

First Quarter 2007

Earnings Release and Supplemental Financial Information



EQUITY RESIDENTIAL



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New River Cove – Davie, FL



Victor on Venice – Los Angeles, CA

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First Quarter 2007 Results

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Note: This press release supplement contains certain non-GAAP financial measures that management believes are helpful in understanding our business, as further discussed within this press release supplement. These financial measures, which include but are not limited to Funds From Operations and Same Store Net Operating Income, should not be considered as an alternative to net earnings or any other GAAP measurement of performance or as an alternative to cash flows from operating, investing or financing activities. Furthermore, these non-GAAP financial measures are not intended to be a measure of cash flow or liquidity.

Information included in this supplemental package is unaudited.



NEWS RELEASE

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FOR IMMEDIATE RELEASE
MAY 1, 2007

EQUITY RESIDENTIAL REPORTS FIRST QUARTER RESULTS

CHICAGO, IL – MAY 1, 2007 - Equity Residential (NYSE: EQR) today reported results for the quarter ended March 31, 2007. All per share results are reported on a fully diluted basis.

“Our first quarter operating performance was in line with our expectations with very good occupancy levels across our largest markets and strong revenue growth despite working off of a very challenging comparison to first quarter 2006,” said David J. Neithercut, Equity Residential’s President and CEO. “We continue to see good job growth and limited new supply in many of our markets, reinforcing our belief that they will produce good results for the remainder of the year. As we head into our primary leasing season, however, we have recently begun to see certain markets experiencing somewhat slower sequential rental rate growth than we had hoped. Nevertheless, we still expect the portfolio to produce good full year revenue growth.”

First Quarter 2007

For the quarter ended March 31, 2007, the company reported earnings of \$0.40 per share compared to \$1.25 per share in the first quarter of 2006. The quarterly decrease is primarily attributable to \$0.82 per share in higher gains on property sales in the first quarter of 2006.

Funds from Operations (FFO) for the quarter ended March 31, 2007 were \$0.55 per share compared to \$0.56 per share in the same period of 2006. The quarterly decrease is primarily attributable to higher gains on condominium sales in the first quarter of 2006.

The company’s FFO of \$0.55 per share for the quarter exceeded the guidance range of \$0.48 to \$0.52 per share provided by the company in its fourth quarter 2006 earnings release on February 6, 2007. The items describing the difference between

actual FFO per share for the quarter and the midpoint of the company's original guidance range are listed on page 24 of this release. The difference was primarily due to changes in timing on certain anticipated income and expense items. The main items were:

- Certain expenses were postponed to future quarters in 2007 resulting in approximately \$1.6 million less general and administrative expenses than projected;
- The company recorded a reduction to general and administrative expense of \$1.6 million due to the successful resolution of a certain lawsuit in Florida resulting in the reversal of the majority of a previously established litigation reserve;
- Due to a delay in the timing of certain dispositions to future quarters in 2007, the company incurred approximately \$4.9 million less than projected in prepayment penalties and write-offs of unamortized deferred financing costs in connection with debt extinguishments; and
- The company's condominium conversion business closed additional units in the first quarter that were originally anticipated to close in subsequent quarters, resulting in additional net income and FFO of approximately \$2.0 million.

“Same-Store” Results

On a “same-store” first quarter to first quarter comparison, which includes 133,703 units, revenues increased 5.2 percent, expenses increased 5.2 percent and NOI increased 5.2 percent. The increase in same-store revenues, which came in as expected, was driven primarily by increases in average rental rates and a slight increase in occupancy. The increase in same-store expenses was slightly higher than expected. Certain maintenance related expenses were front loaded and should trend lower throughout the remainder of the year. In addition, the company incurred higher than anticipated weather related expenses in Denver and Washington, D.C.

Acquisitions/Dispositions

During the first quarter of 2007, the company acquired thirteen properties, consisting of 3,899 units, for an aggregate purchase price of \$674.2 million at an average capitalization (cap) rate of 5.3 percent and three land parcels for \$42.5 million.

Also during the quarter, the company sold 12 properties, consisting of 3,711 units, for an aggregate sale price of \$253.9 million at an average cap rate of 6.1 percent

generating an unlevered internal rate of return (IRR) of 10.0 percent. In addition, the company sold 157 condominium units for \$37.3 million.

Share Repurchase

During the first quarter of 2007, the company repurchased and retired 4,140,254 of its common shares at an average purchase price of \$48.76 per share for an aggregate purchase of approximately \$201.9 million. The company's Board of Trustees has authorized an increase of approximately \$200 million in the company's share repurchase program, bringing the amount currently available under the plan to \$500 million.

"We were pleased to take advantage of the excellent opportunity that the recent pullback in Equity Residential's common share price created for us to buy our portfolio at a significant discount to the value of our assets. Our Board has given us authorization to increase the amount we have available and we will continue to create value for our shareholders by buying our own portfolio whenever an appropriate discount exists," said Mr. Neithercut.

New Disclosure

On pages 24 and 25 of this release, the company has provided new disclosure including:

- o a reconciliation of guidance midpoint First Quarter 2007 FFO to actual First Quarter 2007 FFO;
- o a breakout of items included in FFO in the First Quarters of both 2006 and 2007 that by their nature are not comparable from period to period; and
- o additional assumptions used to create 2007 earnings guidance.

Second Quarter 2007 Results

Equity Residential expects to announce second quarter 2007 results on Tuesday, July 31, 2007 and host a conference call to discuss those results at Noon CT on Wednesday, August 1, 2007.

Equity Residential is an S&P 500 company focused on the acquisition, development and management of high quality apartment properties in top U.S. growth markets. Equity Residential owns or has investments in 618 properties consisting of 166,324 units. For more information on Equity Residential, please visit our website at www.equityresidential.com.

Forward-Looking Statements

In addition to historical information, this press release contains forward-looking statements and information within the meaning of the federal securities laws. These statements are based on current expectations, estimates, projections and assumptions made by management. While Equity Residential's management believes the assumptions underlying its forward-looking statements are reasonable, such information is inherently subject to uncertainties and may involve certain risks, including, without limitation, changes in general market conditions, including the rate of job growth and cost of labor and construction material, the level of new multifamily construction and development, competition and local government regulation. Other risks and uncertainties are described under the heading "Risk Factors" in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) and available on our website, www.equityresidential.com. Many of these uncertainties and risks are difficult to predict and beyond management's control. Forward-looking statements are not guarantees of future performance, results or events. Equity Residential assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

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A live web cast of the company's conference call discussing these results and outlook for 2007 will take place tomorrow, Wednesday, May 2, at 10:00 a.m. Central. Please visit the Investor Information section of the company's web site at www.equityresidential.com for the link. A replay of the web cast will be available for two weeks at this site.

