

Overlake Terrace, Redmond, WA.
Independent Living / Assisted Living.
Operator: Stellar Senior Living, LLC.
150 units.

Exhibit 99.2



Senior Housing Properties Trust

Third Quarter 2013

Supplemental Operating and Financial Data

SNH
LISTED
NYSE

All amounts in this report are unaudited.

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WARNING CONCERNING FORWARD LOOKING STATEMENTS

THIS PRESENTATION OF SUPPLEMENTAL OPERATING AND FINANCIAL DATA CONTAINS STATEMENTS THAT CONSTITUTE FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND OTHER SECURITIES LAWS. ALSO, WHENEVER WE USE WORDS SUCH AS "BELIEVE", "EXPECT", "ANTICIPATE", "INTEND", "PLAN", "ESTIMATE" OR SIMILAR EXPRESSIONS, WE ARE MAKING FORWARD LOOKING STATEMENTS. THESE FORWARD LOOKING STATEMENTS ARE BASED UPON OUR PRESENT INTENT, BELIEFS OR EXPECTATIONS, BUT FORWARD LOOKING STATEMENTS ARE NOT GUARANTEED TO OCCUR AND MAY NOT OCCUR. FORWARD LOOKING STATEMENTS IN THIS REPORT RELATE TO VARIOUS ASPECTS OF OUR BUSINESS, INCLUDING:

- OUR ACQUISITIONS AND SALES OF PROPERTIES,
- OUR ABILITY TO COMPETE FOR ACQUISITIONS AND TENANCIES EFFECTIVELY,
- OUR ABILITY TO RAISE EQUITY OR DEBT CAPITAL,
- OUR ABILITY TO PAY INTEREST ON AND PRINCIPAL OF OUR DEBT,
- OUR ABILITY TO PAY DISTRIBUTIONS TO OUR SHAREHOLDERS AND THE AMOUNT OF SUCH DISTRIBUTIONS,
- OUR ABILITY TO RETAIN OUR EXISTING TENANTS, ATTRACT NEW TENANTS AND MAINTAIN OR INCREASE CURRENT RENTAL RATES,
- THE CREDIT QUALITY OF OUR TENANTS,
- OUR POLICIES AND PLANS REGARDING INVESTMENTS AND FINANCINGS,
- THE FUTURE AVAILABILITY OF BORROWINGS UNDER OUR REVOLVING CREDIT FACILITY,
- OUR TAX STATUS AS A REAL ESTATE INVESTMENT TRUST, OR REIT,
- OUR BELIEF THAT FIVE STAR QUALITY CARE, INC., OR FIVE STAR, OUR FORMER SUBSIDIARY, WHICH IS OUR LARGEST TENANT AND WHICH MANAGES CERTAIN COMMUNITIES FOR OUR ACCOUNT, HAS ADEQUATE FINANCIAL RESOURCES AND LIQUIDITY TO MEET ITS OBLIGATIONS TO US AND TO MANAGE OUR MANAGED SENIOR LIVING COMMUNITIES SUCCESSFULLY, AND
- OTHER MATTERS.

OUR ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE CONTAINED IN OR IMPLIED BY OUR FORWARD LOOKING STATEMENTS AS A RESULT OF VARIOUS FACTORS. FACTORS THAT COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR FORWARD LOOKING STATEMENTS AND UPON OUR BUSINESS, RESULTS OF OPERATIONS, FINANCIAL CONDITION, FUNDS FROM OPERATIONS, OR FFO, NORMALIZED FFO, NET OPERATING INCOME, OR NOI, EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION, OR EBITDA, EBITDA AS ADJUSTED, OR ADJUSTED EBITDA, CASH FLOWS, LIQUIDITY AND PROSPECTS INCLUDE, BUT ARE NOT LIMITED TO:

- THE IMPACT OF CHANGES IN THE ECONOMY AND THE CAPITAL MARKETS ON US AND OUR TENANTS,
- THE IMPACT OF THE PATIENT PROTECTION AND AFFORDABLE CARE ACT, AS AMENDED BY THE HEALTHCARE AND EDUCATION RECONCILIATION ACT, OR COLLECTIVELY, THE ACA, AND OTHER RECENTLY ENACTED, ADOPTED OR PROPOSED LEGISLATION OR REGULATIONS ON US AND ON OUR TENANTS AND MANAGERS AND THEIR ABILITIES TO PAY OUR RENTS AND RETURNS,
- ACTUAL AND POTENTIAL CONFLICTS OF INTEREST WITH OUR MANAGING TRUSTEES, FIVE STAR, REIT MANAGEMENT & RESEARCH LLC, OR RMR, D&R YONKERS LLC AND THEIR RELATED PERSONS AND ENTITIES,
- COMPLIANCE WITH, AND CHANGES TO, FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS, ACCOUNTING RULES, TAX LAWS AND SIMILAR MATTERS,
- LIMITATIONS IMPOSED ON OUR BUSINESS AND OUR ABILITY TO SATISFY COMPLEX RULES IN ORDER FOR US TO QUALIFY AS A REIT FOR U.S. FEDERAL INCOME TAX PURPOSES,
- COMPETITION WITHIN THE HEALTHCARE AND REAL ESTATE INDUSTRIES, AND
- ACTS OF TERRORISM, OUTBREAKS OF SO CALLED PANDEMICS OR OTHER MANMADE OR NATURAL DISASTERS BEYOND OUR CONTROL.



FOR EXAMPLE:

- FIVE STAR IS OUR LARGEST TENANT AND MANAGES SEVERAL OF OUR MANAGED SENIOR LIVING COMMUNITIES FOR OUR ACCOUNT AND FIVE STAR MAY EXPERIENCE FINANCIAL DIFFICULTIES AS A RESULT OF A NUMBER OF FACTORS, INCLUDING BUT NOT LIMITED TO:
 - CHANGES IN MEDICARE AND MEDICAID PAYMENTS, INCLUDING THOSE THAT MAY RESULT FROM THE ACA AND OTHER RECENTLY ENACTED OR PROPOSED LEGISLATION OR REGULATIONS, WHICH COULD RESULT IN REDUCED RATES OR A FAILURE OF SUCH RATES TO COVER FIVE STAR'S COSTS,
 - CHANGES IN REGULATIONS AFFECTING FIVE STAR'S OPERATIONS,
 - CHANGES IN THE ECONOMY GENERALLY OR GOVERNMENTAL POLICIES THAT REDUCE THE DEMAND FOR THE SERVICES FIVE STAR OFFERS,
 - INCREASES IN INSURANCE AND TORT LIABILITY AND OTHER COSTS, AND
 - INEFFECTIVE INTEGRATION OF NEW ACQUISITIONS,
- IF FIVE STAR'S OPERATIONS BECOME UNPROFITABLE, FIVE STAR MAY BECOME UNABLE TO PAY OUR RENTS AND WE MAY NOT RECEIVE OUR EXPECTED RETURN ON OUR INVESTED CAPITAL OR ADDITIONAL AMOUNTS FROM OUR SENIOR LIVING COMMUNITIES THAT ARE MANAGED BY FIVE STAR,
- OUR OTHER TENANTS MAY EXPERIENCE LOSSES AND BECOME UNABLE TO PAY OUR RENTS,
- CONTINUED AVAILABILITY OF BORROWINGS UNDER OUR REVOLVING CREDIT FACILITY IS SUBJECT TO OUR SATISFYING CERTAIN FINANCIAL COVENANTS AND MEETING OTHER CUSTOMARY CREDIT FACILITY CONDITIONS,
- ACTUAL COSTS UNDER OUR REVOLVING CREDIT FACILITY WILL BE HIGHER THAN LIBOR PLUS A PREMIUM BECAUSE OF OTHER FEES AND EXPENSES ASSOCIATED WITH OUR REVOLVING CREDIT FACILITY.
- INCREASING THE MAXIMUM BORROWINGS UNDER OUR REVOLVING CREDIT FACILITY IS SUBJECT TO OBTAINING ADDITIONAL COMMITMENTS FROM LENDERS, WHICH MAY NOT OCCUR,
- CONTINGENCIES IN OUR ACQUISITION AND SALES AGREEMENTS MAY CAUSE OUR FUTURE ACQUISITIONS AND SALES NOT TO OCCUR OR TO BE DELAYED OR THE TERMS TO BE CHANGED,
- WE MAY BE UNABLE TO REPAY OUR DEBT OBLIGATIONS WHEN THEY BECOME DUE,
- OUR ABILITY TO MAKE FUTURE DISTRIBUTIONS DEPENDS UPON A NUMBER OF FACTORS, INCLUDING OUR FUTURE EARNINGS. WE MAY BE UNABLE TO MAINTAIN OUR CURRENT RATE OF DISTRIBUTIONS AND FUTURE DISTRIBUTIONS MAY BE SUSPENDED,
- OUR ABILITY TO GROW OUR BUSINESS AND INCREASE OUR DISTRIBUTIONS DEPENDS IN LARGE PART UPON OUR ABILITY TO BUY PROPERTIES AND ARRANGE FOR THEIR PROFITABLE OPERATION OR LEASE THEM FOR RENTS LESS PROPERTY OPERATING EXPENSES THAT EXCEED OUR CAPITAL COSTS, BUT WE MAY BE UNABLE TO IDENTIFY PROPERTIES THAT WE WANT TO ACQUIRE OR TO NEGOTIATE ACCEPTABLE PURCHASE PRICES, ACQUISITION FINANCING, MANAGEMENT CONTRACTS OR LEASE TERMS FOR NEW PROPERTIES,
- SOME OF OUR TENANTS MAY NOT RENEW EXPIRING LEASES, AND WE MAY BE UNABLE TO LOCATE NEW TENANTS TO MAINTAIN OR INCREASE THE HISTORICAL OCCUPANCY RATES OF, OR RENTS FROM, OUR PROPERTIES,
- RENTS THAT WE CAN CHARGE AT OUR PROPERTIES MAY DECLINE BECAUSE OF CHANGING MARKET CONDITIONS OR OTHERWISE, AND
- WE BELIEVE THAT OUR CONTINUING RELATIONSHIPS WITH FIVE STAR, RMR, AFFILIATES INSURANCE COMPANY, D&R YONKERS LLC AND THEIR AFFILIATED AND RELATED PERSONS AND ENTITIES MAY BENEFIT US AND PROVIDE US WITH COMPETITIVE ADVANTAGES IN OPERATING AND GROWING OUR BUSINESS. IN FACT, THE ADVANTAGES WE BELIEVE WE MAY REALIZE FROM THESE RELATIONSHIPS MAY NOT MATERIALIZE.

