

Second Quarter 2006

Earnings Release and Supplemental Financial Information



EQUITY RESIDENTIAL



2400M Street, Washington, DC



Kings Colony - Miami, FL



Estates at Wellington Green - Wellington, FL



Millbrook - Alexandria, VA

Investor relations contact:
Mr. Marty McKenna
InvestorRelations@eqrworld.com

Equity Residential
Two North Riverside Plaza
Chicago, IL 60606
(312) 474-1300

Second Quarter 2006 Results

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EQUITY RESIDENTIAL

Corporate Headquarters Address:
Two North Riverside Plaza
Chicago, IL 60606
(312) 474-1300

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

CONTACT: Marty McKenna
(312) 928-1901

FOR IMMEDIATE RELEASE
AUGUST 1, 2006

EQUITY RESIDENTIAL REPORTS SECOND QUARTER RESULTS **Second Quarter Same-Store NOI Increases 7.6 Percent**

CHICAGO, IL – AUGUST 1, 2006 - Equity Residential (NYSE: EQR) today reported results for the quarter and six months ended June 30, 2006. All per share results are reported on a fully diluted basis.

“Our second quarter performance, with same-store NOI growth of 7.6 percent, reflects both the continuing strength of the multifamily business, as well as the progress we have made in transforming our portfolio,” said David J. Neithercut, Equity Residential’s President and CEO. “We are creating value for our shareholders by focusing on markets and properties which will generate better long term returns as evidenced by the second quarter same-store results of our 2004 and first quarter 2005 acquisitions, which achieved 12.5 percent and 16.8 percent NOI growth, respectively.”

Second Quarter 2006

For the quarter ended June 30, 2006, the company reported earnings of \$0.51 per share compared to \$0.44 per share in the second quarter of 2005. The quarterly increase is primarily attributable to higher gains on property sales as well as the items discussed below.

Funds from Operations (FFO) for the quarter ended June 30, 2006 were \$0.61 per share compared to \$0.56 per share in the same period of 2005. The increase is primarily attributable to continued improvement in “same-store” net operating income and excellent growth from new acquisitions.

On June 28, 2006, the company announced that it had entered into an agreement to sell its Lexford Housing Division. At that time, the company revised its guidance range for second quarter FFO to \$0.56 to \$0.58 per share from \$0.55 to \$0.60 per share due to an anticipated second quarter 2006 charge of \$0.02 per share related to the early extinguishment of certain debt encumbering that portfolio. That charge will be incurred when the debt is extinguished, which is anticipated to occur concurrently with the closing of the sale, expected in the fourth quarter of 2006. As a result of the above as well as very positive property performance, the reported second quarter FFO of \$0.61 per share exceeded the high end of the company's original guidance range by \$0.01 per share.

Total revenues from continuing operations for the quarter were \$491.9 million compared to \$415.2 million in the second quarter of 2005. The primary components of this \$76.7 million increase in revenues include the properties acquired in 2005 and early 2006 as well as strong same store performance.

Six Months Ended June 30, 2006

For the six months ended June 30, 2006, the company reported earnings of \$1.76 per share compared to \$1.19 per share in the same period of 2005.

FFO for the six months ended June 30, 2006 were \$1.17 per share compared to \$1.30 per share in the same period of 2005. This decrease was primarily attributable to a \$0.18 per share decrease in other income due to the gain recognized in 2005 from eBay's acquisition of the company's interest in Rent.com.

Total revenues from continuing operations for the six months ended June 30, 2006 were \$963.7 million compared to \$814.3 million in the same period of 2005.

Same-Store Results

On a same-store second quarter to second quarter comparison, which includes 132,093 units, revenues increased 5.9 percent, expenses increased 3.5 percent and NOI increased 7.6 percent. The increase in same-store revenues was driven primarily by increases in rental rate and a decrease in concessions.

On a same-store six-month to six-month comparison, which includes 129,965 units, revenues increased 6.0 percent, expenses increased 4.5 percent and NOI increased 7.0 percent.

All same-store results exclude the Lexford Housing Division.

Same-Store and FFO Guidance

“The continued improvement in the performance of our properties in the second quarter and first six months of the year and our new expectations for the second half of the year lead us to raise our guidance for same-store revenues and NOI and lower our expense guidance for the year,” said Mr. Neithercut. “This guidance is not affected by the removal of the Lexford portfolio from our same-store results. The Lexford revenue and expense numbers are tracking similarly to our conventional same-store portfolio.”

“We are leaving unchanged our 2006 FFO guidance of \$2.30 to \$2.50 per share, because the sale of the Lexford portfolio, which is a very positive step in our portfolio reconfiguration, will result in \$0.05 per share of FFO dilution for the full year and result in the company generating FFO in the middle of that range. It is important to note, however, that this dilution will be partially offset by a reduction in capital expenditures.”

Same-Store Guidance Assumptions

	<u>New</u>	<u>Previous</u>
Revenues	5.25% to 5.75%	4.75% to 5.75%
Expenses	2.5% to 3.5%	4.25% to 5.25%
NOI	6.5% to 8.0%	4.5% to 6.5%

Portfolio Reconfiguration

During the second quarter of 2006, the company acquired seven properties, consisting of 2,143 units, for an aggregate purchase price of \$430.6 million at an average capitalization (cap) rate of 4.8 percent, and three land parcels for \$62.3 million.

Also during the quarter, the company sold 13 properties, consisting of 2,418 units, for an aggregate sale price of \$229.6 million at an average cap rate of 5.3 percent generating an unlevered internal rate of return (IRR) of 11.1

percent. In addition, the company sold 354 condominium units for \$72.1 million and one land parcel for \$0.9 million.

In the first six months of 2006, the company acquired 18 properties, consisting of 4,922 units, for an aggregate purchase price of \$937.2 million at an average cap rate of 4.9 percent, and five land parcels for \$76.5 million.

During the six months ended June 30, 2006, the company sold 38 properties, consisting of 10,528 units, for an aggregate sale price of \$1.0 billion at an average cap rate of 5.5 percent generating an unlevered IRR of 12.2 percent. In addition, the company sold 525 condominium units for \$107.2 million and one land parcel for \$0.9 million.

Lexford Housing Division Sale

On June 28, 2006, Equity Residential announced that it agreed to sell its Lexford Housing Division, comprised of 289 properties consisting of 27,115 apartment units and a property management business based in Columbus, Ohio, for a cash purchase price of \$1.086 billion. The purchase price is equivalent to \$40,052 per apartment unit and a cap rate, after capital replacements of \$400 per apartment unit, on 2006 net operating income of 7.4 percent. The sale is expected to close in the fourth quarter of 2006 and generate a total book gain of approximately \$430 million and an unlevered IRR of 15 percent.

