of $23.7 million or $1.29 per diluted common share during 2003. Funds from operations (FFO)[1] was $(3.3) million, or $(0.16) per share/OP Unit for the year ended December 31, 2004; a decrease from FFO of $65.5 million, or $3.14 per diluted share/OP Unit for the year ended December 31, 2003. The decreases in net income and FFO are due largely to charges of $51.6 million for prepayment costs, fees and related expenses and $5.6 million of deferred financing costs associated with the repurchase of $345 million of unsecured debt in the second quarter of 2004 and the associated recapitalization of the Company. Excluding these costs, FFO for 2004 would have been $53.9 million or $2.57 per diluted share/OP unit and net income would have been $16.7 million or $0.91 cents per diluted common share.

During the fourth quarter ended December 31, 2004, income from rental property increased 9.6 percent to $43.5 million, compared with $39.7 million in the fourth quarter of 2003. Income from continuing operations for the fourth quarter of 2004 was $1.3 million or $0.07 per diluted common share, compared with loss of $(2.6) million, or $(0.14) per diluted common share for the same period in 2003. Funds from continuing operations decreased from $11.7 million, or $0.55 per diluted share/OP Unit in the fourth quarter 2003 to $10.3 million, or $0.50 per diluted share/OP Unit in the fourth quarter 2004.

For 108 communities owned throughout both years, total revenues increased 4.0 percent for the year ended December 31, 2004 and expenses increased 3.4 percent, resulting in an increase in net operating income(2) of 4.25 percent. Same property occupancy in the manufactured housing sites decreased from 88.4 percent at September 30, 2004 to 87.4 percent at December 31, 2004.

As previously noted the Company completed a significant restructuring of its capital and operating debt during 2004. Secured debt financings of $734 million with average terms approximating 10 years and weighted average interest rates of approximately 5.0% were concluded, as well as the successful negotiation of a new $115 million revolving line of credit at LIBOR + 1.75%. Proceeds from the secured financings were used to retire existing debt, acquire communities, and repurchase the Company's stock. The Company has also provided the required notice to retire $50 million of 8.875% perpetual preferred partnership units during the first quarter of 2005 and is authorized to repurchase up to 1 million additional shares of its stock.

During 2004 the Company acquired nine manufactured housing communities comprising approximately 2950 developed and 570 undeveloped sites. The aggregate purchase price was $120.4 million and included the assumption of approximately $34.3 million in debt. Three of the communities are in northeast Atlanta, four are located in Michigan and the remaining properties are located in Colorado and Texas.

"While we looked for a year of industry transition, manufactured housing conditions never reversed, but did seem to stabilize during 2004. Home shipments, repossessions, finance company recoveries and delinquencies ended the year at similar or slightly improved levels over 2003. The first half of the year reflected strongly improving occupancy statistics in the Company's portfolio, the second half suffered from another surge of repossessed homes, depressing overall occupancy. Performance of the same site portfolio was one bright spot in an otherwise difficult manufactured home environment." said Gary A. Shiffman, Chief Executive Officer.

"This past year marks many significant accomplishments that position the Company to regain positive year over year FFO growth. Putting both the refinancing and implementation of an entirely new software system in both accounting and operations behind us, management is focused on its leasing and sales efforts, as well as acquisition opportunities. While it remains early, the overall portfolio has had a net gain of 61 sites so far this year." Shiffman added.

Through February 19, 2005, the Company has added 61 net leased sites which represents five weeks of positive performance after losses of 42 net sites in the first two weeks of the year. This leasing rate, if maintained, will result in 445 net leased sites which is the plan for 2005. For the first fifty days of the year, the Company has averaged leasing gains and losses of 7.8 and 6.6 per day, respectively.

The Company stands by its previously issued earnings guidance.

A conference call to discuss fourth quarter and year-end operating results will be held on February 24, 2005, at 11:00 A.M. EST. To participate, call toll-free 877-407-9039. Callers outside the U.S. or Canada can access the call at 201-689-8359. A replay will be available following the call through March 10, 2005, and can be accessed by dialing 877-660-6853 from the U.S. or 201-612-7415 outside the U.S. or Canada. The account number for the replay is 3055 and the ID number is 135176. The conference call will be available live on Sun Communities website www.suncommunities.com. Replay will also be available on the website.

Sun Communities currently owns and operates a portfolio of 136 communities mainly in the Midwest and Southeast United States. The Company's properties are comprised of over 46,800 developed sites and approximately 7,300 additional sites available for development.

(1) Funds from operations ("FFO") is defined by the National Association of Real Estate Investment Trusts ("NAREIT") as net income (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from sales of depreciable operating property, plus real estate-related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO is a non-GAAP financial measure that management believes is a useful supplemental measure of the Company's operating performance. Management generally considers FFO to be a useful measure for reviewing comparative operating and financial performance because, by excluding gains and losses related to sales of previously depreciated operating real estate assets and excluding real estate asset depreciation and amortization (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates and operating costs, providing perspective not readily apparent from net income. Management believes that the use of FFO has been beneficial in improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful.

Because FFO excludes significant economic components of net income including depreciation and amortization, FFO should be used as an adjunct to net income and not as an alternative to net income. The principal limitation of FFO is that it does not represent cash flow from operations as defined by GAAP and is a supplemental measure of performance that does not replace net income as a measure of performance or net cash provided by operating activities as a measure of liquidity. In addition, FFO is not intended as a measure of a REIT's ability to meet debt principal repayments and other cash requirements, nor as a measure of working capital. FFO only provides investors with an additional performance measure. Other REITS may use different methods for calculating FFO and, accordingly, the Company's FFO may not be comparable to other REITs.