EQUITY RESIDENTIAL
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands except per share data)
(Unaudited)

	Quarter Ended March 31,	
	2007	2006
REVENUES		
Rental income	\$ 523,898	\$ 459,971
Fee and asset management	2,267	2,487
Total revenues	526,165	462,458
EXPENSES		
Property and maintenance	141,581	122,061
Real estate taxes and insurance	58,977	46,071
Property management	24,904	23,642
Fee and asset management	2,341	2,168
Depreciation	152,821	128,676
General and administrative	9,966	13,040
Impairment	236	566
Total expenses	390,826	336,224
Operating income	135,339	126,234
Interest and other income	2,444	2,352
Interest:		
Expense incurred, net	(111,660)	(104,555)
Amortization of deferred financing costs	(2,564)	(2,738)
Total interest	(114,224)	(106,203)
Income before allocation to Minority Interests, loss from investments in unconsolidated entities, net gain on sales of unconsolidated entities and discontinued operations	23,559	21,293
Allocation to Minority Interests:		
Operating Partnership, net	(939)	(543)
Preference Interests and Units	(223)	(1,099)
Partially Owned Properties	(592)	(1,521)
Premium on redemption of Preference Interests	-	(674)
Loss from investments in unconsolidated entities	(229)	(230)
Net gain on sales of unconsolidated entities	-	329
Income from continuing operations, net of minority interests	21,576	17,555
Discontinued operations, net of minority interests	104,661	360,260
Net income	126,237	377,815
Preferred distributions	(7,424)	(10,095)
Net income available to Common Shares	\$ 118,813	\$ 367,720
Earnings per share - basic:		
Income from continuing operations available to Common Shares	\$ 0.05	\$ 0.03
Net income available to Common Shares	\$ 0.41	\$ 1.27
Weighted average Common Shares outstanding	292,251	288,880
Earnings per share - diluted:		
Income from continuing operations available to Common Shares	\$ 0.05	\$ 0.03
Net income available to Common Shares	\$ 0.40	\$ 1.25
Weighted average Common Shares outstanding	316,265	314,049
Distributions declared per Common Share outstanding	\$ 0.4625	\$ 0.4425

EQUITY RESIDENTIAL
CONSOLIDATED STATEMENTS OF FUNDS FROM OPERATIONS
(Amounts in thousands except per share data)
(Unaudited)

	Quarter Ended March 31,	
	2007	2006
Net income	\$ 126,237	\$ 377,815
Allocation to Minority Interests - Operating Partnership, net	939	543
Adjustments:		
Depreciation	152,821	128,676
Depreciation - Non-real estate additions	(2,035)	(1,796)
Depreciation - Partially Owned and Unconsolidated Properties	943	1,550
Net gain on sales of unconsolidated entities	-	(329)
Discontinued operations:		
Depreciation	1,853	18,047
Gain on sales of discontinued operations, net of minority interests	(104,810)	(347,953)
Net incremental gain on sales of condominium units	4,692	7,127
Provision for income taxes - Non-condo sales	(187)	-
Minority Interests - Operating Partnership	(10)	869
FFO (1)(2)	180,443	184,549
Preferred distributions	(7,424)	(10,095)
FFO available to Common Shares and OP Units - basic	<u>\$ 173,019</u>	<u>\$ 174,454</u>
FFO available to Common Shares and OP Units - diluted	<u>\$ 173,224</u>	<u>\$ 174,700</u>
FFO per share and OP Unit - basic	<u>\$ 0.56</u>	<u>\$ 0.56</u>
FFO per share and OP Unit - diluted	<u>\$ 0.55</u>	<u>\$ 0.56</u>
Weighted average Common Shares and OP Units outstanding - basic	<u>311,698</u>	<u>309,335</u>
Weighted average Common Shares and OP Units outstanding - diluted	<u>316,794</u>	<u>314,686</u>

- (1) The National Association of Real Estate Investment Trusts ("NAREIT") defines funds from operations ("FFO") (April 2002 White Paper) as net income (computed in accordance with accounting principles generally accepted in the United States ("GAAP")), excluding gains (or losses) from sales of depreciable property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect funds from operations on the same basis. The April 2002 White Paper states that gain or loss on sales of property is excluded from FFO for previously depreciated operating properties only. Once the Company commences the conversion of units to condominiums, it simultaneously discontinues depreciation of such property.
- (2) The Company believes that FFO is helpful to investors as a supplemental measure of the operating performance of a real estate company, because it is a recognized measure of performance by the real estate industry and by excluding gains or losses related to dispositions of depreciable property and excluding real estate depreciation (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help compare the operating performance of a company's real estate between periods or as compared to different companies. FFO does not represent net income or net cash flows from operating activities in accordance with GAAP. Therefore, FFO should not be exclusively considered as an alternative to net income or to net cash flows from operating activities as determined by GAAP or as a measure of liquidity. The Company's calculation of FFO may differ from other real estate companies due to, among other items, variations in cost capitalization policies for capital expenditures and, accordingly, may not be comparable to such other real estate companies.

**EQUITY RESIDENTIAL
CONSOLIDATED BALANCE SHEETS**
(Amounts in thousands except for share amounts)
(Unaudited)

	<u>March 31, 2007</u>	<u>December 31, 2006</u>
ASSETS		
Investment in real estate		
Land	\$ 3,391,105	\$ 3,217,672
Depreciable property	13,784,447	13,376,359
Projects under development	384,534	399,131
Land held for development	296,990	242,013
Investment in real estate	<u>17,857,076</u>	<u>17,235,175</u>
Accumulated depreciation	<u>(3,103,329)</u>	<u>(3,022,480)</u>
Investment in real estate, net	14,753,747	14,212,695
Cash and cash equivalents	171,742	260,277
Investments in unconsolidated entities	4,196	4,448
Deposits - restricted	188,958	391,825
Escrow deposits - mortgage	23,426	25,528
Deferred financing costs, net	46,434	43,384
Other assets	133,391	124,062
Total assets	<u>\$ 15,321,894</u>	<u>\$ 15,062,219</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Mortgage notes payable	\$ 3,105,938	\$ 3,178,223
Notes, net	4,420,467	4,419,433
Lines of credit	947,500	460,000
Accounts payable and accrued expenses	118,319	96,699
Accrued interest payable	70,303	91,172
Other liabilities	367,567	311,557
Security deposits	60,474	58,072
Distributions payable	150,577	151,382
Total liabilities	<u>9,241,145</u>	<u>8,766,538</u>
 <i>Commitments and contingencies</i>		
Minority Interests:		
Operating Partnership	352,639	372,961
Preference Interests and Units	11,684	11,684
Partially Owned Properties	20,995	26,814
Total Minority Interests	<u>385,318</u>	<u>411,459</u>
 Shareholders' equity:		
Preferred Shares of beneficial interest, \$0.01 par value; 100,000,000 shares authorized; 2,746,850 shares issued and outstanding as of March 31, 2007 and 2,762,950 shares issued and outstanding as of December 31, 2006	386,171	386,574
Common Shares of beneficial interest, \$0.01 par value; 1,000,000,000 shares authorized; 290,747,000 shares issued and outstanding as of March 31, 2007 and 293,551,633 shares issued and outstanding as of December 31, 2006	2,907	2,936
Paid in capital	5,176,897	5,349,194
Retained earnings	143,024	159,528
Accumulated other comprehensive loss	<u>(13,568)</u>	<u>(14,010)</u>
Total shareholders' equity	<u>5,695,431</u>	<u>5,884,222</u>
Total liabilities and shareholders' equity	<u>\$ 15,321,894</u>	<u>\$ 15,062,219</u>

