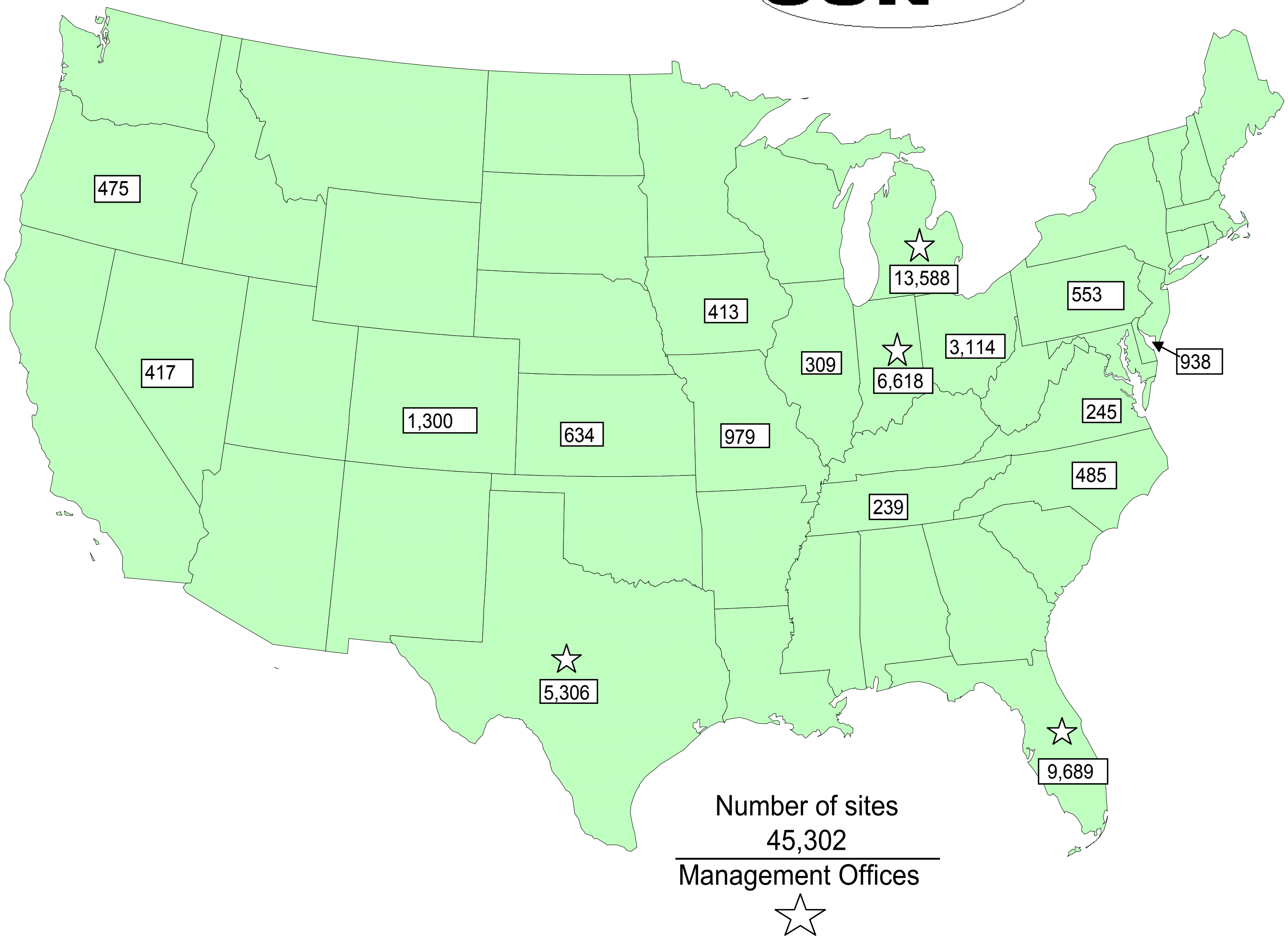
Sun Communities, Inc.