THESE RESULTS COULD OCCUR DUE TO MANY DIFFERENT CIRCUMSTANCES, SOME OF WHICH ARE BEYOND OUR CONTROL, SUCH AS CHANGED MEDICARE AND MEDICAID RATES, NEW LEGISLATION OR REGULATIONS AFFECTING OUR BUSINESS OR THE BUSINESSES OF OUR TENANTS OR MANAGERS, CHANGES IN OUR TENANTS' OR MANAGERS' REVENUES OR COSTS, CHANGES IN OUR TENANTS' OR MANAGERS' FINANCIAL CONDITIONS, CHANGES IN CAPITAL MARKETS OR THE ECONOMY GENERALLY, OR NATURAL DISASTERS.

THE INFORMATION CONTAINED IN OUR FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION, OR SEC, INCLUDING UNDER THE CAPTION "RISK FACTORS" IN OUR PERIODIC REPORTS, OR INCORPORATED THEREIN, IDENTIFIES OTHER IMPORTANT FACTORS THAT COULD CAUSE DIFFERENCES FROM OUR FORWARD LOOKING STATEMENTS. OUR FILINGS WITH THE SEC ARE AVAILABLE ON THE SEC'S WEBSITE AT WWW.SEC.GOV.

YOU SHOULD NOT PLACE UNDUE RELIANCE UPON OUR FORWARD LOOKING STATEMENTS.

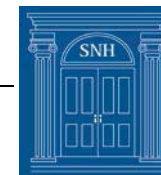
EXCEPT AS REQUIRED BY LAW, WE DO NOT INTEND TO UPDATE OR CHANGE ANY FORWARD LOOKING STATEMENTS AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.



CORPORATE INFORMATION

*Stratford Court, Palm Harbor, FL.
Continuing Care Retirement Community.
Operator: Five Star Quality Care, Inc.
318 Units.*

COMPANY PROFILE



The Company:

Senior Housing Properties Trust, or SNH, we, our or us, is a real estate investment trust, or REIT, which owns independent and assisted living communities, continuing care retirement communities, nursing homes, rehabilitation hospitals, wellness centers, and properties leased to medical providers, medical related businesses, clinics and biotech laboratory tenants, or MOBs, located throughout the U.S. We are included in a number of stock indices, including the S&P 400 MidCap Index, Russell 1000® Index, the MSCI US REIT Index, FTSE EPRA/NAREIT United States Index and the S&P REIT Composite Index.

Management:

SNH is managed by Reit Management & Research LLC, or RMR. RMR is a private company which was founded in 1986 to manage public investments in real estate. As of September 30, 2013, RMR manages a large portfolio of publicly owned real estate, including approximately 1,700 properties located in 46 states, Washington, D.C., Puerto Rico, Canada and Australia. RMR has approximately 860 employees in its headquarters and regional offices located throughout the country. In addition to managing SNH, RMR manages CommonWealth REIT, or CWH, a publicly traded REIT that primarily owns office properties, Hospitality Properties Trust, or HPT, a publicly traded REIT that owns hotels and travel centers, Government Properties Income Trust, or GOV, a publicly traded REIT that primarily owns buildings majority leased to government tenants throughout the U.S., and Select Income REIT, or SIR, a publicly traded REIT that is focused on owning and investing in net leased, single tenant properties. RMR also provides management services to Five Star Quality Care, Inc., or Five Star, a senior living and healthcare services company which is our largest tenant and which manages certain of our senior living communities, and TravelCenters of America LLC, or TA, an operator of travel centers which is a tenant of HPT. An affiliate of RMR, Sonesta International Hotels Corporation, is also one of HPT's hotel managers; and another affiliate of RMR, RMR Advisors, Inc., is the investment manager of a publicly owned mutual fund, which principally invests in securities of unaffiliated real estate companies. The public companies managed by RMR and its affiliates had combined gross assets of approximately \$23.0 billion as of September 30, 2013. We believe that being managed by RMR is a competitive advantage for SNH because of RMR's depth of management and experience in the real estate industry. We also believe RMR provides management services to us at costs that are lower than we would have to pay for similar quality services.

Corporate Headquarters:

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255 Washington Street, Suite 300
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(t) (617) 796-8350
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Stock Exchange Listing:

New York Stock Exchange

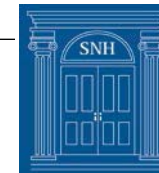
Trading Symbols:

Common Shares -- SNH
5.625% Senior Notes due 2042 -- SNHN

Senior Unsecured Debt Ratings:

Moody's -- Baa3
Standard & Poor's -- BBB-

COMPANY PROFILE (continued)

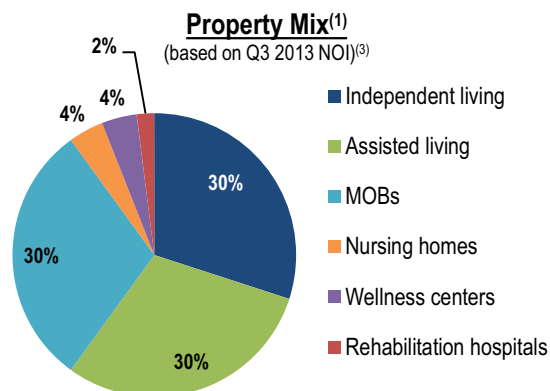


Portfolio Concentration by Facility Type (as of 9/30/13) (\$ in 000) ⁽¹⁾:

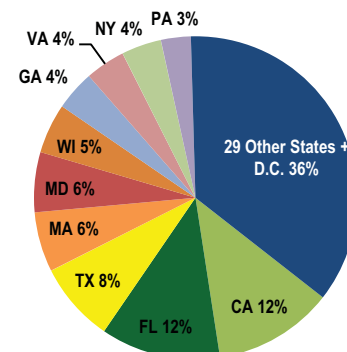
	Number of Properties	Number of Units/Beds or Square Feet	Carrying Value of Investment ⁽²⁾	% of Total Investment	Q3 2013 NOI ⁽³⁾	% of Q3 2013 Total NOI
Independent living (4)	62	15,176	\$ 1,871,808	35.4%	\$ 33,641	29.9%
Assisted living (4)	152	11,251	1,304,341	24.6%	33,579	29.8%
Nursing homes (4)	47	4,919	204,209	3.9%	4,324	3.8%
Rehabilitation hospitals (5)	2	364	78,382	1.5%	2,767	2.5%
Subtotal senior living communities	263	31,710	3,458,740	65.4%	74,311	66.0%
Medical office buildings (MOBs)	116	7,819,000 sq. ft.	1,651,677	31.2%	33,889	30.1%
Wellness centers	10	812,000 sq. ft.	180,017	3.4%	4,336	3.9%
Total	389		\$ 5,290,434	100.0%	\$ 112,536	100.0%

Operating Statistics by Tenant / Managed Properties (as of 9/30/13) (\$ in 000) ⁽¹⁾:

	Number of Properties	Number of Units/Beds or Square Feet	Q3 2013 NOI ⁽³⁾	Tenant / Managed Properties Operating Statistics ⁽⁶⁾	
				Rent Coverage	Occupancy
Five Star	189	20,806	\$ 49,705	1.25x	84.2%
Sunrise Senior Living, Inc. / Marriott ⁽⁷⁾	4	1,619	3,133	1.91x	92.9%
Brookdale Senior Living, Inc.	18	894	1,754	2.51x	95.3%
6 private senior living companies (combined)	12	1,620	2,481	2.01x	84.2%
Managed senior living communities ⁽⁸⁾	40	6,771	17,238	NA	87.3%
Subtotal senior living communities	263	31,710	74,311	1.37x	85.6%
Multi-tenant MOBs	116	7,819,000 sq. ft.	33,889	NA	95.0%
Wellness centers	10	812,000 sq. ft.	4,336	2.21x	100.0%
Total	389		\$ 112,536	1.42x	



Geographic Diversification⁽¹⁾
(based on 9/30/13 Carrying Value of Investment)⁽²⁾



(1) Excludes properties classified in discontinued operations.

(2) Amounts are before depreciation, but after impairment write downs, if any.

(3) See Exhibit A for the calculation of consolidated NOI and a reconciliation of consolidated NOI to net income determined in accordance with U.S. generally accepted accounting principles, or GAAP.