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Portfolio Summary As of March 31, 2007

	Markets	Properties	Units	% of Total Units	% of 2007 Stabilized NOI	Average Rental Rate (1)
1	New York Metro Area	18	5,443	3.3%	8.5%	\$ 2,459
2	South Florida	36	11,865	7.1%	8.4%	1,298
3	Los Angeles	37	7,709	4.6%	7.3%	1,667
4	DC Northern Virginia	25	8,473	5.1%	7.3%	1,529
5	Seattle/Tacoma	49	11,285	6.8%	6.8%	1,163
6	Boston	37	6,889	4.2%	6.4%	1,479
7	Phoenix	41	11,861	7.1%	5.8%	934
8	San Francisco Bay Area	27	6,501	3.9%	4.9%	1,552
9	Denver	29	9,547	5.7%	4.6%	907
10	Atlanta	35	10,719	6.5%	4.5%	883
11	Orlando	24	7,543	4.5%	4.5%	1,054
12	San Diego	13	4,051	2.4%	3.7%	1,583
13	Inland Empire CA	15	4,655	2.8%	3.4%	1,342
14	Dallas/Ft Worth	31	8,731	5.3%	3.1%	830
15	Orange County	9	3,175	1.9%	3.0%	1,512
16	New England (excl Boston)	41	5,823	3.5%	2.9%	1,061
17	Suburban Maryland	21	5,145	3.1%	2.9%	1,051
18	Jacksonville	12	3,755	2.3%	1.7%	895
19	Portland OR	11	3,713	2.2%	1.6%	891
20	Raleigh/Durham	16	4,032	2.4%	1.5%	740
	Top 20 Total	527	140,915	84.7%	92.8%	1,212
21	Houston	12	3,229	1.9%	1.4%	893
22	Tampa/Ft Myers	10	3,141	1.9%	1.3%	930
23	Austin	12	3,671	2.2%	1.3%	800
24	Charlotte	11	3,391	2.1%	0.9%	671
25	Nashville	7	1,989	1.2%	0.7%	829
26	Central Valley CA	10	1,595	1.0%	0.5%	1,038
27	Minneapolis/St Paul	2	319	0.2%	0.1%	1,319
28	Other	16	3,871	2.3%	1.0%	863
	Total	607	162,121	97.5%	100.0%	1,164
	Condominium Conversion	10	643	0.4%	-	-
	Military Housing	1	3,560	2.1%	-	-
	Grand Total	618	166,324	100.0%	100.0%	\$ 1,164

(1) Average rental rate is defined as total rental revenues divided by the weighted average occupied units for the month of March 2007.

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Portfolio as of March 31, 2007

	Properties	Units
Wholly Owned Properties	545	146,473
Partially Owned Properties:		
Consolidated	27	5,445
Unconsolidated	45	10,846
Military Housing (Fee Managed)	1	3,560
	618	166,324

Portfolio Rollforward Q1 2007

	Properties	Units	\$ Thousands	Cap Rate
12/31/2006	617	165,716		
Acquisitions:				
Rental Properties	13	3,899	\$ 674,156	5.3%
Land Parcels (three)	-	-	\$ 42,450	
Dispositions:				
Rental Properties	(12)	(3,711)	\$ (253,930)	6.1%
Condominium Units	(2)	(157)	\$ (37,280)	
Completed Developments	2	572		
Configuration Changes	-	5		
3/31/2007	618	166,324		

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First Quarter 2007 vs. First Quarter 2006 Quarter over Quarter Same-Store Results/Statistics

\$ in Thousands (except for Average Rental Rate) - 133,703 Same-Store Units

Description	Results			Statistics		
	Revenues	Expenses	NOI (1)	Average Rental Rate (2)	Occupancy	Turnover
Q1 2007	\$ 448,401	\$ 174,840	\$ 273,561	\$ 1,181	94.8%	(13.5%)
Q1 2006	\$ 426,236	\$ 166,133	\$ 260,103	\$ 1,124	94.6%	(13.9%)
Change	\$ 22,165	\$ 8,707	\$ 13,458	\$ 57	0.2%	0.4%
Change	5.2%	5.2%	5.2%	5.1%		

First Quarter 2007 vs. Fourth Quarter 2006 Sequential Quarter over Quarter Same-Store Results/Statistics

\$ in Thousands (except for Average Rental Rate) - 141,485 Same-Store Units

Description	Results			Statistics		
	Revenues	Expenses	NOI (1)	Average Rental Rate (2)	Occupancy	Turnover
Q1 2007	\$ 477,344	\$ 187,085	\$ 290,259	\$ 1,189	94.8%	(13.6%)
Q4 2006	\$ 473,686	\$ 182,176	\$ 291,510	\$ 1,183	94.5%	(15.4%)
Change	\$ 3,658	\$ 4,909	\$ (1,251)	\$ 6	0.3%	1.8%
Change	0.8%	2.7%	(0.4%)	0.5%		

(1) The Company's primary financial measure for evaluating each of its apartment communities is net operating income ("NOI"). NOI represents rental income less property and maintenance expense, real estate tax and insurance expense, and property management expense. The Company believes that NOI is helpful to investors as a supplemental measure of the operating performance of a real estate company because it is a direct measure of the actual operating results of the Company's apartment communities.

(2) Average rental rate is defined as total rental revenues divided by the weighted average occupied units for the period.

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Same-Store NOI Reconciliation

First Quarter 2007 vs. First Quarter 2006

The following table presents a reconciliation of operating income per the consolidated statements of operations to NOI for the First Quarter 2007 Same-Store Properties:

	Quarter Ended March 31,	
	2007	2006
	(Amounts in thousands)	
Operating income	\$ 135,339	\$ 126,234
Adjustments:		
Non-same-store operating results	(24,875)	(8,094)
Fee and asset management revenue	(2,267)	(2,487)
Fee and asset management expense	2,341	2,168
Depreciation	152,821	128,676
General and administrative	9,966	13,040
Impairment	236	566
Same-store NOI	<u>\$ 273,561</u>	<u>\$ 260,103</u>

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First Quarter 2007 vs. First Quarter 2006 Same-Store Results by Market