Supplemental Operating and Financial Data

For the Quarter Ended June 30, 2004

SUN

Portfolio Overview



SUN COMMUNITIES, INC.
SUPPLEMENTAL INFORMATION
2nd 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 SECOND QUARTER 2004 RESULTS

Southfield, MI, July 28, 2004 - Sun Communities, Inc. (NYSE: SUI), a real estate investment trust (REIT) that owns and operates manufactured housing communities, today reported second quarter results.

For the second quarter ended June 30, 2004, total revenues increased 1.2 percent to $48.9 million, compared with $48.3 million in the second quarter of 2003. Funds from operations (FFO) (1) decreased from $17.3 million in the second quarter 2003 to $(42.3) million in the second quarter 2004. On a diluted per share/OP unit basis, FFO was $(2.00) for the second quarter of 2004 as compared with $0.84 for the three months ended June 30, 2003. Net loss for the second quarter of 2004 was $47.9 million or $(2.57) per diluted common share, compared with net income of $4.5 million, or $0.25 per diluted common share for the same period in 2003. These second quarter 2004 results reflect a charge 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. Second quarter 2004 earnings, excluding these one-time costs, were FFO of $14.9 million or $0.70 per share/OP unit and net income of $9.3 million or $0.50 cents per share.

For 108 communities owned throughout both years, total revenues increased 3.5 percent for the six months ended June 30, 2004 and expenses increased 2.4 percent, resulting in an increase in net operating income(2) of 4.0 percent. Same property occupancy in the manufactured housing sites decreased from 89.3 percent at March 31, 2004 to 89.1 percent at June 30, 2004.

The Company had 21 fewer occupied sites in its manufactured housing portfolio through June 30, 2004. This compares with losses of 172 and 849 sites respectively in the years 2002 and 2003. The leasing cycle appears to have reached bottom which is further supported by the presence of 528 repossessed homes in our portfolio at June 30, 2004, the lowest number since September, 2001.

The Company recently completed two financings for total proceeds of $733 million, consisting of $237 million of additional secured financing from Fannie Mae of which $60 million remains available to draw until December, 2004 and $496 million of collateralized mortgage backed securities with Bank of America CMBS Capital markets. Of these proceeds, $674 million has a weighted average interest rate of 4.99 percent and a weighted average duration slightly in excess of ten years. The completion of these financings leaves the Company well-positioned with long term debt at historically low interest rates.

"The financings not only coincided with cyclical lows in interest rates but also with signs of improving industry conditions," said Gary Shiffman, Chairman and Chief Executive Officer. "The performance of the same site portfolio is near stabilization and both Champion and Fleetwood, the two largest manufactured home builders, reported profitable results in their MH divisions this quarter."

"Lower levels of repossessed homes, efficient manufacturers focused on producing high quality affordable housing and the entry of additional retail financing sources into the market are further positive indications for the industry. Management remains focused on daily operations while seeking opportunistic acquisitions to lever the Company's existing expertise," Shiffman added.

At June 30, 2004, the Company has cash of $ 106 million which will increase to nearly $170 million when the final draw is funded under the recently completed financing. The Company has a number of uses under consideration including:

- The Company has acquired approximately 430,000 shares under the Company's stock buy back program.
- Property acquisitions of $164 million are in advanced stages of negotiation at a weighted average capitalization rate of approximately 7.5 percent.
- A $50 million 8.875 percent Preferred Operating Partnership unit issue becomes callable in the fourth quarter.

