



SNH Announces Financial Results For The Quarter And Year Ended December 31, 2003

NEWTON, Mass.--(BUSINESS WIRE)--Feb. 10, 2004: Senior Housing Properties Trust (NYSE: SNH) today announced its financial results for the quarter and year ended December 31, 2003, as follows (in thousands, except per share data):

	Quarter Ended		Year Ended	
	December 31,		December 31,	
	2003	2002	2003	2002
Total revenues	\$35,855	\$32,835	\$131,148	\$122,297
Net income	13,565	14,826	45,874	50,184
Funds from operations (FFO)	20,520	20,232	82,762	78,264
Weighted average shares outstanding	58,453	58,437	58,445	56,416
Per share data:				
Net income	\$0.23	\$0.25	\$0.78	\$0.89
Funds from operations (FFO)	0.35	0.35	1.42	1.39

Senior Housing Properties Trust is a real estate investment trust headquartered in Newton, MA that owns 150 senior living properties located in 31 states.

(1) One of our leases which began in January 2002 provided that a percentage of revenues at the leased properties be paid to us as additional rent, which was escrowed for future capital expenditures at the leased facilities. This lease was amended October 1, 2002. As a result of this amendment, amounts for capital expenditures are not paid to us, but are deposited into accounts owned by the tenant, Five Star Quality Care, Inc., and we have security and remainder interests in these accounts and in property purchased with funding from these accounts. Accordingly, we no longer record FF&E reserve income.

(2) Includes expenses incurred with respect to litigation with Marriott International, Inc. and with HEALTHSOUTH Corporation aggregating \$446,000 (\$0.01 per share) during the three months ended December 31, 2003 and \$1.2 million (\$0.02 per share) during the year ended December 31, 2003. As previously announced, our litigation with Marriott was settled on January 7, 2004. As part of the settlement, Marriott paid to us \$1.25 million, which we will recognize as income in the first quarter of 2004.

Senior Housing Properties Trust
Other Data
(in thousands, except per share and ratio amounts)

Calculation of Funds From Operations (FFO)(1):

	Quarter Ended		Year Ended	
	December 31,		December 31,	
	2003	2002	2003	2002
Income from continuing operations	\$13,565	\$14,164	\$47,034	\$52,013
Add: Depreciation expense	9,171	8,381	35,728	31,596
Deferred percentage rent(2)	(2,216)	(2,313)	--	--
Less: FF&E reserve income	--	--	--	5,345
FFO	\$20,520	\$20,232	\$82,762	\$78,264
Weighted average shares outstanding	58,453	58,437	58,445	56,416

FFO per share	\$0.35	\$0.35	\$1.42	\$1.39
Distributions declared	\$0.31	\$0.31	\$1.24	\$1.24

Leverage Ratios(3):

	At December 31, 2003	At December 31, 2002
Total debt / Total assets	40.5%	30.9%
Total debt / Real estate properties before depreciation	37.2%	28.9%
Total debt / Total book capitalization	41.1%	31.4%
Secured debt / Total debt	6.0%	9.1%
Secured debt / Total assets	2.4%	2.8%
Variable rate debt / Total debt	21.1%	25.2%

Coverage Ratios(3):

	Quarter Ended December 31,		Year Ended December 31,	
	2003	2002	2003	2002
Income from continuing operations	\$13,565	\$14,164	\$47,034	\$52,013
Deferred percentage rent	(2,216)	(2,313)	-	-
Interest expense	9,538	6,971	35,088	27,399
Trust preferred distributions	702	702	2,811	2,811
Depreciation expense	9,171	8,381	35,728	31,596
EBITDA(4)	\$30,760	\$27,905	\$120,661	\$113,819
EBITDA / Interest expense	3.2x	4.0x	3.4x	4.2x
EBITDA / Interest expense + trust preferred distributions	3.0x	3.6x	3.2x	3.8x

