

Sun Communities, Inc.

Supplemental Operating and Financial Data

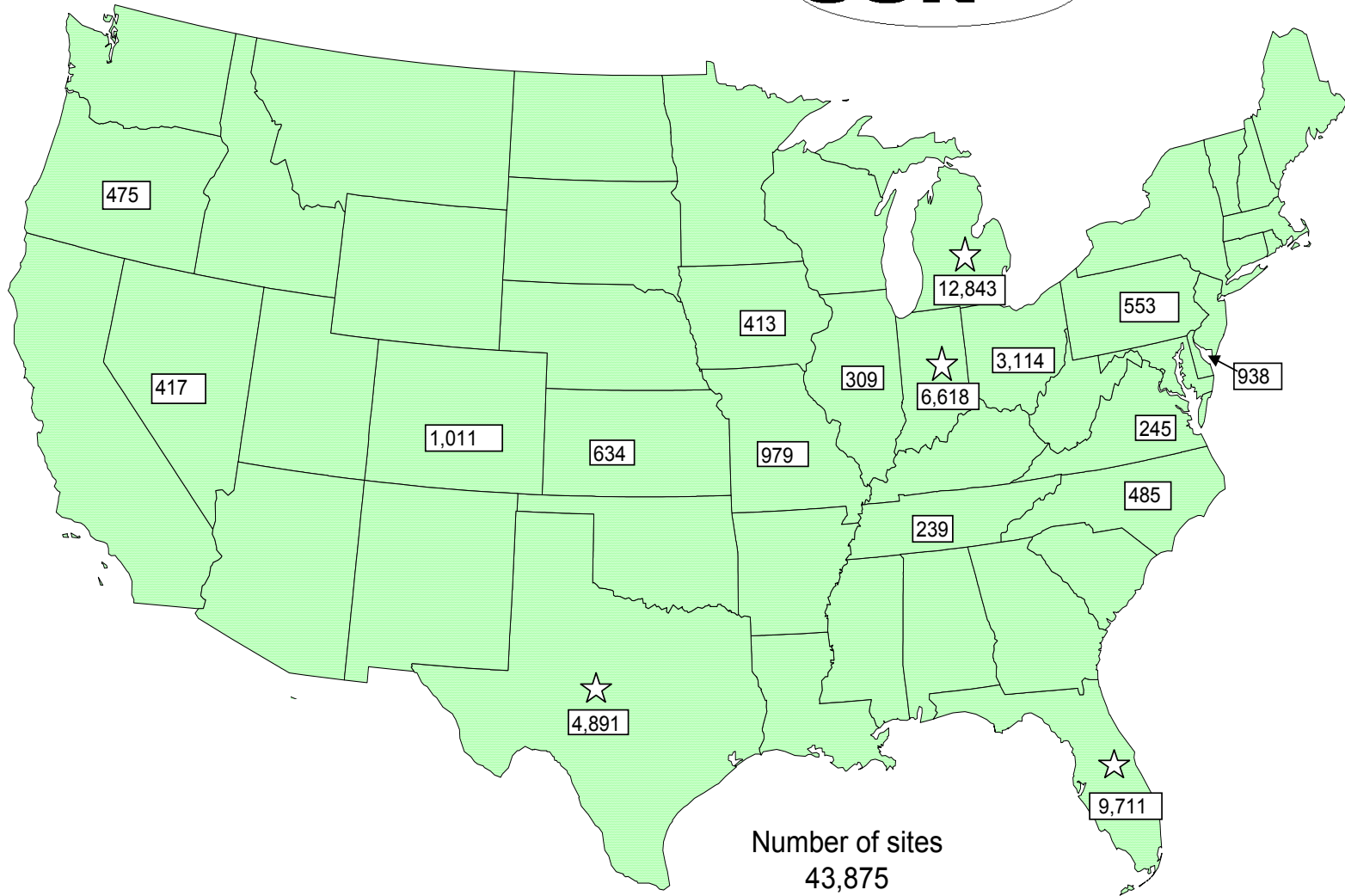
For the Quarter Ended December 31, 2003



This Supplemental Operating and Financial Data is not an offer to sell or a solicitation to buy any of the securities of the Company. Any offers to sell or solicitations to buy any of the Company securities of the Company shall be made by means of a prospectus.

Portfolio Overview

SUN



SUN COMMUNITIES, INC.
SUPPLEMENTAL INFORMATION
4th QUARTER 2003

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(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
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FOR IMMEDIATE RELEASE

SUN COMMUNITIES, INC. REPORTS 2003 RESULTS

Southfield, MI, February 19, 2004 - 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, 2003 results.