A conference call to discuss second quarter operating results will be held on July 28, 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 August 11, 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 replay is 3055 and the ID number is 108843. 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 132 communities mainly in the Midwest and Southeast United States. The Company's properties are comprised of over 45,300 developed sites and approximately 7,400 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 JUNE 30, 2004 AND 2003
(Amounts in thousands except for per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	**2003**	**2004**	**2003**
REVENUES				
Income from rental property	$ 40,501	$ 39,361	$ 83,369	$ 80,374
Revenue from home sales	6,082	5,601	10,056	9,715
Ancillary revenues, net	519	435	1,116	876
Interest and other income	1,785	2,913	4,107	5,248
Total revenues	48,887	48,310	98,648	96,213
COSTS AND EXPENSES				
Property operating and maintenance	10,068	9,447	20,296	19,549
Cost of home sales	5,137	3,543	8,262	6,186
Real estate taxes	3,353	2,932	6,519	5,869
General and administrative - rental property	2,640	2,504	5,446	4,877
General and administrative - home sales	1,631	1,598	3,061	3,011
Depreciation and amortization	10,806	10,838	22,089	21,450
Recapitalization costs	51,643	-	51,643	-
Deferred financing costs related to retired debt	5,557	-	5,557	-
Interest	10,100	10,484	19,365	19,307
Total expenses	100,935	41,346	142,238	80,249
Income (loss) from continuing operations before minority interests	(52,048)	6,964	(43,590)	15,964
Less income (loss) allocated to minority interests:				
Preferred OP Units	2,184	2,133	4,363	4,261
Common OP Units	(6,331)	605	(5,622)	1,468
Income (loss) from continuing operations	(47,901)	4,226	(42,331)	10,235
Income from discontinued operations	-	313	-	647
Net income (loss)	$ (47,901)	$ 4,539	$ (42,331)	$ 10,882
Weighted average common shares outstanding:				
Basic	18,639	17,902	18,670	17,846
Diluted	18,639	18,091	18,670	18,000
Basic earnings per share:				
Continuing operations	$ (2.57)	$ 0.23	$ (2.27)	$ 0.57
Discontinued operations	-	0.02	-	0.04
Net income (loss)	$ (2.57)	$ 0.25	$ (2.27)	$ 0.61
Diluted earnings per share:				
Continuing operations	$ (2.57)	$ 0.23	$ (2.27)	$ 0.56
Discontinued operations	-	0.02	-	0.04
Net income (loss)	$ (2.57)	$ 0.25	$ (2.27)	$ 0.60

RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS
FOR THE PERIODS ENDED JUNE 30, 2004 AND 2003
(Amounts in thousands except for per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Net income (loss)	$ (47,901)	$ 4,539	$ (42,331)	$ 10,882
Adjustments:				
Depreciation of rental property	11,073	10,600	21,914	21,109
Valuation adjustment(3)	889	461	482	675
Allocation of SunChamp losses(4)	-	1,087	300	1,937
Income allocated to minority interest	(6,331)	650	(5,622)	1,560
Funds from operations	$ (42,270)	$ 17,337	$ (25,257)	$ 36,163
Weighted average common shares/OP Units outstanding:				
Basic	21,112	20,427	21,144	20,384
Diluted	21,112	20,616	21,144	20,538
FFO per weighted average Common Share/OP Unit - Basic	$ (2.00)	$ 0.85	$ (1.19)	$ 1.77
FFO per weighted average Common Share/OP Unit - Diluted	$ (2.00)	$ 0.84	$ (1.19)	$ 1.76

(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.

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

	June 30, 2004	December 31, 2003
Investment in rental property before accumulated depreciation	$ 1,304,822	$ 1,220,405
Total assets	$ 1,345,183	$ 1,221,574
Total debt	$ 976,816	$ 773,328
Total minority interests and stockholders' equity	$ 342,160	$ 423,413

SUN COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED JUNE 30, 2004 AND 2003
(Amounts in thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Net income (loss)	$ (47,901)	$ 4,539	$ (42,331)	$ 10,882
Unrealized income (loss) on interest rate swaps	2,857	(1,942)	1,374	(2,381)
Comprehensive income (loss)	$ (45,044)	$ 2,597	$ (40,957)	$ 8,501

RESEARCH COVERAGE

AG EDWARDS	ART HAVENER (314) 955-3436
DEUTSCHE BANK SECURITIES, INC	LOUIS TAYLOR (212) 250-4912
GREEN STREET	JOHN D. HEROLD (949) 640-8780
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