Third Quarter 2006 Results

Equity Residential expects to announce third quarter 2006 results on Tuesday, October 31, 2006 and host a conference call to discuss those results at 1:00 p.m. CT on Wednesday, November 1, 2006.

Equity Residential is the largest publicly traded apartment company in America. Nationwide, Equity Residential owns or has investments in 898 properties, in 31 states and the District of Columbia, consisting of 191,582 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 2006 will take place tomorrow, Wednesday, August 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)

	<u>Six Months Ended June 30,</u>		<u>Quarter Ended June 30,</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
REVENUES				
Rental income	\$ 958,911	\$ 808,922	\$ 489,619	\$ 412,207
Fee and asset management	4,807	5,362	2,320	3,023
Total revenues	<u>963,718</u>	<u>814,284</u>	<u>491,939</u>	<u>415,230</u>
EXPENSES				
Property and maintenance	252,447	217,248	127,549	111,134
Real estate taxes and insurance	97,079	86,632	49,354	43,371
Property management	46,664	41,407	23,067	20,796
Fee and asset management	4,326	4,176	2,158	2,076
Depreciation	271,924	212,238	139,906	107,832
General and administrative	23,190	31,502	9,584	13,758
Total expenses	<u>695,630</u>	<u>593,203</u>	<u>351,618</u>	<u>298,967</u>
Operating income	268,088	221,081	140,321	116,263
Interest and other income	4,365	62,270	2,011	2,790
Interest:				
Expense incurred, net	(209,049)	(173,728)	(104,117)	(89,167)
Amortization of deferred financing costs	(4,513)	(3,230)	(1,770)	(1,566)
Income before allocation to Minority Interests, loss from investments in unconsolidated entities, net gain (loss) on sales of unconsolidated entities and land parcels and discontinued operations	58,891	106,393	36,445	28,320
Allocation to Minority Interests:				
Operating Partnership, net	(2,305)	(5,685)	(1,673)	(823)
Preference Interests and Units	(1,556)	(5,279)	(457)	(1,391)
Partially Owned Properties	(2,068)	2,296	(547)	819
Premium on redemption of Preference Interests	(683)	(4,112)	(9)	(2,384)
Loss from investments in unconsolidated entities	(375)	(215)	(145)	(157)
Net gain on sales of unconsolidated entities	352	124	23	-
Net gain (loss) on sales of land parcels	246	10,366	246	(2)
Income from continuing operations, net of minority interests	52,502	103,888	33,883	24,382
Discontinued operations, net of minority interests	485,470	264,495	126,274	116,962
Net income	537,972	368,383	160,157	141,344
Preferred distributions	(20,168)	(26,043)	(10,073)	(13,018)
Net income available to Common Shares	<u>\$ 517,804</u>	<u>\$ 342,340</u>	<u>\$ 150,084</u>	<u>\$ 128,326</u>
Earnings per share - basic:				
Income from continuing operations available to Common Shares	<u>\$ 0.11</u>	<u>\$ 0.27</u>	<u>\$ 0.08</u>	<u>\$ 0.04</u>
Net income available to Common Shares	<u>\$ 1.79</u>	<u>\$ 1.20</u>	<u>\$ 0.52</u>	<u>\$ 0.45</u>
Weighted average Common Shares outstanding	<u>289,172</u>	<u>284,899</u>	<u>289,460</u>	<u>285,283</u>
Earnings per share - diluted:				
Income from continuing operations available to Common Shares	<u>\$ 0.11</u>	<u>\$ 0.27</u>	<u>\$ 0.08</u>	<u>\$ 0.04</u>
Net income available to Common Shares	<u>\$ 1.76</u>	<u>\$ 1.19</u>	<u>\$ 0.51</u>	<u>\$ 0.44</u>
Weighted average Common Shares outstanding	<u>314,420</u>	<u>309,362</u>	<u>314,698</u>	<u>309,979</u>
Distributions declared per Common Share outstanding	<u>\$ 0.8850</u>	<u>\$ 0.8650</u>	<u>\$ 0.4425</u>	<u>\$ 0.4325</u>

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

	Six Months Ended June 30,		Quarter Ended June 30,	
	2006	2005	2006	2005
Net income	\$ 537,972	\$ 368,383	\$ 160,157	\$ 141,344
Allocation to Minority Interests - Operating Partnership, net	2,305	5,685	1,673	823
Adjustments:				
Depreciation	271,924	212,238	139,906	107,832
Depreciation - Non-real estate additions	(3,682)	(2,685)	(1,886)	(1,391)
Depreciation - Partially Owned and Unconsolidated Properties	2,563	(638)	1,013	(387)
Net gain on sales of unconsolidated entities	(352)	(124)	(23)	-
Discontinued operations:				
Depreciation	25,429	47,030	10,724	22,368
Gain on sales of discontinued operations, net of minority interests	(469,246)	(231,952)	(121,281)	(100,815)
Net incremental gain on sales of condominium units	18,553	29,036	11,426	15,554
Minority Interests - Operating Partnership	1,143	2,374	351	1,178
FFO (1)(2)	386,609	429,347	202,060	186,506
Preferred distributions	(20,168)	(26,043)	(10,073)	(13,018)
FFO available to Common Shares and OP Units - basic	<u>\$ 366,441</u>	<u>\$ 403,304</u>	<u>\$ 191,987</u>	<u>\$ 173,488</u>
FFO available to Common Shares and OP Units - diluted	<u>\$ 366,917</u>	<u>\$ 403,962</u>	<u>\$ 192,217</u>	<u>\$ 173,806</u>
FFO per share and OP Unit - basic	<u>\$ 1.18</u>	<u>\$ 1.32</u>	<u>\$ 0.62</u>	<u>\$ 0.57</u>
FFO per share and OP Unit - diluted	<u>\$ 1.17</u>	<u>\$ 1.30</u>	<u>\$ 0.61</u>	<u>\$ 0.56</u>
Weighted average Common Shares and OP Units outstanding - basic	<u>309,678</u>	<u>305,793</u>	<u>310,017</u>	<u>306,190</u>
Weighted average Common Shares and OP Units outstanding - diluted	<u>315,034</u>	<u>310,209</u>	<u>315,289</u>	<u>310,800</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 in and of itself 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>June 30, 2006</u>	<u>December 31, 2005</u>
ASSETS		
Investment in real estate		
Land	\$ 3,003,791	\$ 2,848,601
Depreciable property	12,763,817	13,336,636
Projects under development	242,617	240,980
Land held for development	<u>208,437</u>	<u>164,153</u>
Investment in real estate	16,218,662	16,590,370
Accumulated depreciation	<u>(2,772,806)</u>	<u>(2,888,140)</u>
Investment in real estate, net	13,445,856	13,702,230
Real estate held for sale	635,270	-
Cash and cash equivalents	72,172	88,828
Investments in unconsolidated entities	4,733	6,838
Rents receivable	879	789
Deposits - restricted	95,855	77,093
Escrow deposits - mortgage	28,831	35,225
Deferred financing costs, net	40,628	40,636
Goodwill, net	30,000	30,000
Other assets	103,649	117,306
Total assets	<u>\$ 14,457,873</u>	<u>\$ 14,098,945</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Mortgage notes payable	\$ 3,096,427	\$ 3,379,289
Mortgage notes payable, held for sale	207,029	-
Notes, net	3,838,697	3,442,784
Lines of credit	547,000	769,000
Accounts payable and accrued expenses	113,855	108,855
Accrued interest payable	86,527	78,441
Rents received in advance and other liabilities	290,205	302,418
Security deposits	60,111	54,823
Distributions payable	<u>145,226</u>	<u>145,812</u>
Total liabilities	<u>8,385,077</u>	<u>8,281,422</u>
<i>Commitments and contingencies</i>		
Minority Interests:		
Operating Partnership	367,081	345,034
Preference Interests and Units	11,684	60,184
Partially Owned Properties	<u>20,163</u>	<u>16,965</u>
Total Minority Interests	<u>398,928</u>	<u>422,183</u>
Shareholders' equity:		
Preferred Shares of beneficial interest, \$0.01 par value; 100,000,000 shares authorized; 3,264,550 shares issued and outstanding as of June 30, 2006 and 3,323,830 shares issued and outstanding as of December 31, 2005	502,614	504,096
Common Shares of beneficial interest, \$0.01 par value; 1,000,000,000 shares authorized; 290,955,828 shares issued and outstanding as of June 30, 2006 and 289,536,344 shares issued and outstanding as of December 31, 2005	2,910	2,895
Paid in capital	5,269,054	5,253,188
Distributions in excess of accumulated earnings	(89,783)	(350,367)
Accumulated other comprehensive loss	<u>(10,927)</u>	<u>(14,472)</u>
Total shareholders' equity	<u>5,673,868</u>	<u>5,395,340</u>
Total liabilities and shareholders' equity	<u>\$ 14,457,873</u>	<u>\$ 14,098,945</u>

