



## **Senior Housing Properties Trust Announces Financial Results for the Quarter Ended March 31, 2005**

NEWTON, Mass.--Senior Housing Properties Trust (NYSE: SNH) today announced its financial results for the quarter ended March 31, 2005.

Results for the quarter ended March 31, 2005:

Net income was \$13.9 million, or \$0.20 per share, for the quarter ended March 31, 2005, compared to \$13.3 million, or \$0.21 per share, for the same quarter last year.

Funds from operations (FFO) for the quarter ended March 31, 2005 were \$25.4 million, or \$0.37 per share. This compares to FFO for the quarter ended March 31, 2004 of \$23.7 million, or \$0.38 per share.

The weighted average number of common shares outstanding totaled 68,495,909 and 62,354,437 for the quarters ended March 31, 2005 and 2004, respectively.

Conference Call:

On Tuesday, May 3, 2005, at 1:00 p.m. EDT, David J. Hegarty, President, and John R. Hoadley, Chief Financial Officer, will host a conference call to discuss the results for the quarter ended March 31, 2005. The conference call telephone number is (800) 289-0493. Participants calling from outside the United States and Canada should dial (913) 981-5510. No pass code is necessary to access the call from either number. Participants should dial in about 15 minutes prior to the scheduled start of the call. A replay of the conference call will be available through May 12, 2005. To hear the replay, dial (719) 457-0820. The replay pass code is 8807413.

A live audio webcast of the conference call will also be available in listen-only mode on SNH's web site. Participants wanting to access the webcast should visit the web site about five minutes before the call. The archived webcast will be available for replay on SNH's web site for about one week after the call.

Senior Housing Properties Trust is a real estate investment trust, or REIT, that owns 181 senior living properties located in 32 states. SNH is headquartered in Newton, Massachusetts.

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

Income Statement:

	Quarter Ended March 31,	
	2005	2004
Revenues:		
Rental income(1)	\$38,888	\$34,829
Interest and other income(2)	339	1,714
<b>Total revenues</b>	<b>39,227</b>	<b>36,543</b>
Expenses:		
Interest	11,223	10,370
Depreciation	10,746	9,585
General and administrative(1)	3,393	3,319
<b>Total expenses</b>	<b>25,362</b>	<b>23,274</b>
<b>Net income</b>	<b>\$13,865</b>	<b>\$13,269</b>
Weighted average shares outstanding	68,496	62,354
<b>Net income per share</b>	<b>\$0.20</b>	<b>\$0.21</b>

Balance Sheet:

	At March 31, 2005	At December 31, 2004
Assets		
Real estate properties	\$1,604,693	\$1,600,952
Less accumulated depreciation	209,978	199,232
	1,394,715	1,401,720
Cash and cash equivalents	3,564	3,409
Restricted cash	6,527	6,176
Deferred financing fees, net	8,885	9,367
Other assets	23,157	27,058
<b>Total assets</b>	<b>\$1,436,848</b>	<b>\$1,447,730</b>
Liabilities and Shareholders' Equity		
Unsecured revolving bank credit facility	\$38,000	\$37,000
Senior unsecured notes, net of discount	393,816	393,775
Junior subordinated debentures due 2041	28,241	28,241
Secured debt and capital leases	75,691	76,162
<b>Total debt</b>	<b>535,748</b>	<b>535,178</b>
Other liabilities	19,408	21,885
<b>Total liabilities</b>	<b>555,156</b>	<b>557,063</b>
Shareholders' equity	881,692	890,667
<b>Total liabilities and shareholders' equity</b>	<b>\$1,436,848</b>	<b>\$1,447,730</b>

(1) Rental income for the quarter ended March 31, 2005, includes \$2.2 million of income from two hospitals operated by HealthSouth Corporation, or HealthSouth. Effective January 2, 2002, we entered an amended lease with HealthSouth for two hospitals. In April 2003, we commenced a lawsuit against HealthSouth seeking, among other matters, to reform the amended lease based upon HealthSouth's fraud by increasing the rent payable to us from the date of amendment forward. This litigation is pending at this time. On October 26, 2004, we terminated the amended lease for default because HealthSouth failed to deliver to us accurate and timely financial information as required by the amended lease. On November 2, 2004, HealthSouth brought a new lawsuit against us seeking to prevent our termination of the amended lease. On November 9, 2004, after a hearing, the court denied HealthSouth's request for a preliminary injunction to prevent the lease termination. We are currently seeking an expedited judicial determination that the lease termination was valid and we are pursuing damages against HealthSouth in the lawsuit which we brought in 2003. We have also begun work to identify and qualify a new tenant operator for the hospitals. Our lease with HealthSouth requires that, after termination, HealthSouth manage the hospitals for our account for a management fee during the period of the transition to a new tenant and remit the net cash flow to us. During the pendency of these disputes, HealthSouth has continued to pay us at the disputed rent amount and we have applied the payments received against the net cash flow due, but we do not know how long HealthSouth may continue to make payments. Legal expenses related to this matter were approximately \$400,000 and \$50,000, respectively, in the quarters ended March 31, 2005 and 2004, and are included in general and administrative expenses.

(2) Included in Other Income for the quarter ended March 31, 2004 is \$1.25 million received in a settlement of litigation with Marriott International, Inc.

Senior Housing Properties Trust  
Funds From Operations  
(In thousands, except per share data)

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

	Quarter Ended March 31,	
	2005	2004
Net Income	\$13,865	\$13,269
Add: Depreciation expense	10,746	9,585
Deferred percentage rent (2)	815	840
FFO	\$25,426	\$23,694
Weighted average shares outstanding	68,496	62,354
FFO per share	\$0.37	\$0.38
Distributions declared	\$0.32	\$0.31

(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 in FFO as discussed in Note 2 below. We consider FFO to be an appropriate measure of performance for a real estate investment trust, or 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 loss 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 FFO calculation excludes the amounts recognized during the first three quarters.

WARNING REGARDING FORWARD LOOKING STATEMENTS

THE FOREGOING PRESS RELEASE CONTAINS FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND FEDERAL SECURITIES LAWS. THESE STATEMENTS REPRESENT OUR PRESENT BELIEFS AND EXPECTATIONS BUT THEY MAY NOT OCCUR FOR VARIOUS REASONS. FOR EXAMPLE, AS NOTED ABOVE, WE ARE CURRENTLY INVOLVED IN LITIGATION WITH HEALTHSOUTH. WE HAVE SENT HEALTHSOUTH A LEASE TERMINATION NOTICE AND HEALTHSOUTH HAS DISPUTED THE LEASE TERMINATION AND HAS CONTINUED TO PAY US AT A DISPUTED RENT AMOUNT. WE CANNOT PREDICT HOW OR WHEN OUR DISPUTES WITH HEALTHSOUTH WILL BE RESOLVED. DISCOVERY DURING LAWSUITS OR DECISIONS BY COURTS MAY CREATE RESULTS THAT ARE DIFFERENT FROM ANY IMPLICATIONS HEREIN. YOU SHOULD NOT PLACE UNDUE RELIANCE UPON FORWARD LOOKING STATEMENTS.

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