(1) We compute FFO as shown in the calculation above. Our calculation of FFO differs from the NAREIT definition of FFO because we include deferred percentage rent as discussed in Note 2 below. Also, in order to facilitate comparison of FFO with historical results, the historical FFO presentation for the year ended December 31, 2002, eliminates FF&E reserve income (see Note 1 on page 2). We consider FFO to be an appropriate measure of performance for a REIT, along with net income and cash flow from operating, investing and financing activities. We believe that FFO provides useful information to investors because by excluding the effects of certain historical costs, such as depreciation expense and gain or losses on sale of properties, FFO can facilitate comparison of current operating performance among REITs. FFO does not represent cash generated by operating activities in accordance with generally accepted accounting principles, or GAAP, and should not be considered an alternative to net income or cash flow from operating activities as a measure of financial performance or liquidity. FFO is one important factor considered by our board of trustees in determining the amount of distributions to shareholders. Other important factors include, but are not limited to, requirements to maintain our status as a REIT, limitations in our revolving bank credit facility and public debt covenants, the availability of debt and equity capital to us and our expectation of our future performance.

(2) We recognize percentage rental income received during the first, second and third quarters in the fourth quarter. Although recognition of revenue is deferred until the fourth quarter for purposes of calculating net income, the calculation of FFO for the first three quarters includes estimated amounts with respect to those periods. The fourth quarter calculation excludes the amounts recognized during the first three quarters.

(3) On January 23, 2004, we issued 5 million common shares in a public offering. The net proceeds of \$86.5 million were used to repay borrowings outstanding on our unsecured revolving bank credit facility. The leverage and coverage ratios presented do not include the effect of this issuance.

(4) We compute EBITDA as income from continuing operations plus interest expense, distributions on trust preferred securities, depreciation expense and deferred percentage rent. We consider EBITDA to be an appropriate measure of performance for a REIT, along with net income and cash flow from operating, investing and financing activities. EBITDA does not represent cash generated by operating activities in accordance with GAAP and should not be considered an alternative to net income or cash flow from operating activities as a measure of financial performance or liquidity.

Senior Housing Properties Trust
Other Data

The following additional data is intended to respond
to frequently asked questions.

At December 31, 2003
(dollars in thousands)

Facility Type	# of Properties	# of Units/Beds	Investment
Independent living communities(1)	35	10,191	\$868,593
Assisted living facilities	48	3,542	260,257
Skilled nursing facilities	65	6,868	245,838
Hospitals	2	364	43,553
Total	150	20,965	\$1,418,241

Tenant/Operator

Five Star/Sunrise (2)	31	7,491	\$619,942
Marriott/Sunrise (2)	14	4,030	325,473
NewSeasons	10	1,019	87,656
HEALTHSOUTH	2	364	43,553
Five Star #2	13	1,054	83,471
Five Star #1	53	4,868	147,072
Alterra Healthcare	18	894	61,079
Genesis HealthCare Corporation	1	156	13,007
5 private companies (combined)	8	1,089	36,988
Total	150	20,965	\$1,418,241

Facility Type	% of Investment	Current Annual Rent Revenues	% of Current Annual Rent Revenues
Independent living communities(1)	61.2%	\$82,403	58.2%
Assisted living facilities	18.4%	29,826	21.1%
Skilled nursing facilities	17.3%	20,697	14.6%
Hospitals	3.1%	8,700	6.1%
Total	100.0%	\$141,626	100.0%

Tenant/Operator

Five Star/Sunrise (2)	43.6%	\$63,674	45.0%
Marriott/Sunrise (2)	22.9%	30,975	21.8%
NewSeasons	6.2%	9,287	6.6%
HEALTHSOUTH	3.1%	8,700	6.1%
Five Star #2	5.9%	8,235	5.8%
Five Star #1	10.4%	7,646	5.4%
Alterra Healthcare	4.3%	7,015	5.0%
Genesis HealthCare Corporation	1.0%	1,509	1.1%
5 private companies (combined)	2.6%	4,585	3.2%
Total	100.0%	\$141,626	100.0%

Quarter Ended December 31,

Tenant Operating Statistics (3)