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Second Quarter 2006 vs. Second Quarter 2005 Quarter over Quarter Same-Store Results

\$ in Millions - 132,093 Same-Store Units (excludes Lexford)

<u>Description</u>	<u>Revenues</u>	<u>Expenses</u>	<u>NOI (1)</u>
Q2 2006	\$ 411.6	\$ 158.8	\$ 252.8
Q2 2005	\$ 388.5	\$ 153.5	\$ 235.0
Change	<u>\$ 23.1</u>	<u>\$ 5.3</u>	<u>\$ 17.8</u>
Change	5.9%	3.5%	7.6%

Second Quarter 2006 vs. First Quarter 2006 Sequential Quarter over Quarter Same-Store Results

\$ in Millions - 140,042 Same-Store Units (excludes Lexford)

<u>Description</u>	<u>Revenues</u>	<u>Expenses</u>	<u>NOI (1)</u>
Q2 2006	\$ 448.2	\$ 172.6	\$ 275.6
Q1 2006	\$ 440.1	\$ 174.5	\$ 265.6
Change	<u>\$ 8.1</u>	<u>\$ (1.9)</u>	<u>\$ 10.0</u>
Change	1.8%	(1.1%)	3.8%

June YTD 2006 vs. June YTD 2005 YTD over YTD Same-Store Results

\$ in Millions - 129,965 Same-Store Units (excludes Lexford)

<u>Description</u>	<u>Revenues</u>	<u>Expenses</u>	<u>NOI (1)</u>
YTD 2006	\$ 802.5	\$ 314.3	\$ 488.2
YTD 2005	\$ 757.2	\$ 300.8	\$ 456.4
Change	<u>\$ 45.3</u>	<u>\$ 13.5</u>	<u>\$ 31.8</u>
Change	6.0%	4.5%	7.0%

Same-Store Statistics (excludes Lexford)

	<u>Occupancy</u>	<u>Turnover</u>		<u>Occupancy</u>	<u>Turnover</u>		<u>Occupancy</u>	<u>Turnover</u>
Q2 2006	94.6%	16.6%	Q2 2006	94.6%	16.6%	YTD 2006	94.6%	30.5%
Q2 2005	94.6%	17.3%	Q1 2006	94.5%	13.9%	YTD 2005	94.4%	31.7%
Change	0.0%	(0.7%)	Change	0.1%	2.7%	Change	0.2%	(1.2%)

(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. All same store results exclude the Lexford Housing Division.

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Same Store NOI Reconciliation

Second Quarter 2006 vs. Second Quarter 2005

The following table presents a reconciliation of operating income per the consolidated statements of operations to NOI for the Second Quarter 2006 Same Store Properties:

	Quarter Ended June 30,	
	2006	2005
	(Amounts in millions)	
Operating income	\$ 140.3	\$ 116.3
Adjustments:		
Insurance (1)	(2.0)	-
Non-same store operating results	(34.9)	(2.0)
Fee and asset management revenue	(2.3)	(3.0)
Fee and asset management expense	2.2	2.1
Depreciation	139.9	107.8
General and administrative	9.6	13.8
Same store NOI	\$ 252.8	\$ 235.0

Same Store NOI Reconciliation

June YTD 2006 vs. June YTD 2005

The following table presents a reconciliation of operating income per the consolidated statements of operations to NOI for the Six-Month 2006 Same Store Properties:

	Six Months Ended June 30,	
	2006	2005
	(Amounts in millions)	
Operating income	\$ 268.1	\$ 221.1
Adjustments:		
Insurance (1)	(4.9)	-
Non-same store operating results	(69.6)	(7.2)
Fee and asset management revenue	(4.8)	(5.4)
Fee and asset management expense	4.3	4.2
Depreciation	271.9	212.2
General and administrative	23.2	31.5
Same store NOI	\$ 488.2	\$ 456.4

(1) Amount represents additional insurance reimbursements.