Markets	Units	1Q 2007 % of Actual NOI	1Q 2007 Average Rental Rate (1)	1Q 2007 Weighted Average Occupancy %	Increase (Decrease) from Prior Quarter				
					Revenues	Expenses	NOI	Average Rental Rate (1)	Occupancy
1 New York Metro Area	5,153	8.8%	\$ 2,525	96.1%	7.1%	4.3%	8.8%	6.7%	0.4%
2 Los Angeles	6,221	7.3%	1,672	95.2%	5.6%	1.9%	7.5%	5.1%	0.5%
3 Seattle/Tacoma	8,532	6.5%	1,198	94.6%	6.6%	3.4%	8.8%	6.6%	(0.1%)
4 DC Northern Virginia	6,662	6.3%	1,430	94.9%	5.9%	14.3%	1.6%	5.4%	0.5%
5 South Florida	7,662	6.2%	1,316	94.3%	2.3%	8.6%	(1.6%)	4.5%	(2.0%)
6 San Francisco Bay Area	5,990	6.1%	1,505	95.5%	8.0%	3.9%	10.4%	7.5%	0.3%
7 Boston	5,761	6.0%	1,722	93.2%	1.8%	0.4%	2.8%	1.9%	(0.1%)
8 Phoenix	9,247	5.5%	925	94.2%	7.2%	9.1%	6.0%	9.0%	(1.6%)
9 Atlanta	8,795	4.7%	882	95.7%	5.8%	4.3%	6.9%	4.7%	0.9%
10 Orlando	6,473	4.3%	1,043	94.0%	4.0%	10.6%	0.2%	4.8%	(0.8%)
11 Denver	7,775	4.3%	844	95.2%	4.4%	10.7%	1.0%	4.1%	0.3%
12 San Diego	3,486	3.8%	1,568	94.5%	4.1%	2.5%	4.9%	4.4%	(0.3%)
13 Dallas/Ft Worth	7,151	3.4%	862	94.8%	3.0%	4.0%	2.2%	2.5%	0.5%
14 Inland Empire CA	3,712	3.3%	1,311	94.3%	5.1%	6.2%	4.5%	3.3%	1.6%
15 New England (excl Boston)	5,823	3.3%	1,061	93.9%	7.0%	0.9%	13.4%	3.9%	2.7%
16 Orange County	3,013	3.3%	1,518	95.6%	4.7%	1.5%	6.3%	4.3%	0.3%
17 Suburban Maryland	4,041	2.5%	1,063	93.3%	1.1%	12.8%	(6.3%)	2.3%	(1.1%)
18 Jacksonville	3,515	1.9%	900	94.6%	2.7%	5.6%	0.7%	3.2%	(0.5%)
19 Portland OR	3,409	1.9%	907	95.1%	8.4%	3.1%	12.2%	8.3%	0.1%
20 Austin	3,671	1.6%	810	96.8%	9.1%	0.9%	18.0%	6.8%	2.0%
Top 20 Markets	116,092	91.0%	1,228	94.8%	5.2%	5.4%	5.1%	5.1%	0.1%
All Other Markets	17,611	9.0%	866	95.1%	5.0%	4.3%	5.7%	4.4%	0.5%
Total	133,703	100.0%	\$ 1,181	94.8%	5.2%	5.2%	5.2%	5.1%	0.2%

(1) Average rental rate is defined as total rental revenues divided by the weighted average occupied units for the period.

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First Quarter 2007 vs. Fourth Quarter 2006 Sequential Same-Store Results by Market

					Increase (Decrease) from Prior Quarter					
Markets	Units	1Q 2007 % of Actual NOI	1Q 2007 Average Rental Rate (1)	1Q 2007 Weighted Average Occupancy %	Revenues	Expenses	NOI	Average Rental Rate (1)	Occupancy	
1	New York Metro Area	5,288	8.7%	\$ 2,544	96.2%	0.8%	4.1%	(1.0%)	1.2%	(0.4%)
2	Los Angeles	6,754	7.4%	1,654	94.8%	1.1%	1.2%	1.0%	1.1%	0.0%
3	South Florida	9,347	7.1%	1,307	94.3%	0.3%	1.5%	(0.5%)	(0.6%)	0.8%
4	DC Northern Virginia	7,286	6.6%	1,449	94.9%	1.4%	5.4%	(0.8%)	(0.3%)	1.7%
5	Seattle/Tacoma	9,060	6.6%	1,200	94.6%	2.0%	1.7%	2.2%	0.9%	1.0%
6	Boston	6,289	6.3%	1,731	93.1%	(0.5%)	5.3%	(4.1%)	0.4%	(0.8%)
7	San Francisco Bay Area	6,242	5.9%	1,486	95.4%	2.0%	5.3%	0.2%	1.6%	0.4%
8	Phoenix	9,247	5.2%	925	94.2%	0.9%	4.2%	(1.1%)	1.1%	(0.2%)
9	Atlanta	9,353	4.8%	900	95.3%	0.3%	3.8%	(2.2%)	0.0%	0.3%
10	Denver	8,807	4.7%	861	95.2%	1.2%	3.8%	(0.3%)	0.8%	0.4%
11	Orlando	6,959	4.4%	1,046	94.1%	0.0%	3.7%	(2.3%)	(0.2%)	0.1%
12	San Diego	3,822	3.9%	1,572	94.4%	0.4%	1.0%	0.2%	1.9%	(1.4%)
13	Dallas/Ft Worth	7,301	3.3%	870	94.8%	1.2%	(5.4%)	7.8%	0.5%	0.7%
14	New England (excl Boston)	5,823	3.1%	1,061	93.9%	(0.6%)	6.1%	(6.2%)	0.1%	(0.7%)
15	Orange County	3,013	3.1%	1,518	95.6%	(0.2%)	(3.9%)	1.7%	0.2%	(0.3%)
16	Inland Empire CA	4,355	2.6%	1,328	94.2%	0.4%	3.9%	(1.4%)	1.2%	(0.8%)
17	Suburban Maryland	4,041	2.4%	1,063	93.3%	1.9%	9.4%	(3.3%)	(1.8%)	3.3%
18	Jacksonville	3,515	1.8%	900	94.6%	0.2%	5.1%	(2.9%)	(0.2%)	0.4%
19	Portland OR	3,409	1.8%	907	95.1%	2.8%	(0.3%)	5.0%	1.9%	0.8%
20	Raleigh/Durham	3,640	1.6%	755	95.2%	(1.0%)	2.6%	(3.4%)	(0.3%)	(0.7%)
Top 20 Markets		123,551	91.3%	1,235	94.6%	0.8%	3.0%	(0.6%)	0.5%	0.3%
All Other Markets		17,934	8.7%	876	95.5%	0.8%	0.1%	1.4%	0.8%	0.1%
Total		141,485	100.0%	\$ 1,189	94.8%	0.8%	2.7%	(0.4%)	0.5%	0.3%

(1) Average rental rate is defined as total rental revenues divided by the weighted average occupied units for the period.

EQUITY RESIDENTIAL

Debt Summary as of March 31, 2007

(Amounts in thousands)

	Amounts (1)	% of Total	Weighted Average Rates (1)	Weighted Average Maturities (years)
Secured	\$ 3,105,938	36.7%	5.73%	6.3
Unsecured	5,367,967	63.3%	5.69%	6.5
Total	\$ 8,473,905	100.0%	5.71%	6.4
Fixed Rate Debt:				
Secured - Conventional	\$ 2,158,687	25.5%	6.23%	4.5
Secured - Tax Exempt	11,200	0.1%	6.46%	19.7
Unsecured - Public/Private	4,162,825	49.1%	5.69%	6.6
Unsecured - Tax Exempt	111,390	1.3%	5.06%	22.1
Fixed Rate Debt	6,444,102	76.0%	5.86%	6.2
Floating Rate Debt:				
Secured - Conventional	414,162	4.9%	6.04%	2.0
Secured - Tax Exempt	521,889	6.2%	3.44%	16.9
Unsecured - Public	146,252	1.7%	6.53%	2.2
Unsecured - Revolving Credit Facility	947,500	11.2%	5.63%	4.9
Floating Rate Debt	2,029,803	24.0%	5.13%	7.2
Total	\$ 8,473,905	100.0%	5.71%	6.4

(1) Net of the effect of any derivative instruments. Weighted average rates are for the quarter ended March 31, 2007.