(4) Properties are categorized by the type of living units/beds which constitute a majority of the total living units/beds at the property.

(5) In August 2013, we entered into an agreement to sell our two rehabilitation hospitals for \$90 million. In connection with the sale, Five Star has agreed to terminate its lease of the hospitals effective as of the date of closing and to transfer its related hospital operations to an affiliate of the purchaser.

(6) Operating data for multi-tenant MOBs are presented as of September 30, 2013; operating data for other tenants and managers are presented based upon the operating results provided by our tenants and managers for the 12 months ended June 30, 2013, or the most recent prior period for which tenant and manager operating results are available to us. Rent coverage is calculated as operating cash flow from our tenants' operations of our properties, before subordinated charges, divided by rents payable to us. We have not independently verified our tenants' operating data. The table excludes data for periods prior to our ownership of some of these properties.

(7) Marriott International, Inc., or Marriott, guarantees the lessee's obligations under these leases.

(8) These 40 senior living communities are leased to our taxable REIT subsidiaries, or TRSs, and managed by Five Star. The occupancy for the twelve month period ended or, if shorter, from the date of acquisitions through September 30, 2013 was 87.4%.

INVESTOR INFORMATION



Board of Trustees

Barry M. Portnoy
Managing Trustee

Adam D. Portnoy
Managing Trustee

John L. Harrington
Independent Trustee

Jeffrey P. Somers
Independent Trustee

Frederick N. Zeytoonjian
Independent Trustee

Senior Management

David J. Hegarty
President & Chief Operating Officer

Richard A. Doyle
Treasurer & Chief Financial Officer

Contact Information

Investor Relations

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Inquiries

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Investor and media inquiries should be directed to
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Stifel Nicolaus

Daniel Bernstein
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Wells Fargo Securities

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Moody's Investors Service

Lori Marks

Standard & Poor's

Eugene Nusinzon

SNH is followed by the equity research analysts and its publicly held debt is rated by the rating agencies listed above. Please note that any opinions, estimates or forecasts regarding SNH's performance made by these analysts or agencies do not represent opinions, forecasts or predictions of SNH or its management. SNH does not by its reference above imply its endorsement of or concurrence with any information, conclusions or recommendations provided by any of these analysts or agencies.

FINANCIAL INFORMATION



*1450 Busch Parkway, Buffalo Grove, IL.
Medical Office Building.
Major Tenant: Affinity Healthcare.
Square Feet: 65,000.*

KEY FINANCIAL DATA

(share amounts and dollars appearing in the table below are in thousands, except per share data)



	As of and For the Three Months Ended				
	9/30/2013	6/30/2013	3/31/2013	12/31/2012	9/30/2012
Shares Outstanding (1):					
Common shares outstanding (at end of period)	188,168	188,086	188,076	176,554	176,554
Weighted average common shares outstanding during period	188,102	188,081	184,605	176,554	174,690
Common Share Data:					
Price at end of period	\$ 23.34	\$ 25.93	\$ 26.83	\$ 23.64	\$ 21.78
High during period	\$ 27.09	\$ 29.67	\$ 26.86	\$ 23.76	\$ 24.70
Low during period	\$ 22.04	\$ 24.38	\$ 23.76	\$ 21.29	\$ 21.52
Annualized dividends paid per share (2) (3)	\$ 1.56	\$ 1.56	\$ 1.56	\$ 1.56	\$ 1.52
Annualized dividend yield (at end of period) (2) (3)	6.7%	6.0%	5.8%	6.6%	7.0%
Annualized Normalized FFO multiple (at end of period) (4)	13.9x	15.4x	15.6x	13.7x	12.7x
Annualized net operating income (NOI) (5) / total market capitalization	7.1%	6.7%	6.7%	7.8%	7.8%
Market Capitalization:					
Total debt (book value)	\$ 1,921,074	\$ 1,842,926	\$ 1,826,601	\$ 2,006,530	\$ 1,868,311
Plus: market value of common shares (at end of period)	4,391,841	4,877,070	5,046,079	4,173,727	3,845,337
Total market capitalization	\$ 6,312,915	\$ 6,719,996	\$ 6,872,680	\$ 6,180,257	\$ 5,713,648
Total debt / total market capitalization	30.4%	27.4%	26.6%	32.5%	32.7%
Book Capitalization:					
Total debt	\$ 1,921,074	\$ 1,842,926	\$ 1,826,601	\$ 2,006,530	\$ 1,868,311
Plus: total shareholders' equity	2,776,443	2,812,217	2,884,145	2,646,568	2,670,811
Total book capitalization	\$ 4,697,517	\$ 4,655,143	\$ 4,710,746	\$ 4,653,098	\$ 4,539,122
Total debt / total book capitalization	40.9%	39.6%	38.8%	43.1%	41.2%
Selected Balance Sheet Data:					
Total assets	\$ 4,807,330	\$ 4,748,631	\$ 4,811,269	\$ 4,748,002	\$ 4,646,295
Total liabilities	\$ 2,030,887	\$ 1,936,414	\$ 1,927,124	\$ 2,101,434	\$ 1,975,484
Gross book value of real estate assets (6)	\$ 5,197,999	\$ 5,201,745	\$ 5,261,340	\$ 5,183,307	\$ 5,091,665
Total debt / gross book value of real estate assets (6)	37.0%	35.4%	34.7%	38.7%	36.7%
Selected Income Statement Data:					
Total revenues (7)	\$ 187,265	\$ 186,928	\$ 186,908	\$ 191,703	\$ 156,108
NOI (5)	\$ 112,536	\$ 112,444	\$ 113,229	\$ 119,119	\$ 109,303
Adjusted EBITDA (8)	\$ 108,375	\$ 108,764	\$ 108,648	\$ 105,405	\$ 105,237
Net income	\$ 38,125	\$ 5,598	\$ 35,235	\$ 44,636	\$ 25,646
Normalized FFO (4)	\$ 78,845	\$ 79,057	\$ 78,944	\$ 75,506	\$ 74,777
Common distributions paid (2) (3)	\$ 73,353	\$ 73,349	\$ 68,857	\$ 68,857	\$ 67,061
Per Share Data:					
Net income	\$ 0.20	\$ 0.03	\$ 0.19	\$ 0.25	\$ 0.15
Normalized FFO (4)	\$ 0.42	\$ 0.42	\$ 0.43	\$ 0.43	\$ 0.43
Common distributions paid (2) (3)	\$ 0.39	\$ 0.39	\$ 0.39	\$ 0.39	\$ 0.38
Normalized FFO payout ratio (2) (3) (4)	92.9%	92.9%	90.7%	90.7%	88.4%
Coverage Ratios:					
Adjusted EBITDA (8) / interest expense	3.7x	3.7x	3.7x	3.5x	3.5x
Total debt / annualized Adjusted EBITDA (8)	4.4x	4.2x	4.2x	4.8x	4.4x

- (1) We have no outstanding common share equivalents, such as units, convertible debt or stock options.
(2) The amounts stated are based on the amounts paid during the periods.
(3) On October 3, 2013, we declared a quarterly common share dividend of \$0.39 per share (\$1.56 per year annualized) payable on or about November 21, 2013 to shareholders of record on October 17, 2013.
(4) See Exhibit C for the calculation of Normalized FFO and a reconciliation of net income determined in accordance with GAAP to Normalized FFO.
(5) See Exhibit A for the calculation of NOI and a reconciliation of NOI to net income determined in accordance with GAAP.
(6) Gross book value of real estate assets is real estate properties, at cost, before depreciation, but after impairment write downs, if any.
(7) During the fourth quarter of 2012, we recognized \$10.5 million of percentage rent for the year ended December 31, 2012.
(8) See Exhibit B for the calculation of EBITDA and Adjusted EBITDA and a reconciliation of net income determined in accordance with GAAP to EBITDA and Adjusted EBITDA.



CONDENSED CONSOLIDATED BALANCE SHEETS

(dollar amounts appearing in the table below are in thousands)

	As of September 30, 2013	As of December 31, 2012
ASSETS		
Real estate properties:		
Land	\$ 617,512	\$ 599,313
Buildings, improvements and equipment	4,580,487	4,420,302
	5,197,999	5,019,615
Less accumulated depreciation	808,264	714,687
	4,389,735	4,304,928
 Cash and cash equivalents	52,258	42,382
Restricted cash	10,046	9,432
Deferred financing fees, net	29,063	29,410
Acquired real estate leases and other intangible assets, net	105,705	113,986
Other assets	220,523	247,864
Total assets	<u>\$ 4,807,330</u>	<u>\$ 4,748,002</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Unsecured revolving credit facility	\$ 125,000	\$ 190,000
Senior unsecured notes, net of discount	1,093,016	1,092,053
Secured debt and capital leases	703,058	724,477
Accrued interest	21,763	15,757
Assumed real estate lease obligations, net	13,299	13,482
Other liabilities	74,751	65,665
Total liabilities	<u>2,030,887</u>	<u>2,101,434</u>
 Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, \$.01 par value:		
199,700,000 shares authorized, 188,168,168 and 176,553,600 shares issued		
and outstanding at September 30, 2013 and December 31, 2012, respectively	1,881	1,765
Additional paid in capital	3,497,588	3,233,354
Cumulative net income	1,122,778	1,043,821
Cumulative other comprehensive income	6,689	4,562
Cumulative distributions	(1,852,493)	(1,636,934)
Total shareholders' equity	<u>2,776,443</u>	<u>2,646,568</u>
Total liabilities and shareholders' equity	<u>\$ 4,807,330</u>	<u>\$ 4,748,002</u>



CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(dollar amounts appearing in the table below are in thousands, except per share data)

	For the Three Months Ended		For the Nine Months Ended	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Revenues:				
Rental income (1)	\$ 112,319	\$ 113,756	\$ 336,468	\$ 329,191
Residents fees and services (2)	74,946	42,352	224,634	113,906
Total revenues	187,265	156,108	561,102	443,097
Expenses:				
Property operating expenses	74,729	46,805	222,893	125,109
Depreciation	38,473	35,276	114,472	102,673
General and administrative	7,798	8,352	24,615	24,106
Acquisition related costs	396	4,297	2,590	6,814
Impairment of assets	-	-	5,675	3,071
Total expenses	121,396	94,730	370,245	261,773
Operating income	65,869	61,378	190,857	181,324
Interest and other income	42	248	612	957
Interest expense	(29,405)	(30,417)	(88,536)	(87,426)
Loss on early extinguishment of debt	(692)	(6,349)	(797)	(6,349)
Loss on lease terminations	-	(104)	-	(104)
Gain (loss) on sale of properties	1,141	(101)	1,141	(101)
Equity in earnings of an investee	64	115	219	236
Income from continuing operations before income tax expense	37,019	24,770	103,496	88,537
Income tax expense	(125)	(43)	(405)	(290)
Income from continuing operations	36,894	24,727	103,091	88,247
Discontinued operations:				
Income from discontinued operations	1,231	919	3,762	3,001
Loss on asset impairment from discontinued operations	-	-	(27,896)	-
Net income	\$ 38,125	\$ 25,646	\$ 78,957	\$ 91,248
Weighted average common shares outstanding	188,102	174,690	186,942	166,698
Income from continuing operations per share	\$ 0.20	\$ 0.14	\$ 0.55	\$ 0.53
Income (loss) from discontinued operations per share	\$ -	\$ 0.01	\$ (0.13)	\$ 0.02
Net income per share	\$ 0.20	\$ 0.15	\$ 0.42	\$ 0.55
Additional Data:				
General and administrative expenses / total revenues	4.2%	5.4%	4.4%	5.4%
General and administrative expenses / total assets (at end of period)	0.2%	0.2%	0.5%	0.5%
Percentage rent, estimated (3)	\$ 2,300	\$ 2,400	\$ 6,800	\$ 8,200
Non-cash stock based compensation, estimated	\$ 342	\$ 458	\$ 1,488	\$ 1,265
Lease termination fees included in rental income	\$ -	\$ -	\$ -	\$ -
Capitalized interest expense	\$ -	\$ -	\$ -	\$ -
Continuing Operations:				
Straight-line rent included in rental income (1)	\$ 1,567	\$ 4,181	\$ 5,413	\$ 10,236
Lease Value Amortization included in rental income (1)	\$ (858)	\$ (829)	\$ (2,692)	\$ (475)
Amortization of deferred financing fees and debt discounts	\$ 1,483	\$ 1,470	\$ 4,559	\$ 4,494
Discontinued Operations:				
Straight-line rent included in rental income (1)	\$ (9)	\$ 4	\$ (157)	\$ 12
Lease Value Amortization included in rental income (1)	\$ -	\$ (86)	\$ (101)	\$ (271)
Amortization of deferred financing fees and debt discounts	\$ -	\$ -	\$ -	\$ -

- (1) We report rental income on a straight line basis over the terms of the respective leases. Rental income includes non-cash amortization of intangible lease assets and liabilities. See also footnote (3) below.
- (2) Forty (40) senior living communities are leased to our TRSs and managed by Five Star. We recognize residents fees and services as services are provided.
- (3) In calculating net income in accordance with GAAP, we recognize percentage rental income received for the first, second and third quarters in the fourth quarter, which is when all contingencies are met and the income is earned. Although we defer recognition of this revenue until the fourth quarter for purposes of calculating net income, we include estimated amounts of percentage rent in our calculation of Normalized FFO for each quarter of the year, and the fourth quarter Normalized FFO calculation excludes the amounts included during the first three quarters.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(amounts in thousands)



	For the Nine Months Ended	
	9/30/2013	9/30/2012
Cash flows from operating activities:		
Net income	\$ 78,957	\$ 91,248
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	115,274	104,487
Net amortization of debt discounts, premiums and deferred financing fees	4,559	4,494
Straight line rental income	(5,256)	(10,248)
Amortization of acquired real estate leases and other intangible assets	2,793	746
Loss on early extinguishment of debt	797	6,349
Impairment of assets	33,571	3,071
Loss on lease terminations	-	104
(Gain) loss on sale of properties	(1,141)	101
Equity in earnings of an investee	(219)	(236)
Change in assets and liabilities:		
Restricted cash	(614)	(4,249)
Other assets	569	13,978
Accrued interest	6,006	(263)
Other liabilities	12,884	29,430
Cash provided by operating activities	248,180	239,012
Cash flows used for investing activities:		
Real estate acquisitions and deposits	(148,775)	(255,769)
Real estate improvements	(36,820)	(29,645)
Principal repayments on loan receivable	-	38,000
Proceeds from sale of properties	2,550	1,041
Cash used for investing activities	(183,045)	(246,373)
Cash flows from financing activities:		
Proceeds from issuance of common shares, net	261,813	287,052
Proceeds from issuance of unsecured senior notes, net of discount	-	350,000
Proceeds from borrowings on revolving credit facility	160,000	509,000
Repayments of borrowings on revolving credit facility	(225,000)	(454,000)
Redemption of senior notes	-	(225,000)
Repayment of other debt	(33,261)	(259,400)
Payment of deferred financing fees	(3,252)	(12,186)
Distributions to shareholders	(215,559)	(190,680)
Cash (used for) provided by financing activities	(55,259)	4,786
Increase (decrease) in cash and cash equivalents:	9,876	(2,575)
Cash and cash equivalents at beginning of period	42,382	23,560
Cash and cash equivalents at end of period	\$ 52,258	\$ 20,985
Supplemental cash flow information:		
Interest paid	\$ 79,552	\$ 83,195
Income taxes paid	536	389
Non-cash investing activities:		
Acquisitions funded by assumed debt	(12,266)	(112,153)
Non-cash financing activities:		
Assumption of mortgage notes payable	12,266	112,153
Issuance of common shares	2,538	2,138



DEBT SUMMARY

(dollars appearing in the table below are in thousands)
As of September 30, 2013

	Coupon Rate	Interest Rate (1)	Principal Balance (2)	Maturity Date	Due at Maturity	Years to Maturity
Unsecured Debt:						
<u>Unsecured Floating Rate Debt:</u>						
Revolving credit facility (LIBOR + 130 b.p.) (5)	1.440%	1.440%	\$ 125,000	1/15/2018	\$ 125,000	4.3
<u>Unsecured Fixed Rate Debt:</u>						
Senior notes due 2016	4.300%	4.300%	\$ 250,000	1/15/2016	\$ 250,000	2.3
Senior notes due 2020	6.750%	6.750%	200,000	4/15/2020	200,000	6.5
Senior notes due 2021	6.750%	6.750%	300,000	12/15/2021	300,000	8.2
Senior notes due 2042	5.625%	5.625%	350,000	8/1/2042	350,000	28.9
Weighted average rate / total unsecured fixed rate debt	5.835%	5.835%	\$ 1,100,000		\$ 1,100,000	13.1
Weighted average rate / total unsecured debt	5.387%	5.387%	\$ 1,225,000		\$ 1,225,000	12.2
Secured Debt:						
<u>Secured Fixed Rate Debt:</u>						
Mortgages - secured by 2 properties	5.830%	5.830%	36,341	6/1/2014	35,807	0.7
Mortgage - secured by 1 property	6.015%	2.460%	30,374	3/1/2015	29,227	1.4
Mortgage - secured by 1 property	6.250%	2.090%	12,141	5/1/2015	11,822	1.6
Mortgage - secured by 1 property	5.650%	5.650%	5,046	6/1/2015	4,867	1.7
Mortgage - secured by 1 property	6.365%	6.365%	11,503	7/1/2015	11,225	1.8
Mortgages - secured by 3 properties	5.660%	5.660%	12,845	7/11/2015	12,326	1.8
Mortgage - secured by 1 property	5.880%	5.880%	2,824	7/11/2015	2,687	1.8
Mortgage - secured by 1 property	5.810%	2.880%	6,634	10/1/2015	6,175	2.0
Mortgage - secured by 1 property	5.810%	5.810%	12,410	10/1/2015	4,325	2.0
Mortgages - secured by 1 property	5.640%	5.640%	52,000	1/1/2016	52,000	2.3
Mortgage - secured by 1 property	5.970%	5.970%	6,392	4/11/2016	3,118	2.5
Mortgages - secured by 2 properties	5.924%	5.924%	88,612	11/1/2016	79,415	3.1
Mortgage - secured by 1 property	6.250%	6.250%	4,527	11/11/2016	11,820	3.1
Mortgage - secured by 1 property	5.860%	3.070%	5,743	3/11/2017	5,401	3.4
Mortgages - secured by 8 properties (3)	6.540%	6.540%	46,009	5/1/2017	42,334	3.6
Mortgage - secured by 1 property	6.150%	4.180%	11,290	8/1/2017	10,578	3.8
Mortgage - secured by 1 property	6.730%	4.730%	9,481	4/1/2018	8,328	4.5
Mortgage - secured by 17 properties	6.710%	6.710%	293,608	9/1/2019	266,704	5.9
Mortgage - secured by 1 property (4)	7.310%	7.310%	3,074	1/1/2022	41	8.3
Mortgage - secured by 1 property (4)	7.850%	7.850%	1,514	1/1/2022	21	8.3
Capital leases - 2 properties	7.700%	7.700%	13,436	4/30/2026	-	12.6
Tax exempt bonds - secured by 1 property	5.875%	5.875%	14,700	12/1/2027	14,700	14.2
Mortgage - secured by 1 property	6.250%	6.250%	3,467	2/1/2033	26	19.4
Mortgage - secured by 2 properties	5.950%	5.950%	9,389	9/1/2038	1,211	24.9
Mortgage - secured by 1 property	4.375%	4.375%	4,691	9/1/2043	23	29.9
Weighted average rate / total secured fixed rate debt	6.328%	5.991%	\$ 698,051		\$ 614,181	5.0
Summary Debt:						
Weighted average rate / total unsecured floating rate debt	1.440%	1.440%	\$ 125,000		\$ 125,000	4.3
Weighted average rate / total unsecured fixed rate debt	5.835%	5.835%	1,100,000		1,100,000	13.1
Weighted average rate / total secured fixed rate debt	6.328%	5.991%	698,051		614,181	5.0
Weighted average rate / total debt	5.728%	5.606%	\$ 1,923,051		\$ 1,839,181	9.6