Property operating revenues increased 6.1 percent to \$159.1 million for the year ended December 31, 2003 from \$149.9 for the year ended December 31, 2002. During the fourth quarter ended December 31, 2003, property operating revenues increased 7.6 percent to \$39.7 million, compared with \$36.9 million in the fourth quarter of 2002. Funds from operations (FFO)⁽¹⁾ of \$70.5 million for the year ended December 31, 2003 increased 1.9 percent, from \$69.2 million for the year ended December 31, 2002. On a diluted per share/OP Unit basis, FFO decreased to \$3.38 from \$3.40 in the prior year and to \$0.80 from \$0.84 for the three months ended December 31, 2003 and 2002, respectively. Net income for the fourth quarter of 2003 was \$6.4 million or \$0.34 per diluted common share, compared with \$(7.3) million, or \$(0.41) per diluted common share for the same period in 2002. Net income for the year ended December 31, 2003 was \$23.7 million or \$1.29 per diluted common share compared to \$13.6 million or \$0.76 per diluted common share during 2002. Net income for the year ended December 31, 2003 includes a net gain on property dispositions of \$3.7 million, while net income for the year ended December 31, 2002 includes a \$13.9 million charge resulting from the write-off of an investment. Operating results for the year and quarter ended December 31, 2003 reflect the consolidation of Sun Home Services, Inc in accordance with accounting pronouncements for variable interest entities.

For 105 communities owned throughout both years, total revenues increased 2.4 percent for the year ended December 31, 2003 and expenses increased 7.1 percent, resulting in an increase in net operating income⁽²⁾ of 0.7 percent year over year. Same property occupancy in the manufactured housing sites decreased from 90.1 percent at September 30, 2003 to 89.1 percent at December 31, 2003.

“2003 was a challenging year marked by the liquidation of repossession inventories which has finally been approached realistically by lenders, the resultant increase in vacancies, and much higher expense growth in our portfolio than we have been accustomed to,” said Gary Shiffman, Chairman and CEO.

February 19, 2004

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“There is every reason to expect that these events are largely behind us (and the industry) now and that 2004 is the year of linkage between the bad news of the past and the good news of the future,” Shiffman added.

During the year ended December 31, 2003, the Company experienced a net loss of 849 revenue producing manufactured housing sites or 2.5 percent. This net loss of sites was substantially concentrated in 33 communities, or only one quarter of our portfolio, primarily resulting from the expiration of more than 200 manufacturer/dealer leases with most of the remaining occupancy loss resulting from repossessions of homes by lenders. Industry expectations are for a substantial reduction in the number of repossessions in 2004. In addition, the Company sold 540 homes and brokered 626 resales of homes.

The Company closed on the sale of four properties during 2003 realizing proceeds of approximately \$24.8 million. The properties were located in Michigan and Illinois and comprised 731 sites of which 659 or 90 percent were occupied. Also during 2003, the Company acquired a property located in East Lansing, MI for approximately \$4.5 million, of which \$2.3 million was cash and \$2.3 million was debt. When fully developed, the community will consist of 242 sites.

The Company has entered into an agreement with certain affiliates of Property Asset Management Inc. (“PAMI”) to acquire all of the equity interests in partnerships that directly and indirectly own and operate 19 properties and entered into a real estate purchase agreement to acquire 7 other properties. The properties are recreational vehicle communities, some of which include manufactured home sites. The portfolio consists of 11,331 sites, including 10,586 developed sites and 745 expansion recreational vehicle sites. Completion of the purchases is subject to customary closing conditions. These acquisitions were not included in our 2004 guidance that we released on January 28, 2004.

PAMI, the seller under the purchase agreements, is the sole general partner and owns a substantial majority of the equity interests in the partnerships that own the properties subject to the purchase agreements. PAMI has exercised its rights under the relevant partnership agreements to acquire the equity interests of its minority partner. PAMI has informed us that its minority partner has disputed PAMI’s rights to purchase its interests under the partnership agreements. As a result, PAMI has filed suit in the Delaware Chancery Court requesting, among other things, that the court specifically enforce PAMI’s right to purchase the minority interests. The minority partner in the partnerships has filed an answer and counterclaim in the case requesting that the court find that the minority partner has the right to buy PAMI’s interests under the partnership agreements.

PAMI believes that it will be successful in the litigation and we expect to complete the acquisition of the partnership interests and properties. However, due to the uncertain nature of litigation and the other conditions to closing, we can provide no assurance that we will be able to successfully complete the proposed acquisitions and cannot reliably predict the timing of the resolution of these matters.