	3rd Quarter	4th Quarter	1st Quarter
EARNINGS ANNOUNCEMENTS	10/21/01	02/03/05	04/21/05
DIVIDEND DECLARATIONS	10/01/04	01/03/05	04/01/05

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		
	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
ASSETS					
Real Estate					
Land	$ 110,354	$ 104,548	$ 104,541	$ 103,401	$ 104,816
Land Improvements and Buildings	1,125,521	1,054,164	1,048,576	1,014,268	1,022,560
Furniture, Fixtures and Equipment	32,670	32,881	33,080	25,878	26,800
Land Held for Future Development	34,318	32,359	31,409	32,103	32,103
Property Under Development	1,960	1,538	2,799	2,288	2,616
Gross Real Estate Investment	1,304,823	1,225,490	1,220,405	1,177,938	1,188,895
Less Accumulated Depreciation	(227,939)	(219,238)	(209,921)	(198,283)	(193,475)
Net Real Estate Investment	1,076,884	1,006,253	1,010,484	979,655	995,420
Properties Held for Divestiture, net				12,931	
Cash and Cash Equivalents	106,117	25,588	24,058	17,184	1,703
Notes and Other Receivables	41,586	63,960	74,828	58,566	57,127
Inventory	18,599	21,109	17,236		
Investments in and Advances to Affiliates	50,160	50,460	51,172	116,724	88,719
Other Assets	51,837	46,361	43,796	43,567	38,107
Total Assets	$ 1,345,183	$ 1,213,731	$ 1,221,574	$ 1,228,627	$ 1,181,076
LIABILITIES AND EQUITY					
Liabilities					
Line of Credit	$ -	$ 97,000	$ 101,654	$ 102,500	$ 75,000
Mortgage Loans Payable	908,926	256,073	253,920	252,098	252,533
Senior Unsecured Notes	5,017	350,000	350,000	355,000	350,000
Preferred Operating Units	62,873	62,873	58,148	58,148	58,148
Collateralized Lease Obligations	-	-	9,606	9,673	9,739
Accounts Payable, Deposits and Accrued Liabilities	26,207	31,015	24,833	24,889	25,597
Total Liabilities	1,003,023	796,961	798,161	802,308	771,017
Minority Interests- Preferred OP Units	50,000	50,000	50,000	50,000	50,000
Minority Interests - Common OP Units and others	36,871	45,842	46,803	45,649	46,512
	86,871	95,842	96,803	95,649	96,512
Stockholders' Equity					
Preferred Stock	-	-	-	-	-
Common Stock	195	192	192	191	186
Paid in Capital	454,734	447,546	446,211	446,651	427,027
Officers' Notes	(10,136)	(10,136)	(10,299)	(10,583)	(10,612)
Deferred Compensation	(13,717)	(7,016)	(7,337)	(7,658)	(7,980)
Unrealized (losses) on interest rate swaps	80	(2,777)	(1,294)	(2,198)	(4,231)
Distributions in Excess of Net Income	(160,196)	(100,497)	(94,479)	(89,349)	(84,459)
Treasury Stock at Cost	(15,671)	(6,384)	(6,384)	(6,384)	(6,384)
Total Stockholders' Equity	255,289	320,928	326,610	330,670	313,547
Total Liabilities and Stockholders' Equity	$ 1,345,183	$ 1,213,731	$ 1,221,574	$ 1,228,627	$ 1,181,076
Common OP Units Outstanding	2,473	2,473	2,480	2,484	2,488
Number of Shares Oustanding	18,990	19,049	18,990	18,915	18,379

SUN COMMUNITIES

DEBT ANALYSIS

(in thousands)