Note: The Company capitalized interest of approximately \$7.9 million and \$4.0 million for the quarters ended March 31, 2007 and 2006, respectively.

Debt Maturity Schedule as of March 31, 2007

(Amounts in thousands)

Year	Fixed Rate (1)	Floating Rate (1)	Total	% of Total	Weighted Average Rates on Fixed Rate Debt (1)	Weighted Average Rates on Total Debt (1)
2007	\$ 237,777	\$ 85,147	\$ 322,924	3.8%	6.60%	6.67%
2008	479,938	119,571	599,509	7.1%	6.65%	6.61%
2009	457,821	380,367	838,188	9.9%	6.35%	5.35%
2010	279,576	-	279,576	3.3%	7.05%	7.05%
2011 (2)	1,448,748	24,150	1,472,898	17.4%	5.52%	5.49%
2012 (3)	555,380	947,500	1,502,880	17.7%	6.49%	5.94%
2013	567,010	-	567,010	6.7%	5.93%	5.93%
2014	503,771	34,460	538,231	6.4%	5.27%	5.26%
2015	357,579	-	357,579	4.2%	6.40%	6.40%
2016	1,088,845	-	1,088,845	12.8%	5.32%	5.32%
2017+	467,657	438,608	906,265	10.7%	6.70%	5.55%
Total	\$ 6,444,102	\$ 2,029,803	\$ 8,473,905	100.0%	5.97%	5.77%

(1) Net of the effect of any derivative instruments. Weighted average rates are as of March 31, 2007.

(2) Includes \$650.0 million of 3.85% convertible unsecured debt with a final maturity of 2026. The notes are callable by the Company on or after August 18, 2011. The notes are putable by the holders on August 18, 2011, August 15, 2016 and August 15, 2021.

(3) Includes \$947.5 million outstanding on the Company's \$1.5 billion unsecured revolving credit facility, which matures on February 28, 2012.

EQUITY RESIDENTIAL

Unsecured Debt Summary as of March 31, 2007

(Amounts in thousands)

	Coupon Rate	Due Date	Face Amount	Unamortized Premium/ (Discount)	Net Balance
Fixed Rate Notes:					
	7.625%	04/15/07	\$ 50,000	\$ 7	\$ 50,007
	6.900%	08/01/07	50,000	(8)	49,992
	7.540%	09/01/07 (1)	4,286	-	4,286
	4.861%	11/30/07	50,000	-	50,000
	7.500%	08/15/08 (1)	130,000	-	130,000
	4.750%	06/15/09 (2)	300,000	(605)	299,395
	6.950%	03/02/11	300,000	3,445	303,445
	6.625%	03/15/12	400,000	(1,456)	398,544
	5.200%	04/01/13	400,000	(710)	399,290
	5.250%	09/15/14	500,000	(458)	499,542
	6.584%	04/13/15	300,000	(892)	299,108
	5.125%	03/15/16	500,000	(480)	499,520
	5.375%	08/01/16	400,000	(1,732)	398,268
	7.125%	10/15/17	150,000	(684)	149,316
	7.570%	08/15/26	140,000	-	140,000
	3.850%	08/15/26 (3)	650,000	(7,888)	642,112
Floating Rate Adjustments		(2)	(150,000)	-	(150,000)
			<u>4,174,286</u>	<u>(11,461)</u>	<u>4,162,825</u>
Fixed Rate Tax Exempt Notes:					
	4.750%	12/15/28 (1)	35,600	-	35,600
	5.200%	06/15/29 (1)	75,790	-	75,790
			<u>111,390</u>	<u>-</u>	<u>111,390</u>
Floating Rate Notes:					
		06/15/09 (2)	150,000	-	150,000
FAS 133 Adjustments - net		(2)	(3,748)	-	(3,748)
			<u>146,252</u>	<u>-</u>	<u>146,252</u>
Revolving Credit Facility:					
		02/28/12 (4)	947,500	-	947,500
Total Unsecured Debt			<u>\$ 5,379,428</u>	<u>\$ (11,461)</u>	<u>\$ 5,367,967</u>

(1) Notes are private. All other unsecured debt is public.

(2) \$150.0 million in fair value interest rate swaps converts 50% of the 4.750% Notes due June 15, 2009 to a floating interest rate.

(3) Convertible notes mature on August 15, 2026. The notes are callable by the Company on or after August 18, 2011. The notes are puttable by the holders on August 18, 2011, August 15, 2016 and August 15, 2021.

(4) Represents amount outstanding on the Company's \$1.5 billion unsecured revolving credit facility which matures on February 28, 2012.

EQUITY RESIDENTIAL

Selected Unsecured Public Debt Covenants

	<u>March 31, 2007</u>	<u>December 31, 2006</u>
Total Debt to Adjusted Total Assets (not to exceed 60%)	46.1%	44.6%
Secured Debt to Adjusted Total Assets (not to exceed 40%)	16.9%	17.6%
Consolidated Income Available for Debt Service to Maximum Annual Service Charges (must be at least 1.5 to 1)	2.63	2.59
Total Unsecured Assets to Unsecured Debt (must be at least 150%)	236.8%	250.6%

These selected covenants relate to ERP Operating Limited Partnership's ("ERPOP") outstanding unsecured public debt. Equity Residential is the general partner of ERPOP.

EQUITY RESIDENTIAL

Capital Structure as of March 31, 2007

(Amounts in thousands except for share and per share amounts)

Secured Debt		\$	3,105,938	36.7%	
Unsecured Debt			4,420,467	52.1%	
Revolving Credit Facility			947,500	11.2%	
Total Debt			8,473,905	100.0%	35.5%
Common Shares	290,747,000			93.8%	
OP Units	19,311,285			6.2%	
Total Shares and OP Units	310,058,285			100.0%	
Common Share Equivalents (see below)	838,519				
Total outstanding at quarter-end	310,896,804				
Common Share Price at March 31, 2007	\$ 48.23				
Perpetual Preferred Equity (see below)			14,994,553	97.6%	
Total Equity			15,369,553	100.0%	64.5%
Total Market Capitalization			\$ 23,843,458		100.0%

Convertible Preferred Equity as of March 31, 2007

(Amounts in thousands except for share and per share amounts)

Series	Redemption Date	Outstanding Shares/Units	Liquidation Value	Annual Dividend Per Share/Unit	Annual Dividend Amount	Weighted Average Rate	Conversion Ratio	Common Share Equivalents
Preferred Shares:								
7.00% Series E	11/1/98	419,216	\$ 10,480	\$ 1.75	\$ 734		1.1128	466,504
7.00% Series H	6/30/98	27,634	691	1.75	48		1.4480	40,014
Preference Interests:								
7.625% Series J	12/14/06	230,000	11,500	3.8125	877		1.4108	324,484
Junior Preference Units:								
8.00% Series B	7/29/09	7,367	184	2.00	15		1.020408	7,517
Total Convertible Preferred Equity		684,217	\$ 22,855		\$ 1,674	7.32%		838,519