(2) Investors in and analysts following the real estate industry utilize net operating income ("NOI") as a supplemental performance measure. NOI is derived from revenues (determined in accordance with GAAP) minus property operating expenses and real estate taxes (determined in accordance with GAAP). NOI does not represent cash generated from operating activities in accordance with GAAP and should not be considered to be an alternative to net income (determined in accordance with GAAP) as an indication of the Company's financial performance or to be an alternative to cash flow from operating activities (determined in accordance with GAAP) as a measure of the Company's liquidity; nor is it indicative of funds available for the Company's cash needs, including its ability to make cash distributions. The Company believes that net income is the most directly comparable GAAP measurement to net operating income. Because of the inclusion of items such as interest, depreciation and amortization, the use of net income as a performance measure is limited as these items may not accurately reflect the actual change in market value of a property, in the case of depreciation and in the case of interest, may not necessarily be linked to the operating performance of a real estate asset, as it is often incurred at a parent company level and not at a property level

The Company believes that net operating income is helpful to investors as a measure of operating performance because it is an indicator of the return on property investment, and provides a method of comparing property performance over time. The Company uses NOI as a key management tool when evaluating performance and growth of particular properties and/or groups of properties. The principal limitation of NOI is that it excludes depreciation, amortization and non-property specific expenses such as general and administrative expenses, all of which are significant costs, and therefore, NOI is a measure of the operating performance of the properties of the Company rather than of the Company overall.

For more information about Sun Communities, Inc.,
visit our website at www.suncommunities.com
-FINANCIAL TABLES FOLLOW-

This press release contains various "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, and the Company intends that such forward-looking statements will be subject to the safe harbors created thereby. For this purpose, any statements contained in this press release that relate to prospective events or developments are deemed to be forward-looking statements. Words such as "believes," "forecasts," "anticipates," "intends," "plans," "expects," "will" and similar expressions are intended to identify forward-looking statements. These forward-looking statements reflect the Company's current views with respect to future events and financial performance, but involve known and unknown risks and uncertainties, both general and specific to the matters discussed in this press release. These risks and uncertainties may cause the actual results of the Company to be materially different from any future results expressed or implied by such forward looking statements. Such risks and uncertainties include the national, regional and local economic climates, the ability to maintain rental rates and occupancy levels, competitive market forces, changes in market rates of interest, the ability of manufactured home buyers to obtain financing, the level of repossessions by manufactured home lenders and those referenced under the headings entitled "Factors That May Affect Future Results" or "Risk Factors" contained in the Company's filings with the Securities and Exchange Commission. The forward-looking statements contained in this press release speak only as of the date hereof and the Company expressly disclaims any obligation to provide public updates, revisions or amendments to any forward-looking statements made herein to reflect changes in the Company's expectations of future events.

SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED DECEMBER 31, 2004 AND 2003
(Amounts in thousands except for per share data)
(Unaudited)

	Three Months Ended December 31, 2004	Three Months Ended December 31, 2003	Twelve Months Ended December 31, 2004	Twelve Months Ended December 31, 2003
REVENUES				
Income from rental property	$ 43,506	$ 39,650	$167,835	$159,115
Revenue from home sales	2,944	5,444	17,837	19,516
Ancillary revenues, net	225	574	1,735	1,791
Gain on sale of land, net	3,880	-	3,880	-
Interest and other income	1,823	2,699	7,567	12,030
Total revenues	52,378	48,367	198,854	192,452
COSTS AND EXPENSES				
Property operating and maintenance	10,785	10,197	41,819	39,837
Cost of home sales	2,309	4,411	14,383	13,879
Real estate taxes	3,778	2,941	13,817	11,746
General and administrative - rental property	3,940	3,078	12,559	10,536
General and administrative - home sales	1,607	1,663	6,081	6,027
Depreciation and amortization	12,319	11,634	45,395	44,120
Interest	12,772	9,996	43,949	36,680
Extinguishment of debt	-	-	51,643	-
Deferred financing costs related to extinguished debt	-	-	5,557	-
Impairment charge	-	4,932	-	4,932
Florida storm damage	-	-	600	-
Total expenses	47,510	48,852	235,803	167,757
Income (loss) before equity income (loss) from affiliate, discontinued operations, and minority interests	4,868	(485)	(36,949)	24,695
Equity income (loss) from affiliate	(1,200)	841	(151)	667
Income (loss) from continuing operations before minority interests	3,668	356	(37,100)	25,362
Less income (loss) allocated to minority interests:				
Preferred OP Units	2,177	2,140	8,732	8,537
Common OP Units	182	799	(5,364)	3,083
Income (loss) from continuing operations	1,309	(2,583)	(40,468)	13,742
Income from discontinued operations	-	8,994	-	9,972
Net income (loss)	$ 1,309	$ 6,411	$ (40,468)	$ 23,714
Weighted average common shares outstanding:				
Basic	17,832	18,628	18,318	18,206
Diluted	17,990	18,771	18,318	18,345
Basic earnings (loss) per share:				
Continuing operations	$ 0.07	$ (0.14)	$ (2.21)	$ 0.75
Discontinued operations	-	0.48	-	0.55
Net income (loss)	$ 0.07	$ 0.34	$ (2.21)	$ 1.30
Diluted earnings (loss) per share:				
Continuing operations	$ 0.07	$ (0.14)	$ (2.21)	$ 0.75
Discontinued operations	-	0.48	-	0.54
Net income (loss)	$ 0.07	$ 0.34	$ (2.21)	$ 1.29

RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS
FOR THE PERIODS ENDED DECEMBER 31, 2004 AND 2003
(Amounts in thousands except for per share data)
(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2004	2003	2004	2003
Net income (loss)	$ 1,309	$ 6,411	$ (40,468)	$ 23,714
Adjustments:				
Depreciation and amortization	12,480	11,641	45,589	43,458
Valuation adjustment[3]	226	395	528	(879)
Allocation of SunChamp losses[4]	-	1,390	300	4,548
Gain on disposition of properties and land, net	(3,880)	(8,590)	(3,880)	(8,590)
Income (loss) allocated to minority interest	182	854	(5,364)	3,274
Funds from operations (FFO)	$ 10,317	$ 12,101	$ (3,295)	$ 65,525
FFO - Continuing Operations	$ 10,317	$ 11,719	$ (3,295)	$ 63,605
FFO - Discontinued Operations	$ -	$ 382	$ -	$ 1,920
Weighted average common shares/OP Units outstanding:				
Basic	20,306	21,111	20,792	20,717
Diluted	20,464	21,254	20,792	20,856
Continuing Operations:				
FFO per weighted average Common Share/OP Unit - Basic	$ 0.51	$ 0.55	$ (0.16)	$ 3.07
FFO per weighted average Common Share/OP Unit - Diluted	$ 0.50	$ 0.55	$ (0.16)	$ 3.05
Discontinued Operations:				
FFO per weighted average Common Share/OP Unit - Basic	$ -	$ 0.02	$ -	$ 0.09
FFO per weighted average Common Share/OP Unit - Diluted	$ -	$ 0.02	$ -	$ 0.09
Total Operations:				
FFO per weighted average Common Share/OP Unit - Basic	$ 0.51	$ 0.57	$ (0.16)	$ 3.16
FFO per weighted average Common Share/OP Unit - Diluted	$ 0.50	$ 0.57	$ (0.16)	$ 3.14

(3) The Company entered into three interest rate swaps and an interest rate cap agreement. The valuation adjustment reflects the theoretical noncash profit and loss were those hedging transactions terminated at the balance sheet date. As the Company has no expectation of terminating the transactions prior to maturity, the net of these noncash valuation adjustments will be zero at the various maturities. As any imperfection related to hedging correlation in these swaps is reflected currently in cash as interest, the valuation adjustments reflect volatility that would distort the comparative measurement of FFO and on a net basis approximate zero. Accordingly, the valuation adjustments are excluded from Funds from Operations. The valuation adjustment is included in interest expense.

(4) The Company acquired the equity interest of another investor in SunChamp in December 2002. Consideration consisted of a long-term note payable at net book value. Although the adjustment for the allocation of the SunChamp losses (based on SunChamp as a stand-alone entity) is not reflected in the accompanying financial statements, management believes that it is appropriate to provide for this adjustment because the Company's payment obligations with respect to the note are subordinate in all respects to the return of the members' equity (including the gross book value of the acquired equity) plus a preferred return. As a result, the losses that are allocated to the Company from SunChamp as a stand-alone entity under generally accepted accounting principles are effectively reallocated to the note for purposes of calculating Funds from Operations. A situation such as this is not contemplated in the NAREIT definition of FFO due to the unique circumstances of the transaction. Although not comparable to the precise NAREIT definition, the Company believes the inclusion of this item in its calculation of FFO to be appropriate as noted above.

SUN COMMUNITIES, INC.
SELECTED BALANCE SHEET DATA
(Amounts in thousands) (Unaudited)

	December 31, 2004	December 31, 2003
Investment in rental property before accumulated depreciation	$ 1,382,541	$ 1,220,405
Total assets	$ 1,403,167	$ 1,221,574
Total debt	$ 1,078,442	$ 773,328
Total minority interests and stockholders' equity	$ 292,789	$ 423,413

SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED DECEMBER 31, 2004 AND 2003
(Amounts in thousands)
(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2004	2003	2004	2003
Net income (loss)	$ 1,309	$ 6,411	$ (40,468)	$ 23,714
Unrealized income on interest rate swaps	577	904	335	557
Comprehensive income (loss)	$ 1,886	$ 7,315	$ (40,133)	$ 24,271

RESEARCH COVERAGE

AG EDWARDS	ART HAVENER (314) 955-3436
DEUTSCHE BANK SECURITIES, INC	LOUIS TAYLOR (212) 250-4912
GREEN STREET	CRAIG LEUPOLD (949) 640-8780
KEYBANC CAPITAL MARKETS	DAVID B. RODGERS (216) 263-4785
LEHMAN BROTHERS	DAVID SHULMAN (212) 526-3413
RBC CAPITAL MARKETS	JAY LEUPP (415) 633-8588
	DAVID RONCO (415) 633-8566
MAXCOR FINANCIAL	PAUL ADORNATO (646) 346-7327
SALOMON SMITH BARNEY	JORDAN SADLER (212) 816-0438

EARNINGS ANNOUNCEMENTS

	1st Quarter	2nd Quarter	3rd Quarter
EARNINGS ANNOUNCEMENTS	04/21/05	07/21/05	10/20/05
DIVIDEND DECLARATIONS	04/01/05	07/01/05	10/03/05

INQUIRIES

Sun Communities welcomes questions or comments from stockholders, analysts, investment managers, media or any prospective investor. Please address all inquires to Ms. Carol Petersen of our investor relations department.