A conference call to discuss fourth quarter operating results will be held on February 19, 2004 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 4, 2004 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 reply is 3055 and the ID number is 86133. 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 127 communities mainly in the Midwest and Southeast United States. The Company's properties are comprised of over 43,870 developed sites and approximately 6,750 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 GAAP), excluding gains (or losses) from sales of property, plus rental property depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.” Industry analysts consider FFO to be an appropriate supplemental measure of the operating performance of an equity REIT primarily because the computation of FFO excludes historical cost depreciation as an expense and thereby facilitates the comparison of REITs, which have different cost bases on their assets. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time, whereas real estate values have instead historically risen or fallen based upon market conditions. FFO 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. A reconciliation of net income to FFO is provided in the financial statement section of this press release.
- (2) Investors in and analysts following the real estate industry utilize net operating income (“NOI”) as a supplemental performance measure. 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. NOI is defined as income from property of the Company, minus property expenses such as real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses. NOI does not represent cash generated from operating activities in accordance with GAAP and is not necessarily indicative of cash available to fund cash needs, including the repayment of principal on debt and payment of dividends and distributions. NOI should not be considered as a substitute 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.

**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, 2003 AND 2002
(Amounts in thousands, except per share amounts) (Unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2003	2002	2003	2002
RENTAL PROPERTY OPERATIONS:				
Rental property operating revenues	\$ 39,650	\$ 36,902	\$ 159,115	\$ 149,875
Property operating and maintenance	(10,197)	(8,981)	(39,837)	(33,751)
Real estate taxes	(2,941)	(2,760)	(11,746)	(10,217)
Property operating expenses	(13,138)	(11,741)	(51,583)	(43,968)
Income from rental property operations	26,512	25,161	107,532	105,907
HOME MARKETING OPERATIONS:				
Revenues from home sales	5,443	-	19,516	-
Cost of home sales	(4,411)	-	(13,879)	-
Gross profit	1,032	-	5,637	-
Selling, general and administrative	(1,956)	-	(7,645)	-
Ancillary revenue, net	1,538	-	3,409	-
Income from home sales operations	614	-	1,401	-
OTHER INCOME AND EXPENSES:				
Interest and other income	2,203	3,100	12,030	10,294
General and administrative	(3,078)	(2,266)	(10,536)	(7,722)
Depreciation and amortization	(11,634)	(10,240)	(44,120)	(37,900)
Equity income (loss) from affiliates	667	(13,988)	667	(16,627)
Interest expense	(9,996)	(8,541)	(36,680)	(32,375)
Total other income and expenses	(21,838)	(31,935)	(78,639)	(84,330)
Income from operations	5,288	(6,774)	30,294	21,577
Less income (loss) allocated to minority interests:				
Preferred OP Units	2,140	1,986	8,537	7,803
Common OP Units	799	(1,100)	3,083	1,802
Income from continuing operations	2,349	(7,660)	18,674	11,972
Income from discontinued operations	4,062	334	5,040	1,620
Net income (loss)	6,411	(7,326)	23,714	13,592
Weighted average common shares outstanding:				
Basic	18,628	17,777	18,206	17,595
Diluted	18,771	17,904	18,345	17,781
Basic earnings per share:				
Continuing operations	\$ 0.13	\$ (0.43)	\$ 1.02	\$ 0.68
Discontinued operations	\$ 0.21	\$ 0.02	\$ 0.28	\$ 0.09
Net income	\$ 0.34	\$ (0.41)	\$ 1.30	\$ 0.77
Diluted earnings per share:				
Continuing operations	\$ 0.13	\$ (0.43)	\$ 1.02	\$ 0.67
Discontinued operations	\$ 0.22	\$ 0.02	\$ 0.27	\$ 0.09
Net income	\$ 0.34	\$ (0.41)	\$ 1.29	\$ 0.76

SUN COMMUNITIES, INC.
RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS
(Amounts in thousands, except per share/OP unit amounts) (Unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2003	2002	2003	2002
Net income	\$ 6,411	\$ (7,326)	\$ 23,714	\$ 13,592
Adjustments:				
Depreciation and amortization	11,641	10,349	43,458	38,262
Valuation adjustment ⁽³⁾	395	(38)	(879)	449
Allocation of SunChamp losses ⁽⁴⁾	1,390	1,315	4,548	1,315
Reduction in book value of investment	-	13,881	-	13,881
Income allocated to common minority interests	854	(1,052)	3,274	2,003
Gain on sale of properties, net	(3,658)	-	(3,658)	(269)
Funds from operations (FFO)	<u>\$ 17,033</u>	<u>\$ 17,129</u>	<u>\$ 70,457</u>	<u>\$ 69,233</u>
FFO - Continuing Operations	<u>\$ 16,651</u>	<u>\$ 16,591</u>	<u>\$ 68,537</u>	<u>\$ 67,055</u>
FFO - Discontinued Operations	<u>\$ 382</u>	<u>\$ 538</u>	<u>\$ 1,920</u>	<u>\$ 2,178</u>
Weighted average common shares/OP Units outstanding:				
Basic	<u>21,111</u>	<u>20,329</u>	<u>20,717</u>	<u>20,177</u>
Diluted	<u>21,254</u>	<u>20,456</u>	<u>20,856</u>	<u>20,363</u>
Continuing Operations:				
FFO per weighted average Common Share/OP Unit - Basic	<u>\$ 0.79</u>	<u>\$ 0.81</u>	<u>\$ 3.31</u>	<u>\$ 3.32</u>
FFO per weighted average Common Share/OP Unit - Diluted	<u>\$ 0.78</u>	<u>\$ 0.81</u>	<u>\$ 3.29</u>	<u>\$ 3.29</u>
Discontinued Operations:				
FFO per weighted average Common Share/OP Unit - Basic	<u>\$ 0.02</u>	<u>\$ 0.03</u>	<u>\$ 0.09</u>	<u>\$ 0.11</u>
FFO per weighted average Common Share/OP Unit - Diluted	<u>\$ 0.02</u>	<u>\$ 0.03</u>	<u>\$ 0.09</u>	<u>\$ 0.11</u>
Total Operations:				
FFO per weighted average Common Share/OP Unit - Basic	<u>\$ 0.81</u>	<u>\$ 0.84</u>	<u>\$ 3.40</u>	<u>\$ 3.43</u>
FFO per weighted average Common Share/OP Unit - Diluted	<u>\$ 0.80</u>	<u>\$ 0.84</u>	<u>\$ 3.38</u>	<u>\$ 3.40</u>