Perpetual Preferred Equity as of March 31, 2007

(Amounts in thousands except for share and per share amounts)

Series	Redemption Date	Outstanding Shares/Units	Liquidation Value	Annual Dividend Per Share/Unit	Annual Dividend Amount	Weighted Average Rate
Preferred Shares:						
8.60% Series D	7/15/07	700,000	\$ 175,000	\$ 21.50	\$ 15,050	
8.29% Series K	12/10/26	1,000,000	50,000	4.145	4,145	
6.48% Series N	6/19/08	600,000	150,000	16.20	9,720	
Total Perpetual Preferred Equity		2,300,000	\$ 375,000		\$ 28,915	7.71%

EQUITY RESIDENTIAL

Common Share and Operating Partnership Unit (OP Unit) Weighted Average Amounts Outstanding

	1Q 2007	1Q 2006
Weighted Average Amounts Outstanding for Net Income Purposes:		
Common Shares - basic	292,251,267	288,880,193
Shares issuable from assumed conversion/vesting of:		
- OP Units	19,446,271	20,454,349
- share options/restricted shares	4,567,631	4,714,712
Total Common Shares and OP Units - diluted	316,265,169	314,049,254
Weighted Average Amounts Outstanding for FFO Purposes:		
Common Shares - basic	292,251,267	288,880,193
OP Units - basic	19,446,271	20,454,349
Total Common Shares and OP Units - basic	311,697,538	309,334,542
Shares issuable from assumed conversion/vesting of:		
- convertible preferred shares/units	528,667	636,811
- share options/restricted shares	4,567,631	4,714,712
Total Common Shares and OP Units - diluted	316,793,836	314,686,065
Period Ending Amounts Outstanding:		
Common Shares	290,747,000	
OP Units	19,311,285	
Total Common Shares and OP Units	310,058,285	

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Partially Owned Entities as of March 31, 2007 (Amounts in thousands except for project and unit amounts)

	Consolidated					Unconsolidated
	Development Projects					Institutional Joint Ventures
	Held for and/or Under Development	Completed, Not Stabilized (4)	Completed and Stabilized	Other	Total	
Total projects	(1) -	2	4	21	27	45
Total units	(1) -	572	977	3,896	5,445	10,846
Operating information for the quarter ended 3/31/07 (at 100%):						
Operating revenue	\$ 2	\$ 325	\$ 3,907	\$ 13,752	\$ 17,986	\$ 26,136
Operating expenses	189	832	1,317	4,870	7,208	12,847
Net operating income (loss)	(187)	(507)	2,590	8,882	10,778	13,289
Depreciation	-	192	1,459	3,416	5,067	5,366
Other	-	-	-	29	29	120
Operating income (loss)	(187)	(699)	1,131	5,437	5,682	7,803
Interest and other income	20	-	34	255	309	138
Interest:						
Expense incurred, net	(278)	(333)	(837)	(5,018)	(6,466)	(9,361)
Amortization of deferred financing costs	-	-	(12)	(28)	(40)	(154)
Net income (loss)	<u>\$ (445)</u>	<u>\$ (1,032)</u>	<u>\$ 316</u>	<u>\$ 646</u>	<u>\$ (515)</u>	<u>\$ (1,574)</u>
Debt - Secured (2):						
EQR Ownership (3)	\$ 98,860	\$ 90,237	\$ 61,000	\$ 286,957	\$ 537,054	\$ 121,200
Minority Ownership	-	-	-	13,321	13,321	363,600
Total (at 100%)	<u>\$ 98,860</u>	<u>\$ 90,237</u>	<u>\$ 61,000</u>	<u>\$ 300,278</u>	<u>\$ 550,375</u>	<u>\$ 484,800</u>

(1) Project and unit counts exclude all uncompleted development projects until those projects are substantially completed. See the Consolidated Development Projects schedule for more detail.

(2) All debt is non-recourse to the Company with the exception of \$28.3 million in mortgage bonds on one development project.

(3) Represents the Company's economic ownership interest.

(4) Projects included here are substantially complete. However, they may still require additional exterior and interior work for all units to be available for leasing.

EQUITY RESIDENTIAL

Consolidated Development Projects as of March 31, 2007
(Amounts in thousands except for project and unit amounts)

Projects	Location	No. of Units	Total Capital Cost (1)	Total Book Value To Date	Total Book Value Not Placed in Service	Total Debt	Percentage Completed	Percentage Leased	Percentage Occupied	Estimated Completion Date	Estimated Stabilization Date	
Projects Under Development - Wholly Owned:												
Bella Vista III	Woodland Hills, CA	264	\$ 73,336	\$ 65,008	\$ 65,008	\$ -	94%	6%	3%	2Q 2007	1Q 2008	
Highland Glen II	Westwood, MA	102	21,620	12,784	12,784	5,000	75%	-	-	2Q 2007	1Q 2008	
Emerson/CRP II	Boston, MA	310	167,953	60,616	60,616	-	47%	-	-	2Q 2008	1Q 2009	
Redmond Ridge	Redmond, WA	321	55,457	17,550	17,550	-	22%	-	-	2Q 2008	3Q 2010	
77 Hudson	Jersey City, NJ	481	242,129	51,442	51,442	-	11%	-	-	2Q 2009	4Q 2010	
Crowtree Lakes	Orlando, FL	352	58,628	15,664	15,664	-	4%	-	-	3Q 2008	3Q 2009	
Projects Under Development - Wholly Owned		1,830	619,123	223,064	223,064	5,000						
Projects Under Development - Partially Owned:												
Silver Spring	Silver Spring, MD	457	147,454	47,457	47,457	-	22%	-	-	4Q 2008	3Q 2010	
303 Third Street	Cambridge, MA	531	248,307	63,513	63,513	-	12%	-	-	3Q 2008	1Q 2010	
City Lofts	Chicago, IL	278	71,109	18,846	18,846	-	18%	-	-	3Q 2008	2Q 2009	
Alta Pacific (2)	Irvine, CA	132	46,416	27,275	27,275	28,260	39%	-	-	4Q 2007	3Q 2008	
Projects Under Development - Partially Owned		1,398	513,286	157,091	157,091	28,260						
Projects Under Development		3,228	1,132,409	380,155	380,155	33,260						
Land Held for Development		N/A	-	296,990	296,990	70,600						
Land/Projects Held for and/or Under Development		3,228	1,132,409	677,145	677,145	103,860						
Completed Not Stabilized - Wholly Owned:												
2400 M St (3)	Washington, D.C.	359	111,947	107,856	-	-	100%	82%	69%	Completed	3Q 2007	
Projects Completed Not Stabilized - Wholly Owned		359	111,947	107,856	-	-						
Completed Not Stabilized - Partially Owned (4):												
Mozaic (a.k.a. Union Station)	Los Angeles, CA	272	69,661	67,900	2,508	42,192	100%	42%	39%	Completed	1Q 2008	
Vintage	Ontario, CA	300	53,810	52,177	1,871	48,045	100%	38%	33%	Completed	1Q 2008	
Projects Completed Not Stabilized - Partially Owned		572	123,471	120,077	4,379	90,237						
Projects Completed Not Stabilized		931	235,418	227,933	4,379	90,237						
Completed and Stabilized During the Quarter:												
Projects Completed and Stabilized During the Quarter		-	-	-	-	-						
Total Projects		4,159	\$ 1,367,827	\$ 905,078	\$ 681,524	\$ 194,097						
NOI CONTRIBUTION FROM DEVELOPMENT PROJECTS							Total Capital Cost (1)	Q1 2007 NOI				
Projects Under Development							\$ 1,132,409	\$ (2)				
Completed Not Stabilized							235,418	773				
Completed and Stabilized During the Quarter							-	-				
Total Development/Newly Stabilized NOI Contribution							\$ 1,367,827	\$ 771				

(1) Total capital cost represents estimated development cost for projects under development and all capitalized costs incurred to date plus any estimates of costs remaining to be funded for all projects, all in accordance with GAAP.

