



SNH Announces Financial Results For The Periods Ended September 30, 2002

Newton, MA (November 7, 2002): Senior Housing Properties Trust (NYSE: SNH) today announced its financial results for the quarter and nine months ended September 30, 2002, as follows (in thousands, except per share data):

	Quarter Ended		Nine Months Ended	
	September 30,		September 30,	
	2002	2001	2002	2001
Total revenues	\$ 30,377	\$ 67,814	\$89,462	\$201,627
Income from continuing operations	13,142	5,868	37,849	11,811
Net income	13,142	5,522	35,358	11,108
Funds from operations (FFO)	21,922	11,586	63,377	32,932
Weighted average shares outstanding	58,437	29,277	55,735	27,049
Per share data:				
Income from continuing operations	\$0.22	\$0.20	\$0.68	\$0.44
Net income	0.22	0.19	0.63	0.41
Funds from operations (FFO)	0.38	0.40	1.14	1.22

The character of revenues reported in the 2001 and 2002 periods displayed above are not comparable. In 2001, the three months and nine months period revenues include \$56.3 million and \$167.4 million, respectively, of operating revenues derived from nursing homes which were repossessed from former tenants. At year end 2001, SNH completed a spin off of its subsidiary which operated these properties and the 2002 period includes rental income received for the properties previously operated for SNH's account as well as rents from new investments made in 2002.

Senior Housing Properties Trust is a real estate investment trust headquartered in Newton, MA that owns 120 senior housing properties located in 28 states.

Senior Housing Properties Trust
Financial Information
(in thousands, except per share data)

	Quarter Ended		Nine Months Ended	
	September 30,		September 30,	
	2002	2001	2002	2001
Revenues:				
Rental income	\$ 28,244	\$ 11,087	\$ 83,040	\$ 33,302
Facilities' operations (1)	--	56,319	--	167,428
FF&E reserve income (2)	1,843	--	5,345	--
Interest and other income	290	408	1,077	897
Total revenues	30,377	67,814	89,462	201,627
Expenses:				
Interest	6,607	900	20,428	4,900
Depreciation	7,989	4,825	23,215	14,464
Facilities' operations (1)	--	54,453	--	162,347
General and administrative				
- Recurring	1,936	1,081	5,861	3,189
- Related to foreclosures and lease terminations (1)	--	--	--	4,167
Total	16,532	61,259	49,504	189,067
Income from continuing operations before distributions on trust preferred securities	13,845	6,555	39,958	12,560
Distributions on trust preferred securities	703	687	2,109	749
Income from continuing operations	13,142	5,868	37,849	11,811
Loss from discontinued operations (3)	--	346	2,491	703
Net income	\$ 13,142	\$ 5,522	\$ 35,358	\$ 11,108

Calculation of funds				
from operations (FFO) (4):				
Net income	\$ 13,142	\$ 5,522	\$ 35,358	\$ 11,108
Add: Non-cash items	--	61	--	125
Depreciation expense	7,989	4,825	23,215	14,464
Deferred percentage rent (5)	791	832	2,313	2,365
General and administrative expense related to foreclosures and lease terminations	--	--	--	4,167
Loss from discontinued operations	--	346	2,491	703
FFO	\$ 21,922	\$ 11,586	\$ 63,377	\$ 32,932
Weighted average shares outstanding	58,437	29,277	55,735	27,049
Per share data:				
Income from continuing operations	\$ 0.22	\$ 0.20	\$ 0.68	\$ 0.44
Net income	\$ 0.22	\$ 0.19	\$ 0.63	\$ 0.41
FFO	\$ 0.38	\$ 0.40	\$ 1.14	\$ 1.22

Balance Sheet Data:	September 30,	December 31,
	2002	2001
Assets		
Real estate properties	\$1,172,339	\$593,199
Accumulated depreciation	(116,658)	(124,252)
	1,055,681	468,947
Cash and cash equivalents	14,054	352,026
Restricted cash	14,253	10,201
Other assets	28,421	36,129
	\$1,112,409	\$867,303
Liabilities and Shareholders' Equity		
Revolving bank credit facility	\$33,000	\$ -
Senior unsecured notes	243,712	243,607
Secured debt and capital leases	32,637	9,100
Other liabilities	20,049	12,578
Trust preferred securities	27,394	27,394
Shareholders' equity	755,617	574,624
	\$1,112,409	\$867,303

Senior Housing Properties Trust
Notes to
Financial Information

1. During 2001, SNH operated facilities for its own account through its wholly-owned subsidiary, Five Star Quality Care, Inc. On December 31, 2001, SNH spun off Five Star to SNH's shareholders and entered a lease with Five Star for these facilities. These operations had been repossessed from former tenants. As a result of these repossessions, SNH incurred certain non-recurring general and administrative expenses during 2001, which are separately identified on these financial statements.
2. One of SNH's leases provides that a percentage of revenues be escrowed for future capital expenditures at the leased facilities. In October 2002 SNH entered into an agreement to amend the lease pursuant to which its tenant, Five Star, will retain title to the FF&E escrow accounts while SNH has security and remainder interests in the escrow accounts. Accordingly, effective October 1, 2002, revenues and net income recorded by SNH will no longer include FF&E reserve income.
3. During the second quarter, one of SNH's tenants closed a facility. Under the terms of the lease, the rent payable to SNH allocated to this facility will be reallocated to the remaining operating facilities, resulting in no impact on SNH's rental income. However, when this property is sold, the annual rent will be reduced by 10% of the net proceeds from the sale. SNH has classified this real estate asset as held for sale and recorded a loss from discontinued operations related to this property in the second quarter, which included historical depreciation expense as well as an impairment loss write-down of \$2.5 million based on SNH's estimate of fair value, net of selling costs, of the real estate associated with this property. For the 2001 periods, amounts were reclassified from depreciation expense and facilities' operations revenues and

expenses to the loss from discontinued operations.