	Quarter Ended				
	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
DEBT OUTSTANDING					
Line of Credit	$ -	$ 97,000	$ 101,654	$ 102,500	$ 75,000
Mortgage Loans Payable	908,926	256,073	253,920	252,099	252,533
Senior Unsecured Notes	5,017	350,000	350,000	355,000	350,000
Preferred Operating Units	62,873	62,873	58,148	58,148	58,148
Collateralized Lease Obligations	-	-	9,606	9,672	9,739
Total Debt	$ 976,816	$ 765,946	$ 773,328	$ 777,419	$ 745,420
% FIXED/FLOATING					
Fixed	91.69%	74.27%	74.24%	73.61%	73.61%
Floating	8.31%	25.73%	25.76%	26.39%	26.39%
Total	100.00%	100.00%	100.00%	100.00%	100.00%
AVERAGE INTEREST RATES					
Line of Credit		1.94%	2.05%	1.97%	2.29%
Mortgage Loans Payable	4.87%	4.46%	4.47%	3.95%	3.88%
Senior Unsecured Notes	6.77%	6.76%	6.76%	6.70%	6.76%
Preferred Operating Units	6.80%	6.80%	7.05%	7.05%	7.05%
Collateralized Lease Obligations			5.51%	5.51%	5.51%
Total Average	5.01%	5.38%	5.23%	5.23%	5.34%
DEBT RATIOS					
Debt/Total Market Cap	53.2%	44.2%	46%	46%	46.1%
Debt/Gross Assets	62.1%	51.7%	52%	53%	54%
COVERAGE RATIOS					
EBITDA/Interest	2.8	3.1	2.8	2.9	2.9
EBITDA/Interest + Preferred Distributions	2.3	2.5	2.3	2.6	2.4

	30-Jun-05	30-Jun-06	30-Jun-07	30-Jun-08	30-Jun-09
MATURITIES					
Line of Credit					
Mortgage Loans Payable .	6,891	9,537	17,649	50,218	29,082
Senior Unsecured Notes					
Preferred Operating Units		8,175	4,500		
Total	$ 6,891	$ 17,712	$ 22,149	$ 50,218	$ 29,082

SUN COMMUNITIES

STATEMENT OF OPERATIONS

(in thousands)

	Quarter Ended				
	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
REVENUES					
Income from property	$ 40,501	$ 42,868	$ 39,650	$ 39,090	$ 39,362
Gross Profit from Home Sales	945	849	1,032		
Equity earnings (loss) from affiliates			667	27	736
Other income	2,304	2,919	3,741	3,920	3,035
Total revenues	43,750	46,636	45,090	43,037	43,133
EXPENSES					
Property operating and maintenance	10,068	10,228	10,197	10,091	9,447
Real estate taxes	3,353	3,166	2,941	2,937	2,931
Selling, general and administrative	4,271	4,236	5,034	2,581	2,504
Total expenses	17,692	17,630	18,172	15,609	14,882
EBITDA (1)	26,058	29,006	26,918	27,428	28,251
Recapitalization costs	(51,643)				
Deferred financing costs related to retired debt	(5,557)				
Interest expense	(10,100)	(9,265)	(9,996)	(7,352)	(10,447)
Preferred distributions	(2,184)	(2,179)	(2,140)	(2,136)	(2,133)
Other adjustments, net (see Note A)	1,156	(549)	1,869	(1,165)	1,152
NOTE: See FFO reconcilation on following page					
FFO contributed by continued operations (1)	(42,270)	17,013	16,651	16,775	16,823
FFO contributed by discontinued operations (1)	-	-	382	486	514
FUNDS FROM OPERATIONS ("FFO") (1)	(42,270)	17,013	17,033	17,261	17,337
Depreciation and amortization	(11,073)	(10,841)	(11,718)	(10,599)	(10,442)
Reduction in book value of equity investment					
Other adjustments, net (see Note A)	(889)	107	(1,785)	728	(1,548)
Minority interests	6,331	(709)	(799)	(816)	(606)
Income (loss) from continuing operations	(47,901)	5,570	2,349	6,088	4,227
Income from discontinued operations net of contribution to funds from operations	-	-	4,062	333	312
NET INCOME (LOSS)	(47,901)	5,570	6,411	6,421	4,539
FUNDS FROM OPERATIONS (1)	(42,270)	17,013	17,033	17,261	17,337
Less recurring capital expenditures	(1,894)	(1,111)	(1,787)	(1,977)	(1,737)
FUNDS AVAILABLE FOR DISTRIBUTION ("FAD") (1)	(44,164)	15,902	15,246	15,284	15,600
FFO PER SHARE/UNIT (1)	($2.00)	$0.80	$0.81	$0.82	$0.85
FAD PER SHARE/UNIT (1)	($2.09)	$0.75	$0.72	$0.73	$0.76
DISTRIBUTION PER SHARE/UNIT	$0.61	$0.61	$0.61	$0.61	$0.61
DILUTED FFO PER SHARE/UNIT	($2.00)	$0.80	$0.80	$0.82	$0.84
PAYOUT RATIO	-30.5%	76.3%	75.3%	74.2%	71.8%
WEIGHTED AVERAGE SHARES/UNITS	21,144	21,175	21,111	20,989	20,427