(2) Debt is primarily tax-exempt bonds that are entirely outstanding, with \$18.9 million unfunded and classified as deposits - restricted in the consolidated balance sheets at 3/31/07.

(3) EQR acquired its partner's interest on 4/28/06 and now wholly-owns the property. Total Book Value to Date does not include additional purchase consideration of \$30.7 million.

(4) Projects included here are substantially complete. However, they may still require additional exterior and interior work for all units to be available for leasing.

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Consolidated Condominium Conversion Projects as of March 31, 2007 (Amounts in thousands except for project and unit amounts)

Projects	Location	Project Start Date (1)	Estimated Close Out Date	Units				2007 YTD Activity		
				Total	Units Closed	Sold Not Closed	Available	Units Closed	Sales Price	FFO Incremental Gain on Sale (3)
For Sale										
Fairway Greens	Pembroke Pines, FL	Q1 2005	Q2 2007	152	150	-	2	-	\$ -	\$ (4)
Milano Terrace	Scottsdale, AZ	Q2 2005	Q3 2007	224	182	2	40	29	7,008	1,257
South Palm Place	Tamarac, FL	Q2 2005	Q3 2007	208	143	20	45	34	6,874	525
Chantecleer Lakes	Naperville, IL	Q4 2005	Q4 2007	304	221	8	75	15	2,297	322
Fifth Avenue North	Seattle, WA	Q2 2005	Q2 2007	62	61	-	1	5	1,540	222
Parkside	Seattle, WA	Q4 2005	Q2 2007	44	42	-	2	6	2,210	36
Park Bloomingdale	Bloomington, IL	Q2 2006	Q1 2008	250	104	8	138	26	3,992	323
Belle Arts	Bellevue, WA	Q4 2006	Q1 2008	128	36	19	73	36	11,727	1,465
Pacific Cove	Playa Del Ray, CA	Q3 2006	Q4 2007	80	-	57	23	-	-	-
Arrington Place	Issaquah, WA	Q1 2007	Q3 2008	130	-	-	130	-	-	-
				1,582	939	114	529	151	35,648	4,146
Closed Out										
Timber Ridge	Woodinville, WA	Q1 2005	Q1 2007	203	203	-	-	4	1,059	451
Braewood	Bothell, WA	Q2 2005	Q1 2007	84	84	-	-	2	573	91
Projects closed out prior to 2007				3,744	3,744	-	-	-	-	(4)
				4,031	4,031	-	-	6	1,632	538
Totals			12	5,613	4,970	114	529	157	\$ 37,280	\$ 4,684

Gross incremental gain on sales of condominium units (3)	\$ 4,684
Provision for income taxes	8
Net incremental gain on sales of condominium units (3)	4,692
Corporate overhead (property management expense)	(1,226)
Other expenses	(71)
Discontinued operating income (loss)	(1,355)
Operating income of halted conversions	87
Net Income - Condominium Division (2)	\$ 2,127

(1) Project start date represents the date that each respective property was acquired by the taxable REIT subsidiary and included in discontinued operations.

(2) Excludes interest income, interest expense and certain other items specific to condominium conversion projects that ultimately eliminate in consolidation. Also excludes depreciation expense on halted conversions (active conversions are not depreciated).

(3) Amounts are net of a \$459,000 reserve for potential homeowners disputes.

EQUITY RESIDENTIAL

Maintenance Expenses and Capitalized Improvements to Real Estate
For the Quarter Ended March 31, 2007
(Amounts in thousands except for unit and per unit amounts)

	Maintenance Expenses						Capitalized Improvements to Real Estate						Total Expenditures		
	Total Units (1)	Expense (2)	Avg. Per Unit	Payroll (3)	Avg. Per Unit	Total	Avg. Per Unit	Replacements (4)	Avg. Per Unit	Building Improvements (5)	Avg. Per Unit	Total	Avg. Per Unit	Grand Total	Avg. Per Unit
Established Properties (6)	121,126	\$ 22,397	\$ 185	\$ 19,355	\$ 160	\$ 41,752	\$ 345	\$ 10,093	\$ 83	\$ 17,230	\$ 142	\$ 27,323	\$ 225	\$ 69,075	\$ 570
New Acquisition Properties (7)	23,596	4,644	203	3,723	163	8,367	366	1,328	58	15,080	660	16,408	718	24,775	1,084
Other (8)	<u>7,196</u>	<u>2,904</u>		<u>2,050</u>		<u>4,954</u>		<u>4,028</u>		<u>9,595</u>		<u>13,623</u>		<u>18,577</u>	
Total	<u>151,918</u>	<u>\$ 29,945</u>		<u>\$ 25,128</u>		<u>\$ 55,073</u>		<u>\$ 15,449</u>		<u>\$ 41,905</u>		<u>\$ 57,354</u>		<u>\$ 112,427</u>	

(1) Total units exclude 10,846 unconsolidated units and 3,560 military housing (fee managed) units.

(2) Maintenance expenses include general maintenance costs, unit turnover costs including interior painting, regularly scheduled landscaping and tree trimming costs, security, exterminating, fire protection, snow and ice removal, elevator repairs, and other miscellaneous building repair costs.

(3) Maintenance payroll includes employee costs for maintenance, cleaning, housekeeping, and landscaping.

(4) Replacements include new expenditures inside the units such as appliances, mechanical equipment, fixtures and flooring, including carpeting.

(5) Building improvements include roof replacement, paving, amenities and common areas, building mechanical equipment systems, exterior painting and siding, major landscaping, vehicles and office and maintenance equipment.

(6) Wholly Owned Properties acquired prior to January 1, 2005.

(7) Wholly Owned Properties acquired during 2005, 2006 and 2007. Per unit amounts are based on a weighted average of 22,845 units.

(8) Includes properties either partially owned or sold during the period, commercial space, corporate housing, condominium conversions and \$4.7 million included in building improvements spent on thirteen specific assets related to major renovations and repositioning of these assets.