⁽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 imperfections related to hedging correlation in these swaps is reflected currently in cash as interest, 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. At December 31, 2003, the remaining balance on the SunChamp note is approximately \$0.3 million.

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

	<u>December 31, 2003</u>	<u>December 31, 2002</u>
Investment in rental property before accumulated depreciation	\$ 1,220,405	\$ 1,174,837
Total assets	\$ 1,221,574	\$ 1,163,976
Total debt	\$ 773,328	\$ 721,351
Total minority interests and stockholders' equity	\$ 423,413	\$ 418,044

SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED DECEMBER 31, 2003 AND 2002
(Amounts in thousands) (Unaudited)

	<u>Three Months Ended</u> <u>December 31,</u>		<u>Twelve Months Ended</u> <u>December 31,</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Net income (loss)	\$ 6,411	\$ (7,326)	\$ 23,714	\$ 13,592
Unrealized income (loss) on interest rate swaps	904	(506)	557	(1,851)
Comprehensive income (loss)	<u>\$ 7,315</u>	<u>\$ (7,832)</u>	<u>\$ 24,271</u>	<u>\$ 11,741</u>

RESEARCH COVERAGE

AG EDWARDS

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EARNINGS ANNOUNCEMENTS

	1 st Quarter	2 nd Quarter	3 rd Quarter
EARNINGS ANNOUNCEMENTS	04/22/04	07/22/04	10/22/04
DIVIDEND DECLARATIONS	04/01/04	07/01/04	10/04/04

INQUIRIES

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

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BY FACSIMILE	→	(248) 208-2641
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BY E-MAIL	→	cpeterse@suncommunities.com

SUN COMMUNITIES

BALANCE SHEETS

(in thousands)

Quarter Ended

	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
ASSETS					
Real Estate					
Land	\$ 104,541	\$ 103,401	\$ 104,816	\$ 103,590	\$ 101,926
Land Improvements and Buildings	1,048,576	1,014,268	1,022,560	1,006,500	999,540
Furniture, Fixtures and Equipment	33,080	25,878	26,800	26,517	26,277
Land Held for Future Development	31,409	32,103	32,103	33,343	34,573
Property Under Development	2,799	2,288	2,616	11,595	12,521
Gross Real Estate Investment	1,220,405	1,177,938	1,188,895	1,181,545	1,174,837
Less Accumulated Depreciation	(209,921)	(198,283)	(193,475)	(184,352)	(175,477)
Net Real Estate Investment	1,010,484	979,655	995,420	997,193	999,360
Properties Held for Divestiture, net		12,931			
Cash and Cash Equivalents	24,058	17,184	1,703	3,339	2,664
Notes and Other Receivables	74,828	58,566	57,127	56,768	56,329
Inventory	17,236				
Investments in and Advances to Affiliates	51,172	116,724	88,719	72,405	67,719
Other Assets	43,796	43,567	38,107	37,336	37,904
Total Assets	\$ 1,221,574	\$ 1,228,627	\$ 1,181,076	\$ 1,167,041	\$ 1,163,976
LIABILITIES AND EQUITY					
<i>Liabilities</i>					
Line of Credit	\$ 101,654	\$ 102,500	\$ 75,000	\$ 76,500	\$ 63,000
Mortgage Loans Payable	253,920	252,098	252,533	253,028	254,935
Senior Unsecured Notes	350,000	355,000	350,000	285,000	285,000
Preferred Operating Units	58,148	58,148	58,148	58,148	53,978
Bridge Note	-	-	-	48,000	48,000
Collateralized Lease Obligations	9,606	9,673	9,739	9,805	16,438
Accounts Payable, Deposits and Accrued Liabilities	24,833	24,889	25,597	23,610	24,581
Total Liabilities	798,161	802,308	771,017	754,091	745,932
Minority Interests- Preferred OP Units	50,000	50,000	50,000	50,000	50,000
Minority Interests - Common OP Units and others	46,803	45,649	46,512	47,709	48,512
	96,803	95,649	96,512	97,709	98,512
<i>Stockholders' Equity</i>					
Preferred Stock	-	-	-	-	-
Common Stock	192	191	186	183	183
Paid in Capital	446,211	446,651	427,027	420,599	420,683
Officers' Notes	(10,299)	(10,583)	(10,612)	(10,632)	(10,703)
Deferred Compensation	(7,337)	(7,658)	(7,980)	(8,301)	(8,622)
Unrealized (losses) on interest rate swaps	(1,294)	(2,198)	(4,231)	(2,290)	(1,851)
Distributions in Excess of Net Income	(94,479)	(89,349)	(84,459)	(77,934)	(73,774)
Treasury Stock at Cost	(6,384)	(6,384)	(6,384)	(6,384)	(6,384)
Total Stockholders' Equity	326,610	330,670	313,547	315,241	319,532
Total Liabilities and Stockholders' Equity	\$ 1,221,574	\$ 1,228,627	\$ 1,181,076	\$ 1,167,041	\$ 1,163,976
Common OP Units Outstanding	2,480	2,484	2,488	2,552	2,552