AT OUR WEBSITE	www.suncommunities.com
BY PHONE	(248) 208-2500
BY FACSIMILE	(248) 208-2641
BY MAIL	SUN COMMUNITIES Investor Relations The American Center 27777 Franklin Rd., Suite 200 Southfield, MI 48034
BY E MAIL	CPETERSE@SUNCOMMUNITIES.COM

SUN COMMUNITIES

BALANCE SHEETS

(in thousands)

	Quarter Ended				
	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004	December 31, 2003
ASSETS					
Real Estate					
Land	$ 116,187	$ 111,513	$ 110,354	$ 104,548	$ 104,541
Land Improvements and Buildings	1,196,671	1,144,930	1,125,521	1,054,164	1,048,576
Furniture, Fixtures and Equipment	36,990	33,683	32,670	32,881	33,080
Land Held for Future Development	31,652	34,318	34,318	32,359	31,409
Property Under Development	1,041	2,141	1,960	1,538	2,799
Gross Real Estate Investment	1,382,541	1,326,585	1,304,823	1,225,490	1,220,405
Less Accumulated Depreciation	(248,668)	(237,615)	(227,939)	(219,238)	(209,921)
Net Real Estate Investment	1,133,873	1,088,970	1,076,884	1,006,253	1,010,484
Cash and Cash Equivalents	97,561	69,181	106,117	25,588	24,058
Notes and Other Receivables	45,037	44,940	41,586	63,960	74,828
Inventory	25,964	21,352	18,599	21,109	17,236
Investments in and Advances to Affiliates	48,360	50,810	50,160	50,460	51,172
Other Assets	52,372	56,105	51,837	46,361	43,796
Total Assets	$ 1,403,167	$ 1,331,358	$ 1,345,183	$ 1,213,731	$ 1,221,574
LIABILITIES AND EQUITY					
Liabilities					
Line of Credit	$ -	$ -	$ -	$ 97,000	$ 101,654
Mortgage Loans Payable	1,011,302	932,653	908,926	256,073	253,920
Senior Unsecured Notes	5,017	5,017	5,017	350,000	350,000
Preferred Operating Units	62,123	62,123	62,873	62,873	58,148
Collateralized Lease Obligation	-	-	-	-	9,606
Accounts Payable, Deposits and Accrued Liabilities	31,936	30,015	26,207	31,015	24,833
Total Liabilities	1,110,378	1,029,808	1,003,023	796,961	798,161
Minority Interests- Preferred OP Units	50,000	50,000	50,000	50,000	50,000
Minority Interests - Common OP Units and others	31,043	35,311	36,871	45,842	46,803
	81,043	85,311	86,871	95,842	96,803
Stockholders' Equity					
Preferred Stock	-	-	-	-	-
Common Stock	196	195	195	192	192
Paid in Capital	462,522	455,248	454,734	447,546	446,211
Officer's Notes	(9,798)	(9,884)	(10,136)	(10,136)	(10,299)
Deferred Compensation	(15,557)	(13,104)	(13,717)	(7,016)	(7,337)
Unrealized (losses) on interest rate swaps	(959)	(1,536)	80	(2,777)	(1,294)
Distributions in Excess of Net Income	(181,073)	(171,214)	(160,196)	(100,497)	(94,479)
Treasury Stock at Cost	(43,585)	(43,466)	(15,671)	(6,384)	(6,384)
Total Stockholders' Equity	211,746	216,239	255,289	320,928	326,610
Total Liabilities and Stockholders' Equity	$ 1,403,167	$ 1,331,358	$ 1,345,183	$ 1,213,731	$ 1,221,574
Common OP Units Outstanding	2,473	2,473	2,473	2,473	2,480
Number of Shares Oustanding	18,424	18,296	18,990	19,049	18,990

SUN COMMUNITIES

DEBT ANALYSIS

(in thousands)

	Quarter Ended				
	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004	December 31, 2003
DEBT OUTSTANDING					
Line of Credit	$ -	$ -	$ -	$ 97,000	$ 101,654
Mortgage Loans Payable	1,011,302	932,653	908,926	256,073	253,920
Senior Unsecured Notes	5,017	5,017	5,017	350,000	350,000
Preferred Operating Units	62,123	62,123	62,873	62,873	58,148
Collateralized Lease Obligations	-	-	-	-	9,606
Total Debt	$ 1,078,442	$ 999,793	$ 976,816	$ 765,946	$ 773,328
% FIXED/FLOATING					
Fixed	89.94%	89.44%	91.69%	74.27%	74.24%
Floating	10.06%	10.56%	8.31%	25.73%	25.76%
Total	100.00%	100.00%	100.00%	100.00%	100.00%
AVERAGE INTEREST RATES					
Line of Credit				1.94%	2.05%
Mortgage Loans Payable	4.97%	4.88%	4.87%	4.46%	4.47%
Senior Unsecured Notes	6.77%	6.77%	6.77%	6.76%	6.76%
Preferred Operating Units	6.80%	6.80%	6.80%	6.80%	7.05%
Collateralized Lease Obligations					5.51%
Total Average	5.08%	5.01%	5.01%	5.38%	5.23%
DEBT RATIOS					
Debt/Total Market Cap	54.8%	53.6%	53.2%	44.2%	46%
Debt/Gross Assets	65.3%	63.7%	62.1%	51.7%	52%
COVERAGE RATIOS					
EBITDA/Interest	2.4	2.2	2.8	3.1	2.3
EBITDA/Interest + Preferred Distributions	2.0	1.9	2.3	2.5	1.9