- (1) Includes the effect of mark to market accounting for certain assumed mortgages, and premiums and discounts on certain mortgages and unsecured notes. Excludes effects of offering and transaction costs.
- (2) The principal balances are the amounts actually payable pursuant to contracts. In accordance with GAAP, our carrying values and recorded interest expense may be different because of market conditions at the time we assumed certain of these debts.
- (3) Includes eight first mortgages at a weighted average interest rate of 6.54% and seven second mortgages with a weighted average interest rate of 6.5%. The weighted average interest rate on these mortgages is 6.54%.
- (4) These two mortgages are secured by one property.
- (5) Represents amounts outstanding under our \$750.0 million revolving credit facility at September 30, 2013. At our option and the payment of a fee and subject to our meeting certain other conditions, the maturity date of the revolving credit facility may be extended by one year to January 15, 2019.



DEBT MATURITY SCHEDULE

(dollars appearing in the table below are in thousands)

As of September 30, 2013

Year	Unsecured Floating Rate Debt ⁽¹⁾	Unsecured Fixed Rate Debt	Secured Fixed Rate Debt ⁽²⁾	Total
2013	\$ -	\$ -	\$ 3,020	\$ 3,020
2014	-	-	48,222	48,222
2015	-	-	94,249	94,249
2016	-	250,000	160,136	410,136
2017	-	-	65,382	65,382
2018	125,000	-	15,602	140,602
2019	-	-	271,123	271,123
2020	-	200,000	2,172	202,172
2021	-	300,000	2,364	302,364
Thereafter	-	350,000	35,781	385,781
	<u>\$ 125,000</u>	<u>\$ 1,100,000</u>	<u>\$ 698,051</u>	<u>\$ 1,923,051</u>

(1) Represents amounts outstanding under our \$750.0 million revolving credit facility at September 30, 2013. At our option and upon the payment of a fee and subject to our meeting other certain conditions, the maturity date of the revolving credit facility may be extended by one year to January 15, 2019.

(2) Includes \$13.4 million of capital leases.



LEVERAGE RATIOS, COVERAGE RATIOS AND PUBLIC DEBT COVENANTS

	As of and For the Three Months Ended				
	9/30/2013	6/30/2013	3/31/2013	12/31/2012	9/30/2012
<u>Leverage Ratios:</u>					
Total debt / total market capitalization	30.4%	27.4%	26.6%	32.5%	32.7%
Total debt / total book capitalization	40.9%	39.6%	38.8%	43.1%	41.2%
Total debt / total assets	40.0%	38.8%	38.0%	42.3%	40.2%
Total debt / gross book value of real estate assets (1)	37.0%	35.4%	34.7%	38.7%	36.7%
Secured debt / total assets	14.6%	15.2%	15.3%	15.3%	15.5%
Variable rate debt / total debt	6.5%	0.02	0.0%	9.5%	2.9%
<u>Coverage Ratios:</u>					
Adjusted EBITDA (2) / interest expense	3.7x	3.7x	3.7x	3.5x	3.5x
Total debt / annualized Adjusted EBITDA (2)	4.4x	4.2x	4.2x	4.8x	4.4x
<u>Public Debt Covenants (3):</u>					
Total debt / adjusted total assets - allowable maximum 60.0%	34.6%	33.5%	33.0%	36.9%	35.2%
Secured debt / adjusted total assets - allowable maximum 40.0%	12.7%	13.1%	13.3%	13.3%	13.6%
Consolidated income available for debt service / debt service - required minimum 1.50x	3.88x	3.88x	3.88x	3.73x	3.64x
Total unencumbered assets to unsecured debt - required minimum 1.50x	3.48x	3.75x	3.90x	3.27x	3.56x

- (1) Gross book value of real estate assets is real estate properties, at cost, before depreciation, but after impairment write downs, if any.
- (2) See Exhibit B for the calculation of EBITDA and Adjusted EBITDA and a reconciliation of net income in accordance with GAAP to EBITDA and Adjusted EBITDA.
- (3) Adjusted total assets and unencumbered assets include original cost of real estate assets before depreciation, but after impairment write downs and exclude accounts receivable and intangible assets. Consolidated income available for debt service is earnings from operations, excluding interest expense, depreciation and amortization, taxes, gains and losses on sales of property and amortization of deferred charges.



SUMMARY OF CAPITAL EXPENDITURES

(dollars and sq. ft. in thousands, except per sq. ft. and per unit data)

	For the Three Months Ended				
	9/30/2013	6/30/2013	3/31/2013	12/31/2012	9/30/2012
MOB tenant improvements ⁽¹⁾	\$ 1,066	\$ 739	\$ 232	\$ 1,521	\$ 650
MOB leasing costs ⁽²⁾	2,490	534	312	448	399
MOB building improvements ⁽³⁾	1,511	1,729	632	1,586	1,040
Managed senior living communities capital improvements	2,612	2,979	2,740	2,473	1,290
Recurring capital expenditures	7,679	5,981	3,916	6,028	3,379
Development, redevelopment and other activities ⁽⁴⁾	2,965	3,996	2,636	2,263	1,615
Total capital expenditures	<u>\$ 10,644</u>	<u>\$ 9,977</u>	<u>\$ 6,552</u>	<u>\$ 8,291</u>	<u>\$ 4,994</u>
MOB avg. sq. ft. during period ⁽⁵⁾	8,598	8,328	8,497	8,324	8,132
Managed senior living communities avg. units during period	6,725	6,680	6,682	5,491	3,856
MOB building improvements per avg. sq. ft. during period	\$ 0.18	\$ 0.21	\$ 0.07	\$ 0.19	\$ 0.13
Managed senior living communities capital improvements per avg. units during period	\$ 388	\$ 446	\$ 410	\$ 450	\$ 335

(1) MOB tenant improvements generally include capital expenditures to improve tenants' space or amounts paid directly to tenants to improve their space.

(2) MOB leasing costs generally include leasing related costs, such as brokerage commissions and tenant inducements.

(3) MOB building improvements generally include construction costs and expenditures to replace obsolete building components that extend the useful life of existing assets.

(4) Development, redevelopment and other activities generally include (i) major capital expenditures that are identified at the time of a property acquisition and incurred within a short period after acquiring the property; and (ii) major capital expenditure projects that reposition a property or result in new sources of revenue.

(5) MOB avg. sq. ft. during period includes properties classified in discontinued operations at the end of each period. As of September 30, 2013, we had seven MOB's classified in discontinued operations.