SUN COMMUNITIES

DEBT ANALYSIS

(in thousands)

	Quarter Ended				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
DEBT OUTSTANDING					
Line of Credit	\$ 101,654	\$ 102,500	\$ 75,000	\$ 76,500	\$ 63,000
Mortgage Loans Payable	253,920	252,099	252,533	253,028	254,935
Senior Unsecured Notes	350,000	355,000	350,000	285,000	285,000
Preferred Operating Units	58,148	58,148	58,148	58,148	53,978
Bridge Note	-	-	-	48,000	48,000
Collateralized Lease Obligations (note a)	9,606	9,672	9,739	9,805	16,438
Total Debt	<u>\$ 773,328</u>	<u>\$ 777,419</u>	<u>\$ 745,420</u>	<u>\$ 730,481</u>	<u>\$ 721,351</u>
% FIXED/FLOATING					
Fixed	74.24%	73.61%	76.78%	65.86%	67.29%
Floating	<u>25.76%</u>	<u>26.39%</u>	<u>23.22%</u>	<u>34.14%</u>	<u>32.71%</u>
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
AVERAGE INTEREST RATES					
Line of Credit	2.05%	1.97%	2.29%	2.14%	2.27%
Mortgage Loans Payable	4.47%	3.95%	3.88%	3.89%	4.47%
Senior Unsecured Notes	6.76%	6.70%	6.76%	7.55%	7.55%
Preferred Operating Units	7.05%	7.05%	7.05%	7.05%	7.00%
Bridge Note				4.23%	2.62%
Collateralized Lease Obligations (note a)	<u>5.51%</u>	<u>5.51%</u>	<u>5.51%</u>	<u>5.51%</u>	<u>5.74%</u>
Total Average	<u>5.23%</u>	<u>5.23%</u>	<u>5.34%</u>	<u>5.29%</u>	<u>5.48%</u>
DEBT RATIOS					
Debt/Total Market Cap	46%	46%	46.1%	47.9%	47.2%
Debt/Gross Assets	52%	53%	54%	54%	54%
COVERAGE RATIOS					
EBITDA/Interest	2.8	2.9	2.9	3.3	3.0
EBITDA/Interest + Preferred Distributions	2.3	2.6	2.4	2.6	2.4
MATURITIES					
	<u>31-Dec-04</u>	<u>31-Dec-05</u>	<u>31-Dec-06</u>	<u>31-Dec-07</u>	<u>30-Dec-08</u>
Line of Credit	\$ 2,654		\$ 99,000		
Mortgage Loans Payable	22,876	1,598	12,247	41,624	5,656
Senior Unsecured Notes	-	65,000	-	35,000	100,000
Preferred Operating Units			8,175	4,500	-
Bridge Note	-	-	-	-	-
Collateralized Lease Obligations (note a)	9,606	-	-	-	-
Total	<u>\$ 35,136</u>	<u>\$ 66,598</u>	<u>\$ 119,422</u>	<u>\$ 81,124</u>	<u>\$ 105,656</u>

Note:

(a) Of the \$9,500,000 collateralized lease obligation at December, 2003, \$4,725,000 was converted into Series B Parity Preferred Sun Communities Operating Limited Partnership (SPOP) Units at the end of the lease term at \$100 par amount for each SPOP per unit. SPOP Units will be entitled to distributions ranging from 7.5% to 8.0% per annum for up to 15 years and are not convertible into Common Operating Partnership Units. The remainder was paid in cash.