	31-Dec-05	31-Dec-06	31-Dec-07	31-Dec-08	31-Dec-09
MATURITIES/PRINCIPAL AMORTIZATION					
Line of Credit					
Mortgage Loans Payable .					
Maturities	11,857	44,754	40,394	6,030	11,200
Principal Amortization	3,864	6,069	12,357	12,254	12,812
Senior Unsecured Notes	5,017				
Preferred Operating Units		8,175	4,500		
Total	$ 20,738	$ 58,998	$ 57,251	$ 18,284	$ 24,012

SUN COMMUNITIES

STATEMENT OF OPERATIONS

(in thousands)

	Quarter Ended December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004	December 31, 2003
REVENUES					
Income from property	$ 43,506	$ 40,960	$ 40,501	$ 42,868	$ 39,650
Gross Profit from Home Sales	635	1,025	945	849	$ 1,033
Gain on sale of land	3,880				
Other income	848	3,080	2,304	2,919	4,114
Total revenues	48,869	45,065	43,750	46,636	44,797
EXPENSES					
Property operating and maintenance	10,785	10,738	10,068	10,228	10,197
Real estate taxes	3,778	3,520	3,353	3,166	2,941
Selling, general and administrative	5,547	4,586	4,271	4,236	4,741
Impairment Charge					4,932
Hurricane Expenses	-	600	-	-	-
Total expenses	20,110	19,444	17,692	17,630	22,811
EBITDA (1)	28,759	25,621	26,058	29,006	21,986
Recapitalization costs			(51,643)		
Deferred financing costs related to retired debt			(5,557)		
Interest expense	(12,772)	(11,812)	(10,100)	(9,265)	(9,996)
Preferred distributions	(2,177)	(2,192)	(2,184)	(2,179)	(2,140)
Other adjustments, net (see Note A)	(3,493)	28	1,156	(549)	1,869
NOTE: See FFO reconcilation on following page					
FFO contributed by continued operations (1)	10,317	11,645	(42,270)	17,013	11,719
FFO contributed by discontinued operations (1)	-	-	-	-	382
FUNDS FROM OPERATIONS ("FFO") (1)	10,317	11,645	(42,270)	17,013	12,101
Depreciation and amortization	(12,480)	(11,195)	(11,073)	(10,841)	(11,718)
Other adjustments, net (see Note A)	3,654	180	(889)	107	(1,785)
Minority interests	(182)	(76)	6,331	(709)	(799)
Income (loss) from continuing operations	1,309	554	(47,901)	5,570	(2,583)
Income from discontinued operations net of contribution to funds from operations	-	-	-	-	8,994
NET INCOME (LOSS)	1,309	554	(47,901)	5,570	6,411
FUNDS FROM OPERATIONS (1)	10,317	11,645	(42,270)	17,013	12,101
Less recurring capital expenditures	(1,663)	(1,926)	(1,894)	(1,111)	(1,787)
FUNDS AVAILABLE FOR DISTRIBUTION ("FAD") (1)	8,654	9,719	(44,164)	15,902	15,246
FFO PER SHARE/UNIT (1)	$0.51	$0.57	($2.00)	$0.80	$0.57
FAD PER SHARE/UNIT (1)	$0.43	$0.47	($2.09)	$0.75	$0.72
DISTRIBUTION PER SHARE/UNIT	$0.61	$0.61	$0.61	$0.61	$0.61
DILUTED FFO PER SHARE/UNIT	$0.56	$0.56	($2.00)	$0.80	$0.80
PAYOUT RATIO	119.6%	107.0%	-30.5%	76.3%	75.3%
WEIGHTED AVERAGE SHARES/UNITS	20,306	20,574	21,112	21,175	21,111

Note A: Other adjustments, net include a valuation adjustment related to interest rate swaps and an interest rate cap agreement, gain on land sale and non-real estate related depreciation.

RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS
FOR THE PERIODS ENDED DECEMBER 31, 2004 AND 2003
(Amounts in thousands except for per share data)
(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2004	2003	2004	2003
Net income (loss)	$ 1,309	$ 6,411	$ (40,468)	$ 23,714
Adjustments:				
Depreciation and amortization	12,480	11,641	45,589	43,458
Valuation adjustment[(3)]	226	395	528	(879)
Allocation of SunChamp losses[(4)]	-	1,390	300	4,548
Gain on disposition of properties and land, net	(3,880)	(8,590)	(3,880)	(8,590)
Income (loss) allocated to minority interest	182	854	(5,364)	3,274
Funds from operations (FFO)	$ 10,317	$ 12,101	$ (3,295)	$ 65,525
FFO - Continuing Operations	$ 10,317	$ 11,719	$ (3,295)	$ 63,605
FFO - Discontinued Operations	$ -	$ 382	$ -	$ 1,920
Weighted average common shares/OP Units outstanding:				
Basic	20,306	21,111	20,792	20,717
Diluted	20,464	21,254	20,792	20,856
Continuing Operations:				
FFO per weighted average Common Share/OP Unit - Basic	$ 0.51	$ 0.55	$ (0.16)	$ 3.07
FFO per weighted average Common Share/OP Unit - Diluted	$ 0.50	$ 0.55	$ (0.16)	$ 3.05
Discontinued Operations:				
FFO per weighted average Common Share/OP Unit - Basic	$ -	$ 0.02	$ -	$ 0.09
FFO per weighted average Common Share/OP Unit - Diluted	$ -	$ 0.02	$ -	$ 0.09
Total Operations:				
FFO per weighted average Common Share/OP Unit - Basic	$ 0.51	$ 0.57	$ (0.16)	$ 3.16
FFO per weighted average Common Share/OP Unit - Diluted	$ 0.50	$ 0.57	$ (0.16)	$ 3.14