ACQUISITIONS / DISPOSITIONS INFORMATION SINCE 1/1/2013

(dollars and sq. ft. appearing in the table below are in thousands, except per sq. ft. amounts)

Senior Living Acquisitions: ⁽¹⁾

Date Acquired	Location	Type of Property ⁽²⁾	Number of Properties	Units	Purchase Price ⁽³⁾	Purchase Price Per Unit	Initial Lease / Cap Rate ⁽⁴⁾	Tenant
1/9/2013	Redmond, WA	Independent Living	1	150	\$ 22,350	\$ 149	8.2%	Stellar Senior Living, LLC
8/1/2013	Cumming, GA	Assisted Living	1	93	\$ 22,030	\$ 237	7.0%	Our TRS
10/1/2013	Canton & Ellijay, GA	Assisted Living	2	153	\$ 19,100	\$ 125	8.8%	Our TRS
10/15/2013	Jefferson City, TN	Assisted Living	1	60	\$ 9,904	\$ 165	9.9%	Our TRS
Total / Wtd. Avg. Senior Living Acquisitions			5	456	\$ 73,384	\$ 161	8.3%	

MOB Acquisitions:

Date Acquired	Location	Number of Properties	Sq. Ft.	Purchase Price ⁽³⁾	Purchase Price per Sq. Ft.	Cap Rate ⁽⁴⁾	Weighted Average Remaining Lease Term ⁽⁵⁾	Occupancy ⁽⁶⁾	Major Tenant
2/14/2013	Bothell, WA	2	145	\$ 38,000	\$ 262	8.9%	5.4	100.0%	Seattle Genetics, Inc.
3/22/2013	Hattiesburg, MS	1	72	\$ 14,600	\$ 203	8.4%	6.8	100.0%	Forrest General Hospital
8/22/2013	Boston, MA	1	105	\$ 49,500	\$ 471	7.2%	15.0	100.0%	PerkinElmer Health Sciences, Inc.
Total / Wtd. Avg. MOB Acquisitions			4	\$ 102,100	\$ 317	8.1%	9.1		

Dispositions:

Date Sold	Location	Type of Property	Number of Properties	Sale Price	NBV	Book Gain on Sale
8/1/2013	St. Joseph, MO	Skilled Nursing Facility	1	\$ 2,550	\$ 1,409	\$ 1,141
Total Dispositions			1	\$ 2,550	\$ 1,409	\$ 1,141

- (1) During the quarter and nine months ended September 30, 2013, pursuant to the terms of our leases with Five Star, we purchased from Five Star, at cost, \$6.6 million and \$22.5 million, respectively, of improvements made to our properties leased by Five Star, and as a result, Five Star's annual rent payable to us increased approximately \$528,000 and \$1.8 million, respectively. These amounts are not included in the table above.
- (2) Senior living properties are categorized by the type of living units or beds which constitute a majority of the total living units / beds at the property.
- (3) Purchase price includes real estate and related intangible assets and liabilities and excludes closing costs.
- (4) Represents the ratio of the estimated GAAP based annual rental income less property operating expenses, if any, to the purchase price on the date of acquisition.
- (5) Weighted average remaining lease term based on rental income at the time of acquisition.
- (6) Occupancy as of acquisition date.

PORTFOLIO INFORMATION



*Pewaukee Clinic, Pewaukee, WI.
Medical Office Building.
Major Tenant: Aurora Healthcare.
Square Feet: 148,000.*



PORTFOLIO SUMMARY BY FACILITY TYPE AND TENANT ⁽¹⁾

(dollars in thousands, except investment per unit / bed or square foot)

As of September 30, 2013

Facility Type:	Number of Properties	Number of Units / Beds or Square Feet	Carrying Value of Investment (2)	% of Total Investment	Investment per Unit / Bed or Square Foot (3)	Q3 2013 NOI (4)	% of Q3 2013 Total NOI
Independent living (5)	62	15,176	\$ 1,871,808	35.4%	\$ 123,340	\$ 33,641	29.9%
Assisted living (5)	152	11,251	1,304,341	24.6%	115,931	33,579	29.8%
Nursing homes (5)	47	4,919	204,209	3.9%	41,514	4,324	3.8%
Rehabilitation hospitals (6)	2	364	78,382	1.5%	215,335	2,767	2.5%
Subtotal senior living communities	263	31,710	3,458,740	65.4%	109,074	74,311	66.0%
MOBs (7)	116	7,819,000 sq. ft.	1,651,677	31.2%	211	33,889	30.1%
Wellness centers	10	812,000 sq. ft.	180,017	3.4%	222	4,336	3.9%
Total	389		\$ 5,290,434	100.0%		\$ 112,536	100.0%
Tenant / Managed Properties:							
Five Star (Lease No. 1)	90	6,626	\$ 690,083	13.0%	\$ 104,148	\$ 14,681	13.0%
Five Star (Lease No. 2)	53	7,564	758,006	14.3%	100,212	17,833	15.8%
Five Star (Lease No. 3)	17	3,281	351,543	6.6%	107,145	8,524	7.6%
Five Star (Lease No. 4)	29	3,335	387,807	7.3%	116,284	8,667	7.7%
Subtotal Five Star	189	20,806	2,187,439	41.2%	105,135	49,705	44.1%
Sunrise Senior Living, Inc. / Marriott (8)	4	1,619	126,326	2.4%	78,027	3,133	2.9%
Brookdale Senior Living, Inc.	18	894	61,122	1.2%	68,369	1,754	1.5%
6 private senior living companies (combined)	12	1,620	94,170	1.8%	58,130	2,481	2.2%
Managed senior living communities (9)	40	6,771	989,683	18.8%	146,165	17,238	15.3%
Subtotal senior living communities	263	31,710	3,458,740	65.4%	109,074	74,311	66.0%
Multi-tenant MOBs (7)	116	7,819,000 sq. ft.	1,651,677	31.2%	211	33,889	30.1%
Wellness centers	10	812,000 sq. ft.	180,017	3.4%	222	4,336	3.9%
Total	389		\$ 5,290,434	100.0%		\$ 112,536	100.0%

(1) Excludes properties classified in discontinued operations.

(2) Amounts are before depreciation, but after impairment write downs, if any.

(3) Represents investment carrying value divided by the number of living units, beds or leased square feet at September 30, 2013.

(4) See Exhibit A for the calculation of consolidated NOI and a reconciliation of consolidated NOI to net income in accordance with GAAP.

(5) Senior living properties are categorized by the type of living units or beds which constitute a majority of the total living units/beds at the property.

(6) In August 2013, we entered into an agreement to sell our two rehabilitation hospitals for \$90 million. In connection with the sale, Five Star has agreed to terminate its lease of the hospitals effective as of the date of closing and to transfer its related hospital operations to an affiliate of the purchaser.

(7) Our MOB leases include both triple net leases where, in addition to paying fixed rents, the tenants assume the obligation to operate and maintain the properties at their expenses, and some net and modified gross leases where we are responsible to operate and maintain the properties and we charge tenants for some or all of the property operating costs. A small percentage of our MOB leases are so-called "full-service" leases where we receive fixed rent from our tenants and no reimbursement for our property operating costs.

(8) Marriott guarantees the lessee's obligations under these leases.

(9) These 40 senior living communities are leased to our TRSs and managed by Five Star.

OCCUPANCY BY PROPERTY TYPE AND TENANT ⁽¹⁾

	For the Twelve Months Ended (2)				
	6/30/2013	3/31/2013	12/31/2012	9/30/2012	6/30/2012
<u>Property Type:</u>					
Independent living	87.6%	87.7%	87.6%	87.7%	87.6%
Assisted living	86.5%	86.5%	86.9%	87.0%	86.7%
Nursing homes	78.9%	79.5%	80.2%	80.7%	80.4%
Rehabilitation hospitals (3)	61.6%	61.1%	60.3%	60.6%	60.4%
Weighted average occupancy senior living communities	85.6%	85.7%	85.8%	86.0%	85.8%
MOBs (4)	94.1%	94.5%	92.7%	93.3%	93.9%
Wellness centers	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Tenant / Managed Properties:</u>					
Five Star (Lease No. 1)	84.8%	85.2%	85.4%	85.5%	84.8%
Five Star (Lease No. 2)	81.1%	81.2%	81.5%	82.0%	82.0%
Five Star (Lease No. 3)	88.6%	88.8%	88.9%	89.2%	89.3%
Five Star (Lease No. 4)	85.6%	85.7%	85.9%	86.3%	86.1%
Weighted average occupancy Five Star	84.2%	84.4%	84.6%	85.0%	84.7%
Sunrise Senior Living, Inc. / Marriott (5)	92.9%	93.2%	93.4%	93.2%	93.1%
Brookdale Senior Living, Inc.	95.3%	95.2%	94.8%	94.0%	93.6%
6 private senior living companies (combined)	84.2%	83.6%	83.1%	83.3%	83.6%
Managed senior living communities (6)	87.3%	87.3%	87.4%	87.2%	86.9%
Weighted average occupancy senior living communities	85.6%	85.7%	85.8%	86.0%	85.8%
Multi-tenant MOBs (4)	94.1%	94.5%	92.7%	93.3%	93.9%
Wellness centers	100.0%	100.0%	100.0%	100.0%	100.0%

- (1) Excludes properties classified in discontinued operations.
- (2) Operating data for multi-tenant MOBs are presented as of the end of the period; operating data for other tenants are presented for the twelve month period ended on the dates shown, or the most recent prior period for which tenant and manager operating results are available to us.
- (3) In August 2013, we entered into an agreement to sell our two rehabilitation hospitals for \$90 million. In connection with the sale, Five Star has agreed to terminate its lease of the hospitals effective as of the date of closing and to transfer its related hospital operations to the purchaser.
- (4) MOB occupancy data is as of quarter end and includes (i) space being fitted out for occupancy pursuant to existing leases and (ii) space which is leased, but is not occupied or is being offered for sublease by tenants. MOB occupancy as of September 30, 2013 was 95.0%.
- (5) Marriott guarantees the lessee's obligations under these leases.
- (6) Includes 40 senior living communities that are leased to our TRSs and managed by Five Star. The occupancy for the twelve month period ended or, if shorter, from the date of acquisitions through September 30, 2013 was 87.4%.

All tenant operating data presented are based upon the operating results provided by our tenants for the indicated periods. We report our operating data one quarter in arrears as this is the most recent prior period for which tenant operating results are available to us from our tenants. We have not independently verified our tenants' operating data. Excludes historical data for periods prior to our ownership of certain properties.