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Second Quarter 2006 vs. Second Quarter 2005

Same-Store Results by Market

Markets	Units	2Q 2006 % of Actual NOI	2Q 2006 Weighted Average Occupancy %	Increase (Decrease) from Prior Quarter			
				Revenues	Expenses	NOI	Occupancy
1 Los Angeles	6,079	7.4%	93.8%	6.3%	3.3%	7.7%	(1.4%)
2 Boston	5,761	6.6%	94.2%	1.7%	8.0%	(2.0%)	0.1%
3 South Florida	7,398	6.5%	93.3%	9.7%	2.5%	14.8%	(1.4%)
4 San Francisco Bay Area	5,990	6.4%	96.3%	6.3%	2.7%	8.4%	0.8%
5 DC Suburban Virginia	5,183	5.7%	96.3%	5.5%	1.0%	7.6%	0.0%
6 Phoenix	9,247	5.6%	94.3%	10.9%	3.6%	16.0%	0.4%
7 New York Metro Area	3,406	5.6%	96.8%	8.5%	(0.3%)	13.6%	0.3%
8 Seattle/Tacoma	7,700	5.5%	96.0%	7.5%	5.1%	9.0%	0.3%
9 Atlanta	8,945	5.0%	95.1%	4.0%	4.5%	3.7%	0.0%
10 Denver	7,425	4.3%	94.4%	3.9%	4.1%	3.7%	0.4%
11 San Diego	3,486	4.0%	93.4%	4.8%	5.4%	4.5%	(1.7%)
12 Dallas/Ft Worth	8,339	4.0%	94.8%	4.0%	(0.9%)	9.0%	(0.1%)
13 Orlando	5,465	4.0%	94.7%	10.2%	4.7%	13.6%	(0.8%)
14 New England (excl Boston)	5,823	3.5%	93.8%	2.1%	9.1%	(3.5%)	0.2%
15 Orange Co	3,013	3.4%	94.2%	7.0%	4.2%	8.3%	(0.9%)
16 Inland Empire, CA	3,504	3.4%	92.7%	4.4%	4.3%	4.5%	(2.0%)
17 DC Suburban Maryland	4,325	3.1%	93.6%	4.1%	4.9%	3.5%	(0.6%)
18 Houston	5,282	2.4%	93.5%	6.8%	4.4%	9.6%	1.6%
19 Portland	3,409	1.9%	95.3%	3.3%	4.3%	2.5%	0.9%
20 Raleigh/Durham	3,708	1.8%	95.6%	6.8%	3.4%	9.4%	1.7%
Top 20 Markets	113,488	90.1%	94.6%	6.0%	3.8%	7.3%	(0.1%)
All Other Markets	18,605	9.9%	94.7%	5.8%	1.0%	9.9%	0.4%
Total	132,093	100.0%	94.6%	5.9%	3.5%	7.6%	0.0%

Note: All same store results exclude the Lexford Housing Division.

EQUITY RESIDENTIAL

Second Quarter 2006 vs. First Quarter 2006

Sequential Same-Store Results by Market

Markets	Units	2Q 2006 % of Actual NOI	2Q 2006 Weighted Average Occupancy %	Increase (Decrease) from Prior Quarter			
				Revenues	Expenses	NOI	Occupancy
1 New York Metro Area	5,153	8.5%	96.7%	2.6%	(4.3%)	6.7%	1.1%
2 Los Angeles	6,429	7.1%	93.7%	1.0%	(2.8%)	3.0%	(1.0%)
3 DC Suburban Virginia	6,662	6.4%	95.7%	3.7%	(0.6%)	6.0%	1.4%
4 Seattle/Tacoma	8,532	6.4%	96.0%	3.9%	(2.5%)	8.1%	1.4%
5 South Florida	7,662	6.2%	93.2%	(0.7%)	(0.5%)	(0.8%)	(3.1%)
6 Boston	5,761	6.0%	94.2%	0.3%	(5.1%)	4.2%	0.9%
7 San Francisco Bay Area	5,990	5.9%	96.3%	3.5%	(5.0%)	8.6%	1.2%
8 Phoenix	9,247	5.2%	94.3%	1.4%	3.8%	0.1%	(1.6%)
9 Atlanta	9,275	4.8%	95.1%	2.0%	(1.3%)	4.6%	0.3%
10 Orlando	6,473	4.3%	94.4%	1.9%	4.3%	0.5%	(0.4%)
11 Denver	7,775	4.2%	94.5%	1.0%	3.8%	(0.6%)	(0.4%)
12 San Diego	3,486	3.7%	93.4%	1.0%	(0.1%)	1.6%	(1.4%)
13 Dallas/Ft Worth	8,339	3.6%	94.8%	1.3%	1.1%	1.4%	0.6%
14 New England (excl Boston)	5,823	3.2%	93.8%	4.1%	(4.0%)	12.6%	2.7%
15 DC Suburban Maryland	4,837	3.2%	92.7%	2.6%	(5.0%)	8.0%	(0.4%)
16 Orange Co	3,013	3.2%	94.2%	1.5%	(2.0%)	3.2%	(1.1%)
17 Inland Empire, CA	3,504	3.1%	92.7%	2.2%	(1.1%)	3.9%	0.1%
18 Houston	5,282	2.2%	93.5%	0.3%	4.1%	(3.4%)	(0.8%)
19 Jacksonville	3,659	2.0%	95.0%	0.9%	0.0%	1.5%	(0.1%)
20 Portland	3,409	1.7%	95.1%	1.8%	2.0%	1.7%	0.2%
Top 20 Markets	120,311	90.7%	94.5%	1.9%	(1.2%)	3.8%	0.0%
All Other Markets	19,731	9.3%	94.8%	1.7%	0.0%	3.1%	0.4%
Total	140,042	100.0%	94.6%	1.8%	(1.1%)	3.8%	0.1%

Note: All same store results exclude the Lexford Housing Division.

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June YTD 2006 vs. June YTD 2005

Same-Store Results by Market

Markets	Units	Jun YTD 2006 % of Actual NOI	Jun YTD 2006 Weighted Average Occupancy %	Increase (Decrease) from Prior Year			
				Revenues	Expenses	NOI	Occupancy
1 Los Angeles	6,079	7.6%	94.3%	7.1%	4.8%	8.2%	(0.5%)
2 South Florida	7,398	6.8%	94.8%	10.6%	4.2%	15.0%	(0.4%)
3 Boston	5,761	6.6%	93.8%	2.9%	6.1%	0.9%	0.1%
4 San Francisco Bay Area	5,990	6.4%	95.7%	5.3%	5.3%	5.3%	0.4%
5 Phoenix	9,247	5.8%	95.0%	10.9%	2.7%	16.4%	0.9%
6 DC Suburban Virginia	5,183	5.8%	95.6%	6.3%	5.3%	6.7%	0.6%
7 New York Metro Area	3,406	5.5%	96.4%	8.6%	2.6%	12.0%	0.5%
8 Seattle/Tacoma	7,153	5.0%	95.4%	7.2%	5.7%	8.2%	0.0%
9 Atlanta	8,743	4.9%	95.0%	3.2%	5.0%	1.9%	(0.1%)
10 Denver	6,921	4.2%	94.9%	3.2%	3.0%	3.4%	0.6%
11 San Diego	3,486	4.1%	94.0%	5.0%	6.7%	4.2%	(0.9%)
12 Dallas/Ft Worth	8,152	4.0%	94.5%	4.0%	0.5%	7.5%	(0.4%)
13 Orlando	5,151	3.8%	94.8%	10.5%	5.4%	13.7%	(0.5%)
14 New England (excl Boston)	5,823	3.5%	92.5%	0.9%	7.9%	(4.9%)	(0.9%)
15 Orange Co	3,013	3.5%	94.7%	7.1%	5.7%	7.8%	(0.2%)
16 Inland Empire, CA	3,504	3.4%	92.7%	5.0%	4.8%	5.1%	(1.5%)
17 DC Suburban Maryland	4,325	3.1%	93.4%	3.8%	9.3%	0.4%	(0.1%)
18 Houston	5,282	2.5%	93.8%	6.9%	4.8%	9.1%	2.5%
19 Portland	3,409	1.9%	95.2%	3.2%	4.9%	2.0%	0.8%
20 Austin	3,671	1.6%	95.2%	6.4%	3.3%	10.0%	0.0%
Top 20 Markets	111,697	90.0%	94.6%	6.0%	4.8%	6.8%	0.1%
All Other Markets	18,268	10.0%	94.5%	5.7%	2.4%	8.3%	0.8%
Total	129,965	100.0%	94.6%	6.0%	4.5%	7.0%	0.2%