(3) The Company entered into three interest rate swaps and an interest rate cap agreement. The valuation adjustment reflects the theoretical noncash profit and loss were those hedging transactions terminated at the balance sheet date. As the Company has no expectation of terminating the transactions prior to maturity, the net of these noncash valuation adjustments will be zero at the various maturities. As any imperfection related to hedging correlation in these swaps is reflected currently in cash as interest, the valuation adjustments reflect volatility that would distort the comparative measurement of FFO and on a net basis approximate zero. Accordingly, the valuation adjustments are excluded from Funds from Operations. The valuation adjustment is included in interest expense.

(4) The Company acquired the equity interest of another investor in SunChamp in December 2002. Consideration consisted of a long-term note payable at net book value. Although the adjustment for the allocation of the SunChamp losses (based on SunChamp as a stand-alone entity) is not reflected in the accompanying financial statements, management believes that it is appropriate to provide for this adjustment because the Company's payment obligations with respect to the note are subordinate in all respects to the return of the members' equity (including the gross book value of the acquired equity) plus a preferred return. As a result, the losses that are allocated to the Company from SunChamp as a stand-alone entity under generally accepted accounting principles are effectively reallocated to the note for purposes of calculating Funds from Operations. A situation such as this is not contemplated in the NAREIT definition of FFO due to the unique circumstances of the transaction. Although not comparable to the precise NAREIT definition, the Company believes the inclusion of this item in its calculation of FFO to be appropriate as noted above.

SUN COMMUNITIES

STATEMENT OF OPERATIONS
SAME PROPERTY
(in thousands)

		Quarter Ended		12 Months Ended	
		December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
REVENUES					
Income from Property		$ 37,060	$ 35,061	$ 146,797	$ 141,130
EXPENSES					
Real Estate Taxes		3,189	2,710	11,905	10,843
Payroll		2,404	2,523	10,412	10,370
Repairs and Maintenance		1,371	1,434	5,836	5,866
Utilities, Net		1,877	1,918	7,995	7,637
Other		1,321	1,332	4,360	4,461
Total Expenses		10,162	9,917	40,508	39,177
NET OPERATING INCOME ("NOI") (1)		$ 26,898	$ 25,144	$ 106,289	$ 101,953
NUMBER OF COMMUNITIES	(a)	108	108	108	108
NUMBER OF DEVELOPED SITES	(a)	39,686	39,746	39,686	39,746
NUMBER OF OCCUPIED SITES	(a)	34,272	34,958	34,272	34,958
OCCUPANCY PERCENTAGE	(b)	87.4%	89.4%	87.4%	89.4%
WEIGHTED AVERAGE RENT	(b)	$ 345	$ 329	$ 345	$ 329
SITES AVAILABLE FOR DEVELOPMENT		1,521	1,545	1,521	1,545
SITES IN DEVELOPMENT		57	30	57	30

(a) Includes MH and RV Sites
(b) Includes MH sites only

SUN COMMUNITIES

STATEMENT OF OPERATIONS
SAME PROPERTY -- PERCENTAGE GROWTH

	Quarter Ended	12 Months Ended	
	December 31, 2004	December 31, 2004	December 31, 2003
NUMBER OF COMMUNITIES	108	108	105
REVENUES			
Income from Property	5.7%	4.0%	2.4%
EXPENSES			
Real Estate Taxes	17.7%	9.8%	6.9%
Payroll	-4.7%	0.4%	5.3%
Repairs and Maintenance	-4.4%	-0.5%	19.9%
Utilities, Net	-2.1%	4.7%	2.1%
Other	0.8%	-2.3%	5.3%
Total Expenses	2.5%	3.4%	7.1%
NET OPERATING INCOME ("NOI")	7.0%	4.3%	0.7%

Sun Communities

Capital Improvements, Development, and Acquisitions
(in thousands)

Notes

		A	B	C	D	E
	Recurring Cap Ex. Average Per Site	***Recurring Cap Ex.***	**Lot Mods**	**Acq.**	**Expansions & Dev.**	**Revenue Producing**
2002	$168	$7,102	$2,630	$70,653	$24,500	$7,833
2003	$148	$ 6,491	$2,343	$4,514	$14,426	$1,897
2004	$147	$ 6,594	$3,996	$120,086	$9,743	$883

A. Includes capital expenditures necessary to maintain asset quality, including purchasing and replacing assets used to operate the community. These capital expenditures include major road, driveway, and pool repairs, clubhouse renovations, and adding or replacing street lights, playground equipment, signage, maintenance facilities, manager housing and property vehicles. Minimum capitalizable amount or project is $500. Excludes $1,700,000 related to main office move in 2003 and software conversion costs of $3,400,000 and $442,894 in 2003 and 2004 respectively.