4. SNH computes FFO as net income plus depreciation and amortization, non-recurring items and results from discontinued operations. SNH also adds percentage rents deferred pursuant to SAB 101 described in Note 5 below. SNH's method of computing FFO may not be comparable to FFO reported by other REITs that define the terms differently. SNH considers FFO to be an appropriate measure of performance for a REIT, along with cash flow from operating activities, financing activities and investing activities, because it provides investors with an indication of a REIT's operating performance and its ability to incur and service debt, make capital expenditures, pay distributions and fund other cash needs. FFO is an important factor considered by SNH's Board of Trustees in determining the amounts of distributions to shareholders. FFO does not represent cash generated by operating activities in accordance with generally accepted accounting principles, or GAAP, and should not be considered as an alternative to net income or cash flow from operating activities as measures of financial performance or liquidity.
5. The Securities and Exchange Commission Staff Accounting Bulletin No. 101 generally requires SNH to defer recognition of percentage rental income for the first, second and third quarters to the fourth quarter. Although recognition of revenue is deferred for purposes of calculating net income, SNH's calculation of FFO includes estimated percentage rental amounts on a quarterly basis and these estimates are adjusted at year-end.

Senior Housing Properties Trust
Additional Data

SNH has determined to publish the following
additional data which is intended to respond
to frequently asked questions (dollars in thousands)

Facility Type (1)	# of Properties	# Units /Beds	Dollars Invested	% of Dollars Invested	Current Annual Rent Revenues	% of Current Annual Rent Revenues
IL Communities Stand alone SNF	45	11,521	\$937,698	79.9%	\$94,137	81.2%
Hospitals Stand alone AL	2	364	43,553	3.7%	8,700	7.5%
	3	196	4,216	0.4%	164	0.1%
Total	111	18,249	\$1,172,339	100.0%	\$116,050	100.0%

Tenant/Operator

Five Star /Marriott	31	7,491	\$612,226	52.2%	\$63,000	54.3%
Marriott Senior Living Services	14	4,030	325,472	27.8%	31,137	26.8%
HEALTHSOUTH	2	364	43,553	3.7%	8,700	7.5%
Five Star Quality Care	55	5,110	141,421	12.1%	7,000	6.1%
Genesis Health Ventures	1	150	13,007	1.1%	1,483	1.3%
Integrated Health Services	1	140	15,598	1.3%	1,200	1.0%
5 private companies	7	964	21,062	1.8%	3,530	3.0%
Total	111	18,249	\$1,172,339	100.0%	\$116,050	100.0%

Rent Coverage

(2)

Five Star /Marriott	1.1x
Marriott Senior Living Services	1.5x
HEALTHSOUTH	3.3x(3)
Five Star Quality Care	2.3x
Genesis Health Ventures	1.9x
Integrated Health Services	2.0x
5 private companies	2.5x

Last 12 Months Ended August 31, 2002

	Occupancy	Rent Coverage (2)	% Private Pay	% Medicare	% Medicaid
Total Portfolio (weighted average by rent)	89.0%	1.5x	76%	15%	9%

1. IL communities means senior living properties where the majority of living units are independent living apartments. Stand alone SNF means skilled nursing facilities. Stand alone AL means assisted living facilities.
2. Rent coverage is calculated as operating cash flow from facility operations, before subordinated charges and capex reserves, divided by rent payable to SNH. Coverage is calculated based upon the last twelve months ended August 31, 2002, operating results or the most recent tenant operating results available to SNH.
3. The rent coverage for HEALTHSOUTH presented is the most recent data available to SNH from HEALTHSOUTH. In August 2002, HEALTHSOUTH announced that a new interpretation of Medicare billing requirements will result in a reduction of its income. SNH has requested that HEALTHSOUTH provide a calculation of the impact of the new Medicare billing requirements upon the income received at the two hospitals owned by SNH and leased by HEALTHSOUTH. Based upon statements made by HEALTHSOUTH, SNH does not believe that these new billing requirements will result in a material decline in rent coverage at the SNH owned hospitals; however, the requested calculations have not yet been provided by HEALTHSOUTH.

For periods after October 1, 2002, SNH will change its historical method of calculating FFO. Through the quarter ended September 30, 2002, SNH's FFO included FF&E reserve income which was historically paid to SNH, but escrowed for future capital expenditures at certain leased properties. In October 2002, SNH entered into an agreement to amend the lease

pursuant to which, effective October 1, 2002, its tenant, Five Star, will retain title to the FF&E escrow accounts while SNH retains security and remainder interests in the escrow accounts and in property purchased with funding from those accounts. In order to facilitate comparison of future FFO with historical results, the historical FFO presentation in future periods will eliminate FF&E reserve income. If this change were implemented in the results presented in this press release, FFO for the three and nine months periods ended September 30, 2002, would have been as follows (amounts in thousands, except per share):

	Quarter Ended September 30, 2002	Nine Months Ended September 30, 2002
FFO as reported	\$21,922	\$63,377
Less FF&E reserve income	(1,843)	(5,345)
	\$20,079	\$58,032
Recalculated FFO per share	\$0.34	\$1.04