RENT COVERAGE BY TENANT (EXCLUDING MOB_s AND MANAGED SENIOR LIVING COMMUNITIES)

Tenant	For the Twelve Months Ended				
	6/30/2013	3/31/2013	12/31/2012	9/30/2012	6/30/2012
Five Star (Lease No. 1)	1.19x	1.22x	1.22x	1.21x	1.20x
Five Star (Lease No. 2)	1.15x	1.17x	1.20x	1.22x	1.23x
Five Star (Lease No. 3)	1.66x	1.67x	1.67x	1.69x	1.68x
Five Star (Lease No. 4)	1.16x	1.18x	1.20x	1.20x	1.20x
Weighted average rent coverage Five Star	1.25x	1.27x	1.29x	1.29x	1.30x
Sunrise Senior Living, Inc. / Marriott (1)	1.91x	1.89x	1.91x	1.88x	1.90x
Brookdale Senior Living, Inc.	2.51x	2.48x	2.41x	2.37x	2.27x
6 private senior living companies (combined)	2.01x	2.12x	2.28x	2.69x	2.86x
Weighted average rent coverage senior living communities	1.37x	1.38x	1.40x	1.40x	1.41x
Wellness centers	2.21x	2.21x	2.21x	2.19x	2.17x
Total	1.42x	1.44x	1.45x	1.45x	1.46x

(1) Marriott guarantees the lessee's obligations under these leases.

All tenant operating data presented are based upon the operating results provided by our tenants for the indicated periods.

We report our operating data one quarter in arrears as this is the most recent prior period for which tenant operating results are available to us from our tenants. We have not independently verified our tenants' operating data. Excludes historical data for periods prior to our ownership of certain properties. Rent coverage is calculated as operating cash flow from our tenants' facility operations, before subordinated charges, if any, divided by rent payable to us.



TRIPLE NET LEASED SENIOR LIVING COMMUNITIES - RESULTS OF OPERATIONS ⁽¹⁾

(dollars in thousands)

	As of and For the Three Months Ended		As of and For the Nine Months Ended	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Number of Properties (2)	223	230	223	230
Number of Units (2)	24,939	26,959	24,939	26,959
Occupancy (3)	85.1%	85.8%	85.1%	85.8%
Rent Coverage (3)	1.37x	1.39x	1.37x	1.39x
Rental Income	\$ 57,073	\$ 60,496	\$ 170,794	\$ 178,979
Rental Income % change	(5.7%)	--	(4.6%)	--

TRIPLE NET LEASED SENIOR LIVING COMMUNITIES SAME PROPERTY - RESULTS OF OPERATIONS ⁽¹⁾

(dollars in thousands)

	As of and For the Three Months Ended (4)		As of and For the Nine Months Ended (5)	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Number of Properties	218	218	218	218
Number of Units	24,278	24,278	24,278	24,278
Occupancy (3)	85.1%	85.5%	85.1%	85.5%
Rent Coverage (3)	1.37x	1.41x	1.37x	1.41x
Rental Income	\$ 55,856	\$ 55,298	\$ 167,186	\$ 165,351
Rental Income % change	1.0%	--	1.1%	--

(1) Includes independent and assisted living communities, nursing homes and two rehabilitation hospitals.

(2) Reflects the transfer of ten communities previously triple net leased to Sunrise to our managed senior living communities segment (three communities were transferred on September 1, 2012, five communities were transferred on October 1, 2012, and two communities were transferred on November 1, 2012), partially offset by additional triple net leased properties we acquired since July 1, 2012.

(3) All tenant operating data presented are based upon the operating results provided by our tenants for the 12 months ended June 30, 2013 and 2012 or the most recent prior period for which tenant operating results are available to us. Rent coverage is calculated as operating cash flow from our triple net lease tenants' operations of our properties, before subordinated charges, if any, divided by triple net lease minimum rents payable to us. We have not independently verified our tenants' operating data. The table excludes data for periods prior to our ownership of some of these properties.

(4) Consists of triple net senior living communities we have owned continuously since July 1, 2012.

(5) Consists of triple net senior living communities we have owned continuously since January 1, 2012.



MANAGED SENIOR LIVING COMMUNITIES - RESULTS OF OPERATIONS

(dollars in thousands, except average monthly rate)

	As of and For the Three Months Ended		As of and For the Nine Months Ended	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Number of Properties (1)	40	30	40	30
Number of Units (1)	6,771	4,488	6,771	4,488
Occupancy	87.6%	87.6%	87.3%	87.5%
Average Monthly Rate	\$ 4,140	\$ 3,962	\$ 4,217	\$ 3,954
Average Monthly Rate % Growth	4.5%	--	6.7%	--
Residents Fees and Services	\$ 74,946	\$ 42,352	\$ 224,634	\$ 113,906
Property Operating Expenses	(57,708)	(31,111)	(173,844)	(82,844)
NOI (2)	<u>\$ 17,238</u>	<u>\$ 11,241</u>	<u>\$ 50,790</u>	<u>\$ 31,062</u>
NOI Margin % (3)	23.0%	26.5%	22.6%	27.3%
NOI % Growth	53.3%	--	63.5%	--

MANAGED SENIOR LIVING COMMUNITIES SAME PROPERTY - RESULTS OF OPERATIONS

(dollars and sq. ft. in thousands, except average monthly rate)

	As of and For the Three Months Ended (4)		As of and For the Nine Months Ended (5)	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Number of Properties	25	25	22	22
Number of Units	3,735	3,735	3,323	3,323
Occupancy	90.8%	88.1%	91.4%	87.9%
Average Monthly Rate	\$ 3,996	\$ 3,898	\$ 3,958	\$ 3,931
Average Monthly Rate % Growth	2.5%	--	0.7%	--
Residents Fees and Services	\$ 41,544	\$ 39,354	\$ 109,439	\$ 104,968
Property Operating Expenses	(29,995)	(28,935)	(78,326)	(75,920)
NOI (2)	<u>\$ 11,549</u>	<u>\$ 10,419</u>	<u>\$ 31,113</u>	<u>\$ 29,048</u>
NOI Margin % (3)	27.8%	26.5%	28.4%	27.7%
NOI % Growth	10.8%	--	7.1%	--

(1) Includes only those properties that were leased to our TRSs in the periods presented.

(2) See Exhibit A for the calculation of consolidated NOI and a reconciliation of consolidated NOI to net income in accordance with GAAP.

(3) NOI margin % is defined as NOI as a percentage of residents fees and services.

(4) Based on properties leased continuously to our TRSs since July 1, 2012.

(5) Based on properties leased continuously to our TRSs since January 1, 2012.



MOB PORTFOLIO - RESULTS OF OPERATIONS ⁽¹⁾

(dollars and sq. ft. in thousands)

	As of and For the Three Months Ended		As of and For the Nine Months Ended	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Number of Properties	116	107	116	107
Square Feet (2)	7,819	7,366	7,819	7,366
Occupancy (3)	95.0%	93.3%	95.0%	93.3%
Rental Income (4)	\$ 50,910	\$ 48,821	\$ 152,492	\$ 136,910
NOI (5)	\$ 33,889	\$ 33,249	\$ 103,425	\$ 94,777
NOI Margin % (6)	66.6%	68.1%	67.8%	69.2%
NOI % Growth	1.9%	--	9.1%	--

MOB SAME PROPERTY - RESULTS OF OPERATIONS ⁽¹⁾

(dollars and sq. ft. in thousands)

	As of and For the Three Months Ended (7)		As of and For the Nine Months Ended (8)	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Number of Properties	103	103	99	99
Square Feet (2)	7,094	7,094	6,658	6,658
Occupancy (3)	94.7%	95.0%	94.5%	94.7%
Rental Income (4)	\$ 45,659	\$ 48,250	\$ 127,914	\$ 131,238
NOI (5)	\$ 30,224	\$ 32,975	\$ 86,998	\$ 91,201
NOI Margin % (6)	66.2%	68.3%	68.0%	69.5%
NOI % Growth	(8.3%)	--	(4.6%)	--

(1) Excludes properties classified in discontinued operations.

(2) Prior periods exclude space remeasurements made during the most current periods presented.

(3) Occupancy includes (i) space being fitted out for occupancy pursuant to existing leases and (ii) space which is leased, but is not occupied or is being offered for sublease by tenants.

(4) Includes some triple net lease rental income.

(5) See Exhibit A for the calculation of consolidated NOI and a reconciliation of consolidated NOI to net income in accordance with GAAP.

(6) NOI margin % is defined as NOI as a percentage of rental income.

(7) Consists of MOB's we have owned continuously since July 1, 2012. One MOB that was sold in July 2012 and one MOB that was vacated in February 2012 and is scheduled for demolition are excluded.

(8) Consists of MOB's we have owned continuously since January 1, 2012. One MOB that was sold in July 2012 and one MOB that was vacated in February 2012 and is scheduled for demolition are excluded.