Note: All same store results exclude the Lexford Housing Division.

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Portfolio as of June 30, 2006

	Properties	Units
Wholly Owned Properties	810	170,221
Partially Owned Properties:		
Consolidated	42	6,872
Unconsolidated	45	10,846
Military Housing (Fee Managed)	1	3,643
	898	191,582

Portfolio Rollforward Q2 2006

	Properties	Units	\$ Millions	Cap Rate
3/31/2006	911	192,240		
Acquisitions:				
Rental Properties	7	2,143	\$ 430.6	4.8%
Land Parcels (three)	-	-	\$ 62.3	
Dispositions:				
Rental Properties	(13)	(2,418)	\$ (229.6)	5.3%
Condominium Units	(2)	(354)	\$ (72.1)	
Land Parcels (one)	-	-	\$ (0.9)	
Configuration Changes	(5)	(29)		
6/30/2006	898	191,582		

Portfolio Rollforward 2006

	Properties	Units	\$ Millions	Cap Rate
12/31/2005	926	197,404		
Acquisitions:				
Rental Properties	18	4,922	\$ 937.2	4.9%
Land Parcels (five)	-	-	\$ 76.5	
Dispositions:				
Rental Properties	(38)	(10,528)	\$ (1,029.5)	5.5%
Condominium Units	(4)	(525)	\$ (107.2)	
Land Parcels (one)	-	-	\$ (0.9)	
Completed Developments	1	359		
Configuration Changes	(5)	(50)		
6/30/2006	898	191,582		

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Portfolio Summary

As of June 30, 2006

Market	Properties	Units	% of Total Units	% of 2006 Stabilized NOI (1)
1 New York Metro Area	17	5,288	2.8%	8.3%
2 South Florida	31	9,779	5.1%	7.2%
3 DC Northern Virginia	21	7,571	4.0%	7.1%
4 Los Angeles	33	7,012	3.7%	7.0%
5 Seattle/Tacoma	46	10,782	5.6%	6.3%
6 Boston	36	6,709	3.5%	5.6%
7 Atlanta	35	11,017	5.8%	5.1%
8 San Francisco Bay Area	26	6,249	3.3%	5.1%
9 Phoenix	36	10,381	5.4%	5.0%
10 Denver	27	8,658	4.5%	4.3%
11 Orlando	20	6,473	3.4%	4.2%
12 San Diego	12	3,822	2.0%	4.0%
13 Inland Empire CA	14	4,355	2.3%	3.6%
14 Dallas/Ft Worth	34	9,919	5.2%	3.6%
15 DC Suburban Maryland	21	5,145	2.7%	3.2%
16 New England (excl Boston)	41	5,823	3.0%	3.1%
17 Orange County	8	3,013	1.6%	3.0%
18 Houston	17	5,282	2.8%	2.2%
19 Jacksonville	13	3,899	2.0%	2.0%
20 Portland OR	11	3,713	1.9%	1.7%
Top 20 Total	499	134,890	70.6%	91.6%
21 Raleigh/Durham	17	4,392	2.3%	1.6%
22 Tampa/Ft Myers	10	3,141	1.6%	1.4%
23 Austin	12	3,671	1.9%	1.3%
24 Charlotte	11	3,391	1.8%	1.0%
25 Nashville	8	2,325	1.2%	0.9%
26 Central Valley CA	10	1,595	0.8%	0.5%
27 Minneapolis/St Paul	6	817	0.4%	0.4%
28 Other EQR	18	4,355	2.2%	1.3%
Total	591	158,577	82.8%	100.0%
Lexford Portfolio	291	27,248	14.2%	0.0%
Condominium Conversion	15	2,114	1.1%	0.0%
Military Housing	1	3,643	1.9%	0.0%
Grand Total	898	191,582	100.0%	100.0%

(1) Excludes the Lexford Portfolio, which is held for sale and included in discontinued operations.

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Debt Summary as of June 30, 2006

(Amounts in thousands)

	Amounts (1)	% of Total	Weighted Average Rates (1)	Weighted Average Maturities (years)
Secured	\$ 3,303,456	43.0%	5.80%	6.4
Unsecured	4,385,697	57.0%	5.96%	7.2
Total	<u>\$ 7,689,153</u>	<u>100.0%</u>	<u>5.89%</u>	<u>6.8</u>
Fixed Rate Debt:				
Secured - Conventional	\$ 2,455,981	32.0%	6.34%	4.3
Secured - Tax Exempt	18,317	0.2%	6.49%	18.8
Unsecured - Public/Private	3,577,307	46.5%	6.09%	7.7
Unsecured - Tax Exempt	111,390	1.5%	5.10%	22.8
Fixed Rate Debt	<u>6,162,995</u>	<u>80.2%</u>	<u>6.17%</u>	<u>6.6</u>
Floating Rate Debt:				
Secured - Conventional	293,998	3.8%	5.99%	2.2
Secured - Tax Exempt	535,160	7.0%	3.45%	17.9
Unsecured - Public	150,000	1.9%	5.85%	2.9
Unsecured - Revolving Credit Facilities	547,000	7.1%	5.02%	1.9
Floating Rate Debt	<u>1,526,158</u>	<u>19.8%</u>	<u>4.65%</u>	<u>7.6</u>
Total	<u>\$ 7,689,153</u>	<u>100.0%</u>	<u>5.89%</u>	<u>6.8</u>

(1) Net of the effect of any derivative instruments. Weighted average rates are for the six months ended June 30, 2006.