SUN COMMUNITIES

STATEMENT OF OPERATIONS

(in thousands)

	Quarter Ended				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
REVENUES					
Income from property	\$ 39,650	\$ 39,090	\$ 39,362	\$ 41,013	\$ 36,902
Gross Profit from Home Sales	614				
Equity earnings (loss) from affiliates	667	27	736	(171)	(107)
Other income	2,203	3,920	3,035	2,942	3,100
Total revenues	<u>43,134</u>	<u>43,037</u>	<u>43,133</u>	<u>43,784</u>	<u>39,895</u>
EXPENSES					
Property operating and maintenance	10,197	10,091	9,447	10,102	8,981
Real estate taxes	2,941	2,937	2,931	2,937	2,760
General and administrative	3,078	2,581	2,504	2,373	2,266
Total expenses	<u>16,216</u>	<u>15,609</u>	<u>14,882</u>	<u>15,412</u>	<u>14,007</u>
EBITDA (1)	26,918	27,428	28,251	28,372	25,888
Interest expense	(9,996)	(7,352)	(10,447)	(8,760)	(8,541)
Preferred distributions	(2,140)	(2,136)	(2,133)	(2,128)	(1,986)
Other adjustments, net (see Note A)	1,869	(1,165)	1,152	804	1,230
NOTE: See FFO reconciliation on following page					
FFO contributed by continued operations (1)	16,651	16,775	16,823	18,288	16,591
FFO contributed by discontinued operations (1)	382	486	514	538	538
FUNDS FROM OPERATIONS ("FFO") (1)	17,033	17,261	17,337	18,826	17,129
Depreciation and amortization	(11,718)	(10,599)	(10,442)	(10,351)	(10,192)
Reduction in book value of equity investment					(13,881)
Other adjustments, net (see Note A)	(1,785)	728	(1,548)	(1,064)	(1,277)
Minority interests	(799)	(816)	(606)	(863)	1,100
Income (loss) from continuing operations	2,349	6,088	4,227	6,010	(7,659)
Income from discontinued operations net of contribution to funds from operations	4,062	333	312	333	334
NET INCOME (LOSS)	6,411	6,421	4,539	6,343	(7,326)
FUNDS FROM OPERATIONS (1)	17,033	17,261	17,337	18,826	17,129
Less recurring capital expenditures	(1,787)	(1,977)	(1,737)	(990)	(2,214)
FUNDS AVAILABLE FOR DISTRIBUTION ("FAD") (1)	15,246	15,284	15,600	17,836	14,915
FFO PER SHARE/UNIT (1)	\$0.81	\$0.82	\$0.85	\$0.93	\$0.84
FAD PER SHARE/UNIT (1)	\$0.72	\$0.73	\$0.76	\$0.88	\$0.73
DISTRIBUTION PER SHARE/UNIT	\$0.61	\$0.61	\$0.61	\$0.61	\$0.58
DILUTED FFO PER SHARE/UNIT	\$0.80	\$0.82	\$0.84	\$0.92	\$0.84
PAYOUT RATIO	75.3%	74.2%	71.8%	65.6%	69.0%
WEIGHTED AVERAGE SHARES/UNITS	21,111	20,989	20,427	20,342	20,329

Note A: Other adjustments, net include losses related to acquiring an equity interest of another investor in SunChamp, a valuation adjustment related to interest rate swaps and an interest rate cap agreement, and non-real estate related depreciation.