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.

RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS
FOR THE PERIODS ENDED JUNE 30, 2004 AND 2003
(Amounts in thousands except for per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	**2003**	**2004**	**2003**
Net income	$ (47,901)	$ 4,539	$ (42,331)	$ 10,882
Adjustments:				
Depreciation of rental property	11,073	10,600	21,914	21,109
Valuation adjustment (3)	889	461	482	675
Allocation of SunChamp losses (4)	-	1,087	300	1,937
Income allocated to Minority Interest	(6,331)	650	(5,622)	1,560
Funds from operations	$ (42,270)	$ 17,337	$ (25,257)	$ 36,163
Weighted average common shares/OP Units outstanding:				
Basic	21,112	20,427	21,144	20,384
Diluted	21,228	20,616	21,303	20,538
FFO per weighted average Common Share/OP Unit - Basic	$ (2.00)	$ 0.85	$ (1.19)	$ 1.77
FFO per weighted average Common Share/OP Unit - Diluted	$ (2.00)	$ 0.84	$ (1.19)	$ 1.76

(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.

STATEMENT OF OPERATIONS
SAME PROPERTY
(in thousands)

		Quarter Ended		6 Months Ended	
		June 30, 2004	June 30, 2003	June 30, 2004	June 30, 2003
REVENUES					
Income from Property		$ 35,656	$ 34,546	$ 74,008	$ 71,475
EXPENSES					
Real Estate Taxes		2,869	2,711	5,727	5,422
Payroll		2,563	2,457	5,327	5,322
Repairs and Maintenance		1,613	1,468	2,613	2,548
Utilities, Net		1,896	1,750	4,284	4,048
Other		776	946	2,003	2,141
Total Expenses		9,717	9,332	19,954	19,481
NET OPERATING INCOME ("NOI") (1)		$ 25,939	$ 25,214	$ 54,054	$ 51,994
NUMBER OF COMMUNITIES	(a)	108	108	108	108
NUMBER OF DEVELOPED SITES	(a)	39,719	39,740	39,719	39,740
NUMBER OF OCCUPIED SITES	(a)	34,873	35,613	34,873	35,613
OCCUPANCY PERCENTAGE	(b)	89.1%	91.3%	89.1%	91.3%
WEIGHTED AVERAGE RENT	(b)	$ 339	$ 324	$ 339	$ 324
SITES AVAILABLE FOR DEVELOPMENT		1,529	2,001	1,529	2,001
SITES IN DEVELOPMENT		61	8	61	8

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

SUN COMMUNITIES

STATEMENT OF OPERATIONS
SAME PROPERTY -- PERCENTAGE GROWTH

	Quarter Ended	6 Months Ended	
	June 30, 2004	June 30, 2004	June 30, 2003
NUMBER OF COMMUNITIES	108	108	109
REVENUES			
Income from Property	3.2%	3.5%	3.0%
EXPENSES			
Real Estate Taxes	5.8%	5.6%	9.6%
Payroll	4.4%	9.0%	10.6%
Repairs and Maintenance	9.9%	2.6%	25.7%
Utilities, Net	8.4%	5.8%	-0.4%
Other	-18.0%	-6.5%	15.1%
Total Expenses	4.1%	2.4%	10.2%
NET OPERATING INCOME ("NOI")	2.9%	4.0%	0.6%