B. Includes capital expenditures which improve the asset quality of the community. These costs are incurred when an existing older home (usually a smaller single-sectional home) moves out, and the site is prepared for a larger new home, more often than not, a multi-sectional home. These activities which are mandated by strict manufacturer's installation requirements and State building code include new foundations, driveways, and utility upgrades. The new home will be in the community for 30 to 40 years and these costs are depreciated over a 30 year life.

C. Acquisitions represent the purchase price of existing operating communities and land parcels to develop expansions or new communities. Acquisitions also include deferred maintenance identified during due diligence and those capital improvements necessary to bring the community up to Sun's standards. These include upgrading clubhouses, landscaping, new street light systems, new mailing delivery systems, pool renovation including larger decks, heaters, and furniture, new maintenance facilities, and new signage including main signs and internal road signs. These are considered as acquisition costs and while identified during due diligence, it sometimes requires six to twelve months after closing to complete.

D. These are the costs of developing expansions and new communities.

E. These are capital costs related to revenue generating activities, consisting primarily of cable TV, garages, sheds, and sub-metering of water and sewer. Occasionally, a special capital project requested by residents and accompanied by an extra rental increase will be classified as revenue producing. Capitalized revenue generating expenditures made by Sun Home Services, Inc. are excluded from this amount.

SUN COMMUNITIES

PROPERTY SUMMARY

	Quarter Ended				
	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004	December 30, 2003
STABILIZED COMMUNITIES					
MICHIGAN					
Communities	43	43	42	40	40
Sites for Development	332	332	332	332	332
Developed Sites	13,454	13,454	13,062	12,637	12,637
Occupied	11,737	11,847	11,554	11,215	11,248
Occupancy %	87.2%	88.1%	88.5%	88.7%	89.0%
FLORIDA					
Communities	15	15	15	15	15
Sites for Development	520	520	528	537	544
Developed Sites	5,685	5,680	5,675	5,663	5,654
Occupied	5,581	5,575	5,564	5,548	5,535
Occupancy %	98.2%	98.2%	98.0%	98.0%	97.9%
INDIANA					
Communities	17	17	17	17	17
Sites for Development	422	422	422	422	422
Developed Sites	6,360	6,360	6,360	6,360	6,360
Occupied	4,936	5,069	5,184	5,169	5,177
Occupancy %	77.6%	79.7%	81.5%	81.3%	81.4%
OHIO					
Communities	10	10	10	10	10
Sites for Development	-	-	-	-	-
Developed Sites	2,917	2,917	2,917	2,917	2,917
Occupied	2,550	2,579	2,602	2,594	2,589
Occupancy %	87.4%	88.4%	89.2%	88.9%	88.8%
TEXAS					
Communities	6	6	6	6	6
Sites for Development	-	-	-	-	-
Developed Sites	1,501	1,496	1,496	1,496	1,495
Occupied	1,304	1,323	1,337	1,363	1,374
Occupancy %	86.9%	88.4%	89.4%	91.1%	91.9%
OTHER STATES					
Communities	17	14	14	14	14
Sites for Development	69	69	69	69	69
Developed Sites	6,687	5,537	5,537	5,537	5,537
Occupied	5,912	4,969	5,039	5,057	5,034
Occupancy %	88.4%	89.7%	91.0%	91.3%	90.9%

PROPERTY SUMMARY (continued)

	Quarter Ended				
	December 31, 2004	September 30, 2004	June 31, 2004	March 31, 2004	December 31, 2003
TOTAL--MH STABILIZED PORTFOLIO					
Communities	108	105	104	102	102
Sites for Development	1,343	1,343	1,351	1,360	1,367
Developed Sites	36,604	35,444	35,047	34,610	34,600
Occupied	32,020	31,362	31,280	30,946	30,957
Occupancy %	87.5%	88.5%	89.3%	89.4%	89.5%
NEW COMMUNITY DEVELOPMENT					
Communities	24	24	24	21	21
Sites for Development	5,934	6,012	6,058	5,488	5,389
Developed Sites	5,271	5,271	5,226	4,234	4,197
Occupied	3,074	3,137	3,133	2,497	2,462
Occupancy %	58.3%	59.5%	60.0%	59.0%	58.7%
RV PORTFOLIO SUMMARY					
Communities	12	12	12	12	12
Sites	4,981	5,011	5,029	5,068	5,078
Permanent	2,973	2,971	2,965	2,959	3,013
Seasonal	2,008	2,040	2,064	2,109	2,065
States					
Florida	3,977	3,994	4,014	4,050	4,057
Texas	847	860	858	861	864
Delaware	157	157	157	157	157

Notes: Communities as listed above, include only those communities which are open for occupancy while Sites for Development include additional communities for development which do not currently have available sites.

Communities total to more than 136 because certain communities have manufactured home and recreational vehicle components and are counted in each category and certain communities have both stabilized and development components.