Debt Maturity Schedule as of June 30, 2006

(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)
2006 (2)	\$ 258,177	\$ 53,838	\$ 312,015	4.1%	7.12%	7.12%
2007	326,805	42,073	368,878	4.8%	6.88%	6.82%
2008 (3)	548,086	576,334	1,124,420	14.6%	6.71%	6.05%
2009	477,726	377,890	855,616	11.1%	6.44%	5.35%
2010	279,986	-	279,986	3.6%	7.05%	7.05%
2011	806,265	24,150	830,415	10.8%	6.86%	6.75%
2012	535,042	-	535,042	7.0%	6.51%	6.51%
2013	567,282	-	567,282	7.4%	5.93%	5.93%
2014	504,085	-	504,085	6.6%	5.27%	5.27%
2015	316,432	-	316,432	4.1%	6.54%	6.54%
2016+ (2)	1,543,109	451,873	1,994,982	25.9%	5.74%	5.45%
Total	<u>\$ 6,162,995</u>	<u>\$ 1,526,158</u>	<u>\$ 7,689,153</u>	<u>100.0%</u>	<u>6.29%</u>	<u>6.00%</u>

(1) Net of the effect of any derivative instruments. Weighted average rates are as of June 30, 2006.

(2) 2006 includes \$10.0 million of 7.57% unsecured debt with a final maturity of 2026 that has been put back to the Company effective August 15, 2006. 2016+ includes \$140.0 million of 7.57% unsecured debt with a final maturity of 2026 that was not put back to the Company.

(3) Includes \$547.0 million outstanding on the Company's unsecured revolving credit facility, which matures on May 29, 2008.

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Unsecured Debt Summary as of June 30, 2006

(Amounts in thousands)

	Coupon Rate	Due Date	Face Amount	Unamortized Premium/ (Discount)	Net Balance
Fixed Rate Notes:					
	6.690%	11/01/06	\$ 50,000	\$ (17)	\$ 49,983
	7.625%	04/15/07	50,000	137	50,137
	6.900%	08/01/07	50,000	(27)	49,973
	7.540%	09/01/07 (1)	8,571	-	8,571
	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	(811)	299,189
	6.950%	03/02/11	300,000	3,999	303,999
	6.625%	03/15/12	400,000	(1,676)	398,324
	5.200%	04/01/13	400,000	(799)	399,201
	5.250%	09/15/14	500,000	(505)	499,495
	6.584%	04/13/15	300,000	(974)	299,026
	5.125%	03/15/16	500,000	(520)	499,480
	5.375%	08/01/16	400,000	(1,871)	398,129
	7.125%	10/15/17	150,000	(732)	149,268
	7.570%	08/15/26 (3)	150,000	-	150,000
Floating Rate Adjustments		(2)	(150,000)	-	(150,000)
FAS 133 Adjustments - net		(2)	(7,468)	-	(7,468)
			<u>3,581,103</u>	<u>(3,796)</u>	<u>3,577,307</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)	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Revolving Credit Facility:					
		05/29/08	<u>547,000</u>	<u>-</u>	<u>547,000</u>
Total Unsecured Debt			<u>\$ 4,389,493</u>	<u>\$ (3,796)</u>	<u>\$ 4,385,697</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) Put period expired July 15, 2006 with \$10.0 million put back to the Company effective August 15, 2006.

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Selected Unsecured Public Debt Covenants

	June 30, 2006	December 31, 2005
Total Debt to Adjusted Total Assets (not to exceed 60%)	44.2%	44.9%
Secured Debt to Adjusted Total Assets (not to exceed 40%)	19.0%	20.0%
Consolidated Income Available For Debt Service To Maximum Annual Service Charges (must be at least 1.5 to 1)	2.66	2.89
Total Unsecured Assets to Unsecured Debt (must be at least 150%)	241.2%	261.4%

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

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Capital Structure as of June 30, 2006

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

Secured Debt		\$ 3,096,427	40%	
Secured Debt - Held for Sale		207,029	3%	
Unsecured Debt		3,838,697	50%	
Lines of Credit		547,000	7%	
Total Debt		7,689,153	100%	35%
Common Shares	290,955,828		93%	
OP Units	20,653,448		7%	
Total Shares and OP Units	311,609,276		100%	
Common Share Equivalents (see below)	903,766			
Total outstanding at quarter-end	312,513,042			
Common Share Price at June 30, 2006	\$ 44.73			
Perpetual Preferred Equity (see below)		13,978,708	97%	
Total Equity		14,468,708	100%	65%
Total Market Capitalization		\$ 22,157,861		100%

Convertible Preferred Equity as of June 30, 2006

(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	473,816	\$ 11,846	\$ 1.75	\$ 829		1.1128	527,262
7.00% Series H	6/30/98	30,734	768	1.75	54		1.4480	44,503
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		741,917	\$ 24,298		\$ 1,775	7.31%		903,766

Perpetual Preferred Equity as of June 30, 2006

(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:						
9 1/8% Series C	9/9/06	460,000	\$ 115,000	\$ 22.8125	\$ 10,494	
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		2,760,000	\$ 490,000		\$ 39,409	8.04%

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Common Share and Operating Partnership Unit (OP Unit)

Weighted Average Amounts Outstanding

	YTD 2Q06	YTD 2Q05	2Q06	2Q05
Weighted Average Amounts Outstanding for Net Income Purposes:				
Common Shares - basic	289,171,660	284,899,012	289,459,922	285,283,094
Shares issuable from assumed conversion/vesting of:				
- OP Units	20,505,880	20,893,584	20,556,844	20,906,578
- share options/restricted shares	4,742,794	3,569,088	4,680,985	3,789,207
Total Common Shares and OP Units - diluted	314,420,334	309,361,684	314,697,751	309,978,879
Weighted Average Amounts Outstanding for FFO Purposes:				
Common Shares - basic	289,171,660	284,899,012	289,459,922	285,283,094
OP Units - basic	20,505,880	20,893,584	20,556,844	20,906,578
Total Common Shares and OP Units - basic	309,677,540	305,792,596	310,016,766	306,189,672
Shares issuable from assumed conversion/vesting of:				
- convertible preferred shares/units	614,125	847,812	591,694	821,299
- share options/restricted shares	4,742,794	3,569,088	4,680,985	3,789,207
Total Common Shares and OP Units - diluted	315,034,459	310,209,496	315,289,445	310,800,178
Period Ending Amounts Outstanding:				
Common Shares	290,955,828			
OP Units	20,653,448			
Total Common Shares and OP Units	311,609,276			

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Partially Owned Entities as of June 30, 2006 (Amounts in thousands except for project and unit amounts)