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Discontinued Operations (Amounts in thousands)

	Quarter Ended March 31,	
	2007	2006
REVENUES		
Rental income	\$ 7,749	\$ 74,789
Total revenues	7,749	74,789
EXPENSES (1)		
Property and maintenance	4,484	25,461
Real estate taxes and insurance	1,209	9,746
Property management	141	2,733
Depreciation	1,853	18,095
General and administrative	2	211
Impairment	-	226
Total expenses	7,689	56,472
Discontinued operating income	60	18,317
Interest and other income	87	980
Interest (2):		
Expense incurred, net	(306)	(6,069)
Amortization of deferred financing costs	-	(52)
	(159)	13,176
Discontinued operations	(159)	13,176
Minority Interests - Operating Partnership	10	(869)
Discontinued operations, net of minority interests	(149)	12,307
Net gain on sales of discontinued operations	111,767	372,501
Minority Interests - Operating Partnership	(6,957)	(24,548)
Gain on sales of discontinued operations, net of minority interests	104,810	347,953
Discontinued operations, net of minority interests	\$ 104,661	\$ 360,260

(1) Includes expenses paid in the current period for properties sold or held for sale in prior periods related to the Company's period of ownership.

(2) Includes only interest expense specific to secured mortgage notes payable for properties sold and/or held for sale.

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Additional Reconciliations and Non-Comparable Items

(Amounts in thousands except per share data)

(All per share data is diluted)

FFO Reconciliations

	FFO Reconciliations Guidance Midpoint Q1 2007 to Actual Q1 2007	
	Amounts	Per Share
Guidance midpoint Q1 2007 FFO - Diluted (1) (2)	\$ 161,170	\$ 0.506
Property NOI	1,435	0.005
General and administrative expense	1,575	0.005
Florida litigation reserve reduction (general and administrative expense)	1,625	0.005
Interest and other income	777	0.003
Interest expense (excluding debt extinguishment):		
Share repurchase and transaction timing	(1,077)	(0.003)
Capitalized interest, floating rates and other	2,003	0.006
Amortization of deferred financing costs (excluding debt extinguishment)	(188)	(0.001)
Prepayment penalties on debt extinguishment	3,213	0.010
Write-off of unamortized deferred financing costs on debt extinguishment	1,668	0.005
Net income - Condominium division (after taxes/overhead/operations)	2,038	0.006
Other (primarily ECH NOI and impairment)	(1,015)	(0.003)
Weighted average share count adjustment	-	0.003
Actual Q1 2007 FFO - Diluted (1) (2)	\$ 173,224	\$ 0.547

Non-Comparable Items (3)

	Q1 2007	Q1 2006
Florida litigation reserve reduction (general and administrative expense)	\$ 1,625	\$ -
Performance shares (general and administrative expense)	(40)	(1,431)
Impairment (including discontinued operations)	(237)	(792)
Prepayment penalties on debt extinguishment	(141)	(2,867)
Write-off of unamortized deferred financing costs on debt extinguishment	(718)	(987)
Gain on debt extinguishment	-	782
Premium on redemption of Preference Interests	-	(674)
Net incremental gain on sales of condominium units	4,692	7,127
Net non-comparable items (3)	\$ 5,181	\$ 1,158

Note: See page 26 for definitions, footnotes and reconciliations of EPS to FFO.

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The earnings guidance/projections provided below are based on current expectations and are forward-looking.

2007 Earnings Guidance (per share diluted)

	<u>Q2 2007</u>	<u>2007</u>
Expected FFO (1) (2)	\$0.54 to \$0.58	\$2.25 to \$2.35

2007 Same-Store Assumptions

Physical occupancy	95.0%
Revenue change	5.00% to 6.00%
Expense change	3.50% to 4.50%
NOI change	5.50% to 7.50%
(Note: 30 basis point change in NOI percentage = \$0.01 per share change in EPS/FFO)	

2007 Transaction Assumptions

Acquisitions	\$2.0 billion
Dispositions	\$2.0 billion
Capitalization rate spread	100 basis points

2007 Debt Assumptions

Weighted average debt outstanding	\$8.5 billion - \$8.9 billion
Weighted average interest rate (reduced for capitalized interest and including prepayment penalties)	5.48%
Interest expense (including discontinued operations)	\$465.0 million - \$490.0 million

2007 Preferred Share Assumptions

<u>Series D Preferred Shares:</u>	
Redemption timing	July 2007
Liquidation value	\$175.0 million
Premium on redemption (non-cash)	\$6.1 million

2007 Condominium Conversion Assumptions

Net incremental gain on sales of condominium units	\$16.0 million - \$23.0 million
Net income - Condominium division (after taxes/overhead/operations)	\$7.5 million - \$17.0 million
Number of condominium unit sales	550 units - 850 units

2007 Other Guidance Assumptions

General and administrative expense	\$48.0 million - \$51.0 million
Interest and other income	\$5.0 million - \$7.0 million
Net gain (loss) on sales of land parcels	No amounts budgeted
Weighted average Common Shares and OP Units - Diluted	315.7 million

Note: See page 26 for definitions, footnotes and reconciliations of EPS to FFO.

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The earnings guidance/projections provided below are based on current expectations and are forward-looking.

Reconciliations of EPS to FFO for Pages 24 and 25

(Amounts in thousands except per share data)
(All per share data is diluted)

	Expected Q1 2007		Expected Q2 2007	Expected 2007
	Amounts	Per Share	Per Share	Per Share
Expected EPS - Diluted (4)	\$ 229,403	\$ 0.721	\$1.02 to \$1.06	\$3.02 to \$3.12
Add: Expected depreciation expense	148,319	0.466	0.49	2.00
Less: Expected net gain on sales (4)	(216,552)	(0.681)	(0.97)	(2.77)
Expected FFO - Diluted (1) (2)	<u>\$ 161,170</u>	<u>\$ 0.506</u>	<u>\$0.54 to \$0.58</u>	<u>\$2.25 to \$2.35</u>

Definitions and Footnotes for Pages 24 and 25

- (1) The National Association of Real Estate Investment Trusts ("NAREIT") defines funds from operations ("FFO") (April 2002 White Paper) as net income (computed in accordance with accounting principles generally accepted in the United States), excluding gains (or losses) from sales of depreciable property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect funds from operations on the same basis. Expected FFO is calculated on a basis consistent with actual FFO.
- (2) The Company believes that FFO is helpful to investors as a supplemental measure of the operating performance of a real estate company, because it is a recognized measure of performance by the real estate industry and by excluding gains or losses related to dispositions of depreciable property and excluding real estate depreciation (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help compare the operating performance of a company's real estate between periods or as compared to different companies. FFO does not represent net income or net cash flows from operating activities in accordance with GAAP. Therefore, FFO should not be exclusively considered as an alternative to net income or to net cash flows from operating activities as determined by GAAP or as a measure of liquidity. The Company's calculation of FFO may differ from other real estate companies due to, among other items, variations in cost capitalization policies for capital expenditures and, accordingly, may not be comparable to such other real estate companies.
- (3) Non-comparable items are those items included in FFO that by their nature are not comparable from period to period, such as net incremental gain on sales of condominium units, impairment charges, debt extinguishment costs and redemption premiums on Preferred Shares/Preference Interests.
- (4) Earnings per share ("EPS") represents net income per share calculated in accordance with accounting principles generally accepted in the United States. Expected EPS is calculated on a basis consistent with actual EPS. Due to the uncertain timing and extent of property dispositions and the resulting gains/losses on sales, actual EPS could differ materially from expected EPS.