SUN COMMUNITIES, INC.
RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS
(Amounts in thousands, except per share/OP unit amounts) (Unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2003	2002	2003	2002
Net income	\$ 6,411	\$ (7,326)	\$ 23,714	\$ 13,592
Adjustments:				
Depreciation and amortization	11,641	10,349	43,458	38,262
Valuation adjustment ⁽³⁾	395	(38)	(879)	449
Allocation of SunChamp losses ⁽⁴⁾	1,390	1,315	4,548	1,315
Reduction in book value of investment	-	13,881	-	13,881
Income allocated to common minority interests	854	(1,052)	3,274	2,003
Gain on sale of properties, net	(3,658)	-	(3,658)	(269)
Funds from operations (FFO)	<u>\$ 17,033</u>	<u>\$ 17,129</u>	<u>\$ 70,457</u>	<u>\$ 69,233</u>
FFO - Continuing Operations	<u>\$ 16,651</u>	<u>\$ 16,591</u>	<u>\$ 68,537</u>	<u>\$ 67,055</u>
FFO - Discontinued Operations	<u>\$ 382</u>	<u>\$ 538</u>	<u>\$ 1,920</u>	<u>\$ 2,178</u>
Weighted average common shares/OP Units outstanding:				
Basic	<u>21,111</u>	<u>20,329</u>	<u>20,717</u>	<u>20,177</u>
Diluted	<u>21,254</u>	<u>20,456</u>	<u>20,856</u>	<u>20,363</u>
Continuing Operations:				
FFO per weighted average Common Share/OP Unit - Basic	<u>\$ 0.79</u>	<u>\$ 0.81</u>	<u>\$ 3.31</u>	<u>\$ 3.32</u>
FFO per weighted average Common Share/OP Unit - Diluted	<u>\$ 0.78</u>	<u>\$ 0.81</u>	<u>\$ 3.29</u>	<u>\$ 3.29</u>
Discontinued Operations:				
FFO per weighted average Common Share/OP Unit - Basic	<u>\$ 0.02</u>	<u>\$ 0.03</u>	<u>\$ 0.09</u>	<u>\$ 0.11</u>
FFO per weighted average Common Share/OP Unit - Diluted	<u>\$ 0.02</u>	<u>\$ 0.03</u>	<u>\$ 0.09</u>	<u>\$ 0.11</u>
Total Operations:				
FFO per weighted average Common Share/OP Unit - Basic	<u>\$ 0.81</u>	<u>\$ 0.84</u>	<u>\$ 3.40</u>	<u>\$ 3.43</u>
FFO per weighted average Common Share/OP Unit - Diluted	<u>\$ 0.80</u>	<u>\$ 0.84</u>	<u>\$ 3.38</u>	<u>\$ 3.40</u>

⁽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 imperfections related to hedging correlation in these swaps is reflected currently in cash as interest, 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. At December 31, 2003, the remaining balance on the SunChamp note is approximately \$0.3 million.

SUN COMMUNITIES

STATEMENT OF OPERATIONS SAME PROPERTY (in thousands)

	Quarter Ended		12 Months Ended	
	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002
REVENUES				
Income from Property	<u>\$ 33,703</u>	<u>\$ 33,298</u>	<u>\$ 135,220</u>	<u>\$ 132,100</u>
EXPENSES				
Real Estate Taxes	2,643	2,409	10,578	9,892
Payroll	2,417	2,534	10,019	9,513
Repairs and Maintenance	1,331	1,261	5,636	4,700
Utilities, Net	1,682	1,615	6,708	6,568
Other	<u>1,296</u>	<u>1,094</u>	<u>4,300</u>	<u>4,084</u>
Total Expenses	<u>9,369</u>	<u>8,913</u>	<u>37,241</u>	<u>34,757</u>
NET OPERATING INCOME ("NOI") (1)	<u>\$ 24,334</u>	<u>\$ 24,385</u>	<u>\$ 97,979</u>	<u>\$ 97,343</u>
NUMBER OF COMMUNITIES	(a) 105	105	105	105
NUMBER OF DEVELOPED SITES	(a) 38,255	38,253	38,255	38,253
NUMBER OF OCCUPIED SITES	(a) 33,533	34,514	33,533	34,514
OCCUPANCY PERCENTAGE	(b) 89.1%	92.0%	89.1%	92.0%
WEIGHTED AVERAGE RENT	(b) \$ 328	\$ 315	\$ 328	\$ 315
SITES AVAILABLE FOR DEVELOPMENT	1,545	2,018	1,545	2,018
SITES IN DEVELOPMENT	30	99	30	99

For periods ending December 2003 and December 2002

(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, 2003	December 31, 2003	December 31, 2002
NUMBER OF COMMUNITIES	105	105	103
REVENUES			
Income from Property	<u>1.2%</u>	<u>2.4%</u>	<u>4.7%</u>
EXPENSES			
Real Estate Taxes	9.8%	6.9%	5.8%
Payroll	-4.6%	5.3%	11.8%
Repairs and Maintenance	5.5%	19.9%	0.7%
Utilities, Net	4.2%	2.1%	-5.9%
Other	<u>18.4%</u>	<u>5.3%</u>	<u>10.6%</u>
Total Expenses	<u>5.1%</u>	<u>7.1%</u>	<u>4.7%</u>
NET OPERATING INCOME ("NOI") (1)	<u>-0.2%</u>	<u>0.7%</u>	<u>4.7%</u>

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	
2001	\$119	\$4,824	\$1,988	\$62,775	\$28,970	\$3,855
2002	\$ 168	\$7,102	\$2,630	\$70,653	\$24,500	\$7,833
2003	\$148	\$ 6,491	\$2,343	\$4,514	\$14,426	\$1,897