	Consolidated					Unconsolidated
	Development Projects		Lexford	Other	Total	Institutional Joint Ventures
	Held for and/or Under Development	Completed and Stabilized				
Total projects	(1) -	4	17	21	42	45
Total units	(1) -	977	1,999	3,896	6,872	10,846
Operating information for the six months ended 6/30/06 (at 100%):						
Operating revenue	\$ -	\$ 7,863	\$ 6,176	\$ 26,406	\$ 40,445	\$ 49,148
Operating expenses	31	2,728	3,219	9,069	15,047	22,004
Net operating income (loss)	(31)	5,135	2,957	17,337	25,398	27,144
Depreciation	-	2,900	1,380	7,463	11,743	10,511
Other	1	-	9	1,022	1,032	154
Operating income (loss)	(32)	2,235	1,568	8,852	12,623	16,479
Interest and other income	67	58	31	506	662	343
Interest:						
Expense incurred, net	(462)	(1,691)	(1,162)	(10,042)	(13,357)	(18,722)
Amortization of deferred financing costs	-	(24)	(62)	(55)	(141)	(308)
Net income (loss)	\$ (427)	\$ 578	\$ 375	\$ (739)	\$ (213)	\$ (2,208)
Debt - Secured (2):						
EQR Ownership (3)	\$ 127,444	\$ 61,000	\$ 27,730	\$ 287,149	\$ 503,323	\$ 121,200
Minority Ownership	-	-	4,531	13,321	17,852	363,600
Total (at 100%)	\$ 127,444	\$ 61,000	\$ 32,261	\$ 300,470	\$ 521,175	\$ 484,800

(1) Project and unit counts exclude all uncompleted development projects until those projects are 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.

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Consolidated Development Projects as of June 30, 2006
(Amounts in thousands except for project and unit amounts)

Projects	Location	No. of Units	Total Capital Cost (1)	Total Book Value To Date (1)	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	\$ 72,370	\$ 45,555	\$ 45,555	\$ -	57%	-	-	4Q 2006	3Q 2007
Highland Glen II	Westwood, MA	102	21,620	3,698	3,698	-	10%	-	-	1Q 2007	4Q 2007
Emerson/CRP II	Boston, MA	310	161,309	19,141	19,141	-	14%	-	-	2Q 2008	1Q 2009
Redmond Ridge	Redmond, WA	321	53,536	8,563	8,563	-	1%	-	-	1Q 2008	2Q 2010
Projects Under Development - Wholly Owned		997	308,835	76,957	76,957	-					
Projects Under Development - Partially Owned:											
Union Station	Los Angeles, CA	278	63,325	57,133	57,133	32,525	91%	-	-	3Q 2006	1Q 2008
Vintage	Ontario, CA	300	53,810	27,288	27,288	23,825	35%	-	-	2Q 2007	1Q 2008
Silver Spring	Silver Spring, MD	457	145,224	25,681	25,681	-	4%	-	-	1Q 2008	1Q 2010
City Lofts	Chicago, IL	278	71,109	8,174	8,174	-	1%	-	-	3Q 2008	2Q 2009
303 Third Street	Cambridge, MA	531	242,969	32,815	32,815	-	1%	-	-	3Q 2008	1Q 2010
Alta Pacific (2)	Irvine, CA	132	39,380	14,569	14,569	28,260	2%	-	-	3Q 2007	2Q 2008
Projects Under Development - Partially Owned		1,976	615,817	165,660	165,660	84,610					
Projects Under Development		2,973	924,652	242,617	242,617	84,610					
Land Held for Development		N/A	-	208,437	208,437	42,834					
Land/Projects Held for and/or Under Development		2,973	924,652	451,054	451,054	127,444					
Completed Not Stabilized:											
2400 M St (3)	Washington, D.C.	359	111,947	110,215	-	74,197	100%	38%	22%	Completed	3Q 2007
Projects Completed Not Stabilized		359	111,947	110,215	-	74,197					
Completed And Stabilized During the Quarter:											
Projects Completed And Stabilized During the Quarter		-	-	-	-	-					
Total Projects		3,332	\$ 1,036,599	\$ 561,269	\$ 451,054	\$ 201,641					

NOI CONTRIBUTION FROM DEVELOPMENT PROJECTS

	Total Capital Cost (1)	Q2 2006 NOI
Projects Under Development	\$ 924,652	\$ (29)
Completed Not Stabilized	111,947	(166)
Completed And Stabilized During the Quarter	-	-
Total Development/Newly Stabilized NOI Contribution	\$ 1,036,599	\$ (195)

(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.

(2) Debt is primarily tax-exempt bonds that are entirely outstanding, with \$19.2 million unfunded and classified as deposits - restricted in the consolidated balance sheets at 6/30/06.

(3) EQR acquired its partner's interest on 4/28/2006 and now wholly-owns the property. Total Book Value to Date does not include additional purchase consideration of \$30.7MM.

EQUITY RESIDENTIAL

Consolidated Condominium Conversion Projects as of June 30, 2006 (Amounts in thousands except for project and unit amounts)

Projects	Location	Project Start Date (1)	Estimated Close Out Date	Units				2006 YTD Activity			2Q 2006		
				Total	Units Closed	Sold Not Closed	Available	Units Closed	Sales Price	FFO Incremental Gain on Sale	Units Closed	Sales Price	FFO Incremental Gain on Sale
For Sale													
Fairway Greens	Pembroke Pines, FL	Q1 2005	Q3 2006	152	145	-	7	42	\$ 8,448	\$ 2,261	10	\$ 1,979	\$ 429
Magnuson Pointe	Seattle, WA	Q1 2005	Q4 2006	105	80	23	2	45	11,384	3,658	31	8,036	2,729
Timber Ridge	Woodinville, WA	Q1 2005	Q1 2007	203	125	35	43	97	17,337	4,589	67	12,478	3,451
Milano Terrace	Scottsdale, AZ	Q2 2005	Q2 2007	224	90	42	92	80	18,544	5,611	37	8,874	2,531
Braewood	Bothell, WA	Q2 2005	Q4 2006	84	33	16	35	33	6,779	1,925	33	6,779	1,925
South Palm Place	Tamarac, FL	Q2 2005	Q3 2007	208	36	62	110	36	6,462	1,153	36	6,462	1,153
Chantecleer Lakes	Naperville, IL	Q4 2005	Q4 2007	304	70	65	169	70	10,237	1,694	70	10,237	1,694
Fifth Avenue North (2)	Seattle, WA	Q2 2005	Q4 2006	62	35	5	22	35	9,992	2,200	35	9,992	2,200
Parkside	Seattle, WA	Q4 2005	Q4 2006	44	16	8	20	16	3,746	773	16	3,746	773
Bella Vista	Phoenix, AZ	Q4 2005	Q1 2008	248	-	9	239	-	-	-	-	-	-
Oaks at Falls Church	Falls Church, VA	Q4 2005	Q4 2007	176	-	-	176	-	-	-	-	-	-
Regency Park	Centreville, VA	Q4 2005	Q1 2008	252	-	-	252	-	-	-	-	-	-
Alameda Ranch	Scottsdale, AZ	Q4 2005	Q4 2008	272	-	-	272	-	-	-	-	-	-
Azure Creek	Phoenix, AZ	Q2 2006	Q1 2008	160	-	-	160	-	-	-	-	-	-
Park Bloomingdale	Bloomingdale, IL	Q2 2006	Q1 2008	250	-	-	250	-	-	-	-	-	-
				2,744	630	265	1,849	454	92,929	23,864	335	68,583	16,885
Closed Out													
Tuscany Villas	Scottsdale, AZ	Q4 2004	Q1 2006	180	180	-	-	2	331	100	-	-	(27)
Venetian I & II	Phoenix, AZ	Q1 2004	Q1 2006	264	264	-	-	1	204	(152)	-	-	(103)
Four Lakes	Lisle, IL	Q4 2001	Q2 2006	942	942	-	-	46	7,688	892	16	2,740	396
Atlas (3)	Washington, DC	Q4 2004	Q2 2006	141	141	-	-	6	3,006	416	1	430	250
Grand Marquis	Plantation, FL	Q4 2004	Q2 2006	198	198	-	-	16	2,998	517	2	388	(125)
Projects closed out prior to 2006				1,914	1,914	-	-	-	-	1,056	-	-	(430)
				3,639	3,639	-	-	71	14,227	2,829	19	3,558	(39)
Totals			20	6,383	4,269	265	1,849	525	\$ 107,156	\$ 26,693	354	\$ 72,141	\$ 16,846
Gross incremental gain on sales of condominium units										\$ 26,693			\$ 16,846
Provision for income taxes										(8,140)			(5,420)
Net incremental gain on sales of condominium units										18,553			11,426
Property management and general and administrative expenses										(2,974)			(1,235)
Discontinued operating income										716			9
Net Income - Condominium Division (4)										\$ 16,295			\$ 10,200