	Rent Coverage		Occupancy	
	2003	2002	2003	2002
Five Star/Sunrise (2)(4)	1.0x	1.1x	90%	92%
Marriott/Sunrise (2)	1.4x	1.3x	87%	92%
NewSeasons(5)(6)	1.2x	NA	80%	NA
HEALTHSOUTH(7)	NA	NA	NA	NA
Five Star #2(5)	0.9x	1.0x	88%	85%
Five Star #1	3.5x	3.1x	90%	91%
Alterra Healthcare(5)	1.6x	1.4x	85%	92%
Genesis HealthCare Corporation	2.4x	1.8x	96%	97%
5 private companies (combined)	2.5x	2.4x	89%	89%

Percentage of Operating Revenue Sources

	Private Pay		Medicare		Medicaid	
	2003	2002	2003	2002	2003	2002
Five Star/Sunrise (2)(4)	86%	87%	11%	9%	3%	4%
Marriott/Sunrise (2)	83%	83%	12%	13%	5%	4%
NewSeasons(5)(6)	100%	NA	0%	NA	0%	NA
HEALTHSOUTH(7)	NA	NA	NA	NA	NA	NA
Five Star #2(5)	100%	100%	0%	0%	0%	0%
Five Star #1	21%	22%	22%	19%	57%	59%
Alterra Healthcare(5)	98%	98%	0%	0%	2%	2%
Genesis HealthCare Corporation	25%	25%	34%	33%	41%	42%
5 private companies (combined)	24%	21%	21%	16%	55%	63%

Year Ended December 31,

Tenant Operating Statistics (3)

	Rent Coverage		Occupancy	
	2003	2002	2003	2002
Five Star/Sunrise (2)(4)	1.0x	1.1x	90%	90%
Marriott/Sunrise (2)	1.3x	1.4x	87%	89%
NewSeasons(5)(6)	1.1x	NA	79%	NA
HEALTHSOUTH(7)	NA	NA	NA	NA
Five Star #2(5)	1.0x	1.1x	87%	88%
Five Star #1	2.9x	2.6x	90%	91%
Alterra Healthcare(5)	1.6x	1.5x	86%	89%
Genesis HealthCare Corporation	1.5x	1.8x	97%	96%
5 private companies (combined)	2.4x	2.1x	87%	88%

Percentage of Operating Revenue Sources

	Private Pay		Medicare		Medicaid	
	2003	2002	2003	2002	2003	2002
Five Star/Sunrise (2)(4)	86%	87%	10%	10%	4%	3%
Marriott/Sunrise (2)	83%	84%	13%	13%	4%	3%
NewSeasons(5)(6)	100%	NA	0%	NA	0%	NA
HEALTHSOUTH(7)	NA	NA	NA	NA	NA	NA
Five Star #2(5)	100%	100%	0%	0%	0%	0%
Five Star #1	21%	22%	21%	20%	58%	58%
Alterra Healthcare(5)	98%	98%	0%	0%	2%	2%
Genesis HealthCare Corporation						

Corporation	23%	26%	34%	38%	43%	36%
5 private companies (combined)	23%	21%	19%	20%	58%	59%

(1) Properties where the majority of units are independent living apartments are classified as independent living communities.

(2) On March 28, 2003, Marriott International, Inc. sold its senior living division, Marriott Senior Living Services, Inc., or MSLS, to Sunrise Senior Living, Inc., or Sunrise. Effective on that date, Sunrise became the manager of the 31 properties leased to Five Star Quality Care, Inc., or Five Star, and the tenant and manager of the 14 properties leased to MSLS. Marriott International continues to guarantee the lease for the 14 properties.

(3) All tenant operating statistics presented are based upon the operating results provided by our tenants for the indicated periods ending December 31 or the most recent prior period tenant operating results available to us from our tenants. Rent coverage is calculated as operating cash flow from our tenants' facility operations, before subordinated charges and capital expenditure reserves, divided by rent payable to us. We have not independently verified our tenants' operating data.

(4) Rent coverage is after non-subordinated management fees of \$4.4 million and \$4.4 million and \$17.1 million and \$17.4 million in the quarter and year ended December 31, 2003 and 2002, respectively.

(5) Includes data for periods prior to our ownership of these properties.

(6) We acquired these properties on December 29, 2003.

(7) In March 2003, HEALTHSOUTH issued a press release stating that its historical financial information should not be relied upon. Because we have reason to doubt the financial information we have from HEALTHSOUTH we do not disclose any lease coverage information for this tenant.