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
Thru 06/30/04	$66	$ 3,005	$1,236	$64,451	$6,146	$297

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 $319,000 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				
	June 30, 2004	March 31, 2004	December 30, 2003	September 30, 2003	June 30, 2003
STABILIZED COMMUNITIES					
MICHIGAN					
Communities	42	40	40	43	43
Sites for Development	332	332	332	332	332
Developed Sites	13,062	12,637	12,637	13,091	13,091
Occupied	11,554	11,215	11,248	11,817	11,964
Occupancy %	88.5%	88.7%	89.0%	90.3%	91.4%
FLORIDA					
Communities	15	15	15	15	15
Sites for Development	528	537	544	555	588
Developed Sites	5,675	5,663	5,654	5,641	5,626
Occupied	5,564	5,548	5,535	5,516	5,493
Occupancy %	98.0%	98.0%	97.9%	97.8%	97.6%
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	5,184	5,169	5,177	5,304	5,403
Occupancy %	81.5%	81.3%	81.4%	83.4%	85.0%
OHIO					
Communities	10	10	10	10	10
Sites for Development	-	-	-	-	-
Developed Sites	2,917	2,917	2,917	2,917	2,917
Occupied	2,602	2,594	2,589	2,607	2,618
Occupancy %	89.2%	88.9%	88.8%	89.4%	89.7%
TEXAS					
Communities	6	6	6	6	6
Sites for Development	-	-	-	-	-
Developed Sites	1,496	1,496	1,495	1,494	1,492
Occupied	1,337	1,363	1,374	1,418	1,431
Occupancy %	89.4%	91.1%	91.9%	94.9%	95.9%
OTHER STATES					
Communities	14	14	14	15	15
Sites for Development	69	69	69	69	106
Developed Sites	5,537	5,537	5,537	5,814	5,814
Occupied	5,039	5,057	5,034	5,311	5,354
Occupancy %	91.0%	91.3%	90.9%	91.3%	92.1%

PROPERTY SUMMARY (continued)

	Quarter Ended				
	June 31, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
TOTAL--MH STABILIZED PORTFOLIO					
Communities	104	102	102	106	106
Sites for Development	1,351	1,360	1,367	1,378	1,448
Developed Sites	35,047	34,610	34,600	35,317	35,300
Occupied	31,280	30,946	30,957	31,973	32,263
Occupancy %	89.3%	89.4%	89.5%	90.5%	91.4%
NEW COMMUNITY DEVELOPMENT					
Communities	24	21	21	20	20
Sites for Development	6,058	5,488	5,389	5,582	5,602
Developed Sites	5,226	4,234	4,197	4,135	4,117
Occupied	3,133	2,497	2,462	2,424	2,443
Occupancy %	60.0%	59.0%	58.7%	58.6%	59.3%
RV PORTFOLIO SUMMARY					
Communities	12	12	12	12	12
Sites	5,029	5,068	5,078	5,090	5,103
Permanent	2,965	2,959	3,013	3,013	3,003
Seasonal	2,064	2,109	2,065	2,077	2,100
States					
Florida	4014	4050	4057	4,068	4,078
Texas	858	861	864	865	868
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 132 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	MOVE OUTS	NET LEASED SITES	NEW HOME SALES	PRE-OWNED HOME SALES	BROKERED RESALES
Michigan	229	(103)	11	67	52
Florida	6	29	41	14	265
Indiana	193	4	-	38	10
Ohio	36	15	2	26	6
Texas	131	-	14	18	5
Other States	137	34	16	39	23
RV Communities	n/m	n/m	18	1	28
Through 06/30/2004	732	(21)	102	203	389
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
YTD 6/30/2004	4.2%	8.3%
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.