- 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 \$3,400,000 related to software conversion.
- 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 <u>30, 2003</u>	September <u>30, 2003</u>	June <u>30, 2003</u>	March <u>31, 2003</u>	December <u>31, 2002</u>
STABILIZED COMMUNITIES					
MICHIGAN					
Communities	40	43	43	43	43
Sites for Development	332	332	332	332	332
Developed Sites	12,637	13,091	13,091	13,091	13,091
Occupied	11,248	11,817	11,964	12,027	12,136
Occupancy %	89.0%	90.3%	91.4%	91.9%	92.7%
FLORIDA					
Communities	15	15	15	15	15
Sites for Development	544	555	588	602	605
Developed Sites	5,654	5,641	5,626	5,610	5,609
Occupied	5,535	5,516	5,493	5,473	5,467
Occupancy %	97.9%	97.8%	97.6%	97.6%	97.5%
INDIANA					
Communities	17	17	17	17	17
Sites for Development	422	422	422	422	422
Developed Sites	6,360	6,360	6,360	6,361	6,361
Occupied	5,177	5,304	5,403	5,464	5,498
Occupancy %	81.4%	83.4%	85.0%	85.9%	86.4%
OHIO					
Communities	10	10	10	10	10
Sites for Development	-	-	-	-	-
Developed Sites	2,917	2,917	2,917	2,917	2,917
Occupied	2,589	2,607	2,618	2,608	2,635
Occupancy %	88.8%	89.4%	89.7%	89.4%	90.3%
TEXAS					
Communities	6	6	6	6	6
Sites for Development	-	-	-	-	-
Developed Sites	1,495	1,494	1,492	1,492	1,488
Occupied	1,374	1,418	1,431	1,444	1,446
Occupancy %	91.9%	94.9%	95.9%	96.8%	97.2%
OTHER STATES					
Communities	14	15	15	15	15
Sites for Development	69	69	106	106	106
Developed Sites	5,537	5,814	5,814	5,814	5,814
Occupied	5,034	5,311	5,354	5,378	5,421
Occupancy %	90.9%	91.3%	92.1%	92.5%	93.2%

PROPERTY SUMMARY (continued)

Quarter Ended

	<u>December 31, 2003</u>	<u>September 30, 2003</u>	<u>June 30, 2003</u>	<u>March 31, 2003</u>	<u>December 31, 2002</u>
TOTAL--MH STABILIZED PORTFOLIO					
Communities	102	106	106	106	106
Sites for Development	1,367	1,378	1,448	1,462	1,465
Developed Sites	34,600	35,317	35,300	35,285	35,280
Occupied	30,957	31,973	32,263	32,394	32,603
Occupancy %	89.5%	90.5%	91.4%	91.8%	92.4%
NEW COMMUNITY DEVELOPMENT					
Communities	21	20	20	19	19
Sites for Development	5,389	5,582	5,602	6,001	6,177
Developed Sites	4,197	4,135	4,117	3,718	3,552
Occupied	2,462	2,424	2,443	2,418	2,301
Occupancy %	58.7%	58.6%	59.3%	65.0%	64.8%
RV PORTFOLIO SUMMARY					
Communities	12	12	12	12	12
Sites	5,078	5,090	5,103	5,122	5,127
Permanent	3,013	3,013	3,003	2,995	3,032
Seasonal	2,065	2,077	2,100	2,127	2,095
States					
Florida	4057	4,068	4,078	4,097	4,098
Texas	864	865	868	868	872
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 127 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**

<u>MARKETS</u>	<u>MOVE OUTS</u>	<u>NET LEASED SITES</u>	<u>NEW HOME SALES</u>	<u>PRE-OWNED HOME SALES</u>	<u>BROKERED RESALES</u>
Michigan	462	(442)	45	88	136
Florida	19	68	74	26	347
Indiana	368	(314)	4	48	25
Ohio	98	(30)	8	39	39
Texas	169	(45)	69	10	11
Other States	212	(86)	30	68	37
RV Communities	n/m	n/m	27	4	31
Through 12/31/2003	<u>1,328</u>	<u>(849)</u>	<u>257</u>	<u>283</u>	<u>626</u>

For the Year

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

	<u>MOVE OUTS</u>	<u>RESALES</u>
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%

SUN COMMUNITIES, INC.
FOOTNOTES TO SUPPLEMENTAL DATA

- (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.

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 property, plus rental property depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.” Industry analysts consider FFO to be an appropriate supplemental measure of the operating performance of an equity REIT primarily because the computation of FFO excludes historical cost depreciation as an expense and thereby facilitates the comparison of REITs which have different cost bases in their assets. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time, whereas real estate values have instead historically risen or fallen based upon market conditions. FFO 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. Please see the Reconciliation of Net Income to Funds from Operations set forth above.

NOI is defined as income from property of the Company, minus property expenses such as real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses. NOI includes NOI from discontinued operations.

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.