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

(2) Includes the sale of 3,744 square feet of retail space, which amounted to a gain of \$89,100 on proceeds of \$956,500.

(3) Partially owned project; incremental gain on sale represents portion attributable to the Company.

(4) Excludes interest income and interest expense specific to condominium conversion projects.

EQUITY RESIDENTIAL

Maintenance Expenses and Capitalized Improvements to Real Estate For the Six Months Ended June 30, 2006 (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)	116,680	\$ 38,109	\$ 327	\$ 35,144	\$ 301	\$ 73,253	\$ 628	\$ 21,180	\$ 181	\$ 36,854	\$ 316	\$ 58,034	\$ 497	\$ 131,287	\$ 1,125
New Acquisition Properties (7)	25,874	9,369	400	6,464	276	15,833	676	4,191	179	10,886	465	15,077	644	30,910	1,320
Properties Held for Sale (8)	27,248	6,419	235	4,708	173	11,127	408	5,495	202	3,457	127	8,952	329	20,079	737
Other (9)	<u>7,291</u>	<u>5,005</u>		<u>5,118</u>		<u>10,123</u>		<u>10,006</u>		<u>14,372</u>		<u>24,378</u>		<u>34,501</u>	
Total	<u>177,093</u>	<u>\$ 58,902</u>		<u>\$ 51,434</u>		<u>\$ 110,336</u>		<u>\$ 40,872</u>		<u>\$ 65,569</u>		<u>\$ 106,441</u>		<u>\$ 216,777</u>	

(1) Total units exclude 10,846 unconsolidated units and 3,643 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, 2004.

(7) Wholly Owned Properties acquired during 2004, 2005 and 2006. Per unit amounts are based on a weighted average of 23,422 units.

(8) Properties held for sale include the entire Lexford Portfolio; 27,115 units under contract as previously disclosed and 133 miscellaneous units to be sold separately.

(9) Includes properties either Partially Owned or sold during the period, commercial space, condominium conversions and \$3.4 million included in building improvements spent on seven specific assets related to major renovations and repositioning of these assets.

EQUITY RESIDENTIAL

Discontinued Operations (Amounts in thousands)

	Six Months Ended June 30,		Quarter Ended June 30,	
	2006	2005	2006	2005
REVENUES				
Rental income	\$ 116,323	\$ 190,537	\$ 50,855	\$ 92,071
Fee and asset management	-	464	-	231
Total revenues	<u>116,323</u>	<u>191,001</u>	<u>50,855</u>	<u>92,302</u>
EXPENSES (1)				
Property and maintenance	42,469	62,075	19,845	30,900
Real estate taxes and insurance	13,884	23,650	5,792	10,594
Property management	5,934	5,118	3,156	2,581
Depreciation	25,548	47,030	10,795	22,368
General and administrative	826	706	389	284
Total expenses	<u>88,661</u>	<u>138,579</u>	<u>39,977</u>	<u>66,727</u>
Discontinued operating income	27,662	52,422	10,878	25,575
Interest and other income	1,015	469	37	439
Interest (2):				
Expense incurred, net	(10,677)	(17,701)	(4,985)	(8,564)
Amortization of deferred financing costs	(633)	(273)	(586)	(125)
Discontinued operations	17,367	34,917	5,344	17,325
Minority Interests - Operating Partnership	<u>(1,143)</u>	<u>(2,374)</u>	<u>(351)</u>	<u>(1,178)</u>
Discontinued operations, net of minority interests	<u>16,224</u>	<u>32,543</u>	<u>4,993</u>	<u>16,147</u>
Net gain on sales of discontinued operations	502,297	248,875	129,796	108,171
Minority Interests - Operating Partnership	<u>(33,051)</u>	<u>(16,923)</u>	<u>(8,515)</u>	<u>(7,356)</u>
Gain on sales of discontinued operations, net of minority interests	<u>469,246</u>	<u>231,952</u>	<u>121,281</u>	<u>100,815</u>
Discontinued operations, net of minority interests	<u>\$ 485,470</u>	<u>\$ 264,495</u>	<u>\$ 126,274</u>	<u>\$ 116,962</u>

Note: Discontinued operations includes the Lexford Housing Division.

(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.

EQUITY RESIDENTIAL

As a result of the Securities and Exchange Commission's Regulation FD, the Company will provide earnings guidance in its quarterly earnings release. These projections are based on current expectations and are forward-looking.

2006 Earnings Guidance (per share diluted)

	<u>Q3 2006</u>	<u>2006</u>
Expected EPS (1)	\$0.11 to \$0.16	\$3.28 to \$3.48
Add: Expected depreciation expense	0.47	1.92
Less: Expected net gain on sales (1)	-	(2.90)
Expected FFO (2)	<u>\$0.58 to \$0.63</u>	<u>\$2.30 to \$2.50</u>

Same-Store Assumptions

	<u>2006</u>
Physical occupancy	94.5%
Revenue change	5.25% to 5.75%
Expense change	2.50% to 3.50%
NOI change	6.50% to 8.00%
Acquisitions	\$2.0 billion
Dispositions	\$2.2 billion

(1) 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.

(2) 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.