SUN COMMUNITIES

OPERATING STATISTICS
YEAR TO DATE

MARKETS	***RESIDENT MOVE OUTS***	***NET LEASED SITES***	***NEW HOME SALES***	***PRE-OWNED HOME SALES***	***BROKERED RESALES***
Michigan	380	(270)	25	116	109
Florida	12	46	66	21	417
Indiana	294	(248)	2	67	22
Ohio	69	(42)	4	39	26
Texas	161	(84)	25	37	9
Other States	202	(111)	23	74	53
RV Communities	n/m	n/m	35	3	47
Year Ended 12/31/2004	1,118	(709)	180	357	683
For the Year					
2003	1,328	(849)	257	283	626
2002	1,256	(172)	286	174	592
2001	1,108	214	438	327	584
2000	720	366	416	182	863
1999	974	756	648	152	766
1998	883	998	682	188	642
1997	702	798	584	118	555

	MOVE OUTS	**RESALES**
2004	3.3%	8.0%
2003	3.9%	7.4%
2002	3.8%	7.1%
2001	3.2%	7.4%
2000	2.4%	8.6%
1999	3.1%	8.5%
1998	3.0%	8.6%
1997	2.8%	8.5%
1996	2.8%	8.9%

Note: 2004 move outs exclude move outs by finance companies.

(1) Investors in and analysts following the real estate industry utilize funds from operations ("FFO"), net operating income ("NOI"), EBITDA and funds available for distribution ("FAD") as supplemental performance measures. While the Company believes net income (as defined by GAAP) is the most appropriate measure, it considers FFO, NOI, EBITDA and FAD, given their wide use by and relevance to investors and analysts, appropriate supplemental measures. FFO, reflecting the assumption that real estate values rise or fall with market conditions, principally adjusts for the effects of GAAP depreciation/amortization of real estate assets. NOI provides a measure of rental operations and does not factor in depreciation/amortization and non-property specific expenses such as general and administrative expenses. EBITDA provides a further tool to evaluate ability to incur and service debt and to fund dividends and other cash needs. FAD provides a further tool to evaluate ability to fund dividends. In addition, FFO, NOI, EBITDA and FAD are commonly used in various ratios, pricing multiples/yields and returns and valuation calculations used to measure financial position, performance and value.

Funds from operations ("FFO") is defined by the National Association of Real Estate Investment Trusts ("NAREIT") as net income (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from sales of depreciable operating property, plus real estate-related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO is a non-GAAP financial measure that management believes is a useful supplemental measure of the Company's operating performance. Management generally considers FFO to be a useful measure for reviewing comparative operating and financial performance because, by excluding gains and losses related to sales of previously depreciated operating real estate assets and excluding real estate asset depreciation and amortization (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates and operating costs, providing perspective not readily apparent from net income. Management believes that the use of FFO has been beneficial in improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful.

Because FFO excludes significant economic components of net income including depreciation and amortization, FFO should be used as an adjunct to net income and not as an alternative to net income. The principal limitation of FFO is that it does not represent cash flow from operations as defined by GAAP and is a supplemental measure of performance that does not replace net income as a measure of performance or net cash provided by operating activities as a measure of liquidity. In addition, FFO is not intended as a measure of a REIT's ability to meet debt principal repayments and other cash requirements, nor as a measure of working capital. FFO only provides investors with an additional performance measure that, when combined with measures computed in accordance with GAAP such as net income, cash flow from operating activities, investing activities and financing activities, provide investors with an indication of the Company's ability to service debt and to fund acquisitions and other expenditures. Other REITS may use different methods for calculating FFO and, accordingly, the Company's FFO may not be comparable to other REITs.

NOI is derived from revenues (determined in accordance with GAAP) minus property operating expenses and real estate taxes (determined in accordance with GAAP). NOI does not represent cash generated from operating activities in accordance with GAAP and should not be considered to be an alternative to net income (determined in accordance with GAAP) as an indication of the Company's financial performance or to be an alternative to cash flow from operating activities (determined in accordance with GAAP) as a measure of the Company's liquidity; nor is it indicative of funds available for the Company's cash needs, including its ability to make cash distributions. The Company believes that net income is the most directly comparable GAAP measurement to net operating income. Because of the inclusion of items such as interest, depreciation and amortization, the use of net income as a performance measure is limited as these items may not accurately reflect the actual change in market value of a property, in the case of depreciation and in the case of interest, may not necessarily be linked to the operating performance of a real estate asset, as it is often incurred at a parent company level and not at a property level. The Company believes that net operating income is helpful to investors as a measure of operating performance because it is an indicator of the return on property investment, and provides a method of comparing property performance over time. The Company uses NOI as a key management tool when evaluating performance and growth of particular properties and/or groups of properties. The principal limitation of NOI is that it excludes depreciation, amortization and non-property specific expenses such as general and administrative expenses, all of which are significant costs, and therefore, NOI is a measure of the operating performance of the properties of the Company rather than of the Company overall

EBITDA is defined as NOI plus other income, plus (minus) equity earnings (loss) from affiliates, minus general and administrative expenses. EBITDA includes EBITDA from discontinued operations.

FAD is defined as FFO minus recurring capital expenditures. Recurring capital expenditures are those expenditures necessary to maintain asset quality, including major road, driveway and pool repairs, clubhouse renovations and adding or replacing street lights, playground equipment, signage and maintenance facilities.

FFO, NOI, EBITDA and FAD do not represent cash generated from operating activities in accordance with GAAP and are not necessarily indicative of cash available to fund cash needs, including the repayment of principal on debt and payment of dividends and distributions. FFO, NOI, EBITDA and FAD should not be considered as substitutes for net income (calculated in accordance with GAAP) as a measure of results of operations or cash flows (calculated in accordance with GAAP) as a measure of liquidity. FFO, NOI, EBITDA and FAD as calculated by the Company may not be comparable to similarly titled, but differently calculated, measures of other REITs or to the definition of FFO published by NAREIT.