MOB LEASING SUMMARY

(dollars and sq. ft. in thousands, except per sq. ft. data)

	As of and For the Three Months Ended ⁽¹⁾				
	9/30/2013	6/30/2013	3/31/2013	12/31/2012	9/30/2012
Properties	116	115	115	113	107
Total sq. ft. (2)	7,819	7,714	7,712	7,619	7,366
Occupancy (3)	95.0%	94.1%	94.5%	92.7%	93.3%
<u>Leasing Activity (sq. ft.):</u>					
New leases	132	18	45	19	32
Renewals	292	83	53	42	99
Total	424	101	98	61	131
<u>% Change in GAAP Rent (4):</u>					
New leases	59.5%	5.7%	21.1%	14.9%	73.5%
Renewals	(11.4%)	2.5%	(2.0%)	0.7%	4.5%
Weighted average	(1.8%)	2.9%	6.1%	5.0%	12.7%
<u>Leasing Costs and Concession Commitments (5):</u>					
New leases	\$ 3,559	\$ 412	\$ 1,940	\$ 550	\$ 762
Renewals	2,638	297	500	361	642
Total	\$ 6,197	\$ 709	\$ 2,440	\$ 911	\$ 1,404
<u>Leasing Costs and Concession Commitments per Sq. Ft. (5):</u>					
New leases	\$ 26.96	\$ 22.89	\$ 43.11	\$ 28.95	\$ 23.81
Renewals	\$ 9.03	\$ 3.58	\$ 9.43	\$ 8.60	\$ 6.48
All new and renewed leases	\$ 14.62	\$ 7.02	\$ 24.90	\$ 14.93	\$ 10.72
<u>Weighted Average Lease Term by Sq. Ft. (years):</u>					
New leases	7.3	5.1	9.0	6.2	5.4
Renewals	5.0	3.4	4.5	3.9	4.7
All new and renewed leases	5.5	3.6	6.3	4.6	4.8
<u>Leasing Costs and Concession Commitments per Sq. Ft. per Year (5):</u>					
New leases	\$ 3.69	\$ 4.49	\$ 4.79	\$ 4.67	\$ 4.41
Renewals	\$ 1.81	\$ 1.05	\$ 2.10	\$ 2.20	\$ 1.38
All new and renewed leases	\$ 2.66	\$ 1.95	\$ 3.95	\$ 3.25	\$ 2.23

- (1) Excludes properties classified in discontinued operations.
- (2) Sq. ft. measurements are subject to modest changes when space is re-measured or re-configured for new tenants.
- (3) Occupancy includes (i) space being filled out for occupancy pursuant to existing leases and (ii) space which is leased, but is not occupied or is being offered for sublease by tenants.
- (4) Percent difference in prior rents charged for same space. Rents include expense reimbursements and exclude lease value amortization.
- (5) Includes commitments made for leasing expenditures and concessions, such as tenant improvements, leasing commissions, tenant reimbursements and free rent.

The above leasing summary is based on leases executed during the periods indicated.

TENANTS REPRESENTING 1% OR MORE OF TOTAL RENT ⁽¹⁾

(dollars in thousands)

Tenant	Facility Type	Annualized Rental Income 9/30/2013 (2)	% of Annualized Rental Income (2)	Expiration
1 Five Star	Senior living	\$ 204,348	38.4%	2017 - 2028
2 Aurora Health Care, Inc.	MOB	16,896	3.2%	2024
3 Sunrise Senior Living, Inc. / Marriott	Senior living	14,500	2.7%	2018
4 Cedars-Sinai Medical Center	MOB	10,776	2.0%	2013 - 2018
5 Life Time Fitness, Inc.	Wellness center	10,550	2.0%	2028
6 The Scripps Research Institute	MOB	10,328	1.9%	2019
7 Brookdale Senior Living, Inc.	Senior living	9,070	1.7%	2017
8 Reliant Medical Group, Inc.	MOB	7,661	1.4%	2019
9 HCA Holdings, Inc.	MOB	5,373	1.0%	2014 - 2020
All Other Tenants (3)		242,718	45.7%	2013 - 2034
Total Tenants		<u>\$ 532,220</u>	<u>100.0%</u>	

(1) Excludes properties classified in discontinued operations.

(2) Annualized rental income is rents pursuant to existing leases as of September 30, 2013, includes estimated percentage rents, straight line rent adjustments, estimated recurring expense reimbursements for certain net and modified gross leases and excludes lease value amortization at certain of the MOB's and wellness centers; and includes NOI (three months ended September 30, 2013, annualized) from our managed senior living communities.

(3) Includes NOI (three months ended September 30, 2013, annualized) from our managed senior living communities.



PORTFOLIO LEASE EXPIRATION SCHEDULE ⁽¹⁾

(dollars in thousands)

Year	Annualized Rental Income (2)				Percent of Total Annualized Rental Income Expiring	Cumulative Percentage of Annualized Rental Income Expiring
	Senior Living Communities (3)	MOBs	Wellness Centers	Total		
2013	\$ -	\$ 3,945	\$ -	\$ 3,945	0.7%	0.7%
2014	-	17,304	-	17,304	3.3%	4.0%
2015	3,039	20,597	-	23,636	4.4%	8.4%
2016	-	23,673	-	23,673	4.4%	12.8%
2017	44,420	25,692	-	70,112	13.2%	26.0%
2018	14,500	22,871	-	37,371	7.0%	33.0%
2019	599	29,709	-	30,308	5.7%	38.7%
2020	-	15,349	-	15,349	2.9%	41.6%
2021	1,424	5,278	-	6,702	1.3%	42.9%
Thereafter (3)	242,814	43,470	17,536	303,820	57.1%	100.0%
Total	\$ 306,796	\$ 207,888	\$ 17,536	\$ 532,220	100.0%	

Average remaining lease term for all properties (weighted by annualized rental income): 9.8 years

Year	Number of Living Units / Beds or Square Feet with Leases Expiring				Total Square Feet	Percent of Total Square Feet Expiring	Cumulative Percent of Total Square Feet Expiring
	Senior Living Communities (Units / Beds) (4)	Percent of Total Living Units / Beds Expiring	Cumulative Percentage of Total Living Units / Beds Expiring	MOBs (Square Feet)			
2013	-	0.0%	0.0%	119,568	-	1.5%	1.5%
2014	-	0.0%	0.0%	474,246	-	5.8%	7.3%
2015	423	1.3%	1.3%	840,784	-	10.2%	17.5%
2016	-	0.0%	1.3%	1,005,528	-	12.2%	29.7%
2017	4,229	13.3%	14.6%	1,012,489	-	12.3%	42.0%
2018	1,619	5.1%	19.7%	661,520	-	8.0%	50.0%
2019	175	0.6%	20.3%	943,285	-	11.5%	61.5%
2020	-	0.0%	20.3%	727,061	-	8.8%	70.3%
2021	361	1.1%	21.4%	212,372	-	2.6%	72.9%
Thereafter (4)	24,903	78.6%	100.0%	1,428,209	812,000	27.1%	100.0%
Total	31,710	100.0%		7,425,062	812,000	100.0%	

(1) Excludes properties classified in discontinued operations.

(2) Annualized rental income is rents pursuant to existing leases as of September 30, 2013, includes estimated percentage rents, straight line rent adjustments, estimated recurring expense reimbursements for certain net and modified gross leases and excludes lease value amortization at certain of the MOBs and wellness centers; and includes NOI (three months ended September 30, 2013, annualized) from our managed senior living communities.

(3) Includes leased and managed independent living communities, assisted living communities, continuing care retirement communities, nursing homes and rehabilitation hospitals. Includes NOI (three months ended September 30, 2013, annualized) from our managed senior living communities.

(4) Includes 6,771 living units leased to our TRSs.



EXHIBITS

21823 30th Drive S.E., Bothell, WA.
Medical Office Building.
Major Tenant: Seattle Genetics, Inc.
Square Feet: 145,000.

CALCULATION AND RECONCILIATION OF NET OPERATING INCOME (NOI)

(amounts appearing in the table below are in thousands)



EXHIBIT A

	For the Three Months Ended		For the Nine Months Ended	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Calculation of NOI ⁽¹⁾:				
Revenues:				
Rental income	\$ 112,319	\$ 113,756	\$ 336,468	\$ 329,191
Residents fees and services	74,946	42,352	224,634	113,906
Total revenues	187,265	156,108	561,102	443,097
Property operating expenses	74,729	46,805	222,893	125,109
Net operating income (NOI):	<u>\$ 112,536</u>	<u>\$ 109,303</u>	<u>\$ 338,209</u>	<u>\$ 317,988</u>
Reconciliation of NOI to Net Income:				
Net operating income (NOI)	\$ 112,536	\$ 109,303	\$ 338,209	\$ 317,988
Depreciation expense	(38,473)	(35,276)	(114,472)	(102,673)
General and administrative expense	(7,798)	(8,352)	(24,615)	(24,106)
Acquisition related costs	(396)	(4,297)	(2,590)	(6,814)
Impairment of assets	-	-	(5,675)	(3,071)
Operating income	65,869	61,378	190,857	181,324
Interest and other income	42	248	612	957
Interest expense	(29,405)	(30,417)	(88,536)	(87,426)
Loss on early extinguishment of debt	(692)	(6,349)	(797)	(6,349)
Loss on lease terminations	-	(104)	-	(104)
Gain (loss) on sale of properties	1,141	(101)	1,141	(101)
Equity in earnings of an investee	64	115	219	236
Income from continuing operations before income tax expense	37,019	24,770	103,496	88,537
Income tax expense	(125)	(43)	(405)	(290)
Income from continuing operations	36,894	24,727	\$ 103,091	\$ 88,247
Discontinued operations				
Income from discontinued operations	1,231	919	3,762	3,001
Loss on asset impairment from discontinued operations	-	-	(27,896)	-
Net income	<u>\$ 38,125</u>	<u>\$ 25,646</u>	<u>\$ 78,957</u>	<u>\$ 91,248</u>

(1) Excludes properties classified in discontinued operations.

We calculate NOI as shown above. We define NOI as income from our real estate less our property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions. We consider NOI to be an appropriate supplemental measure to net income because it may help both investors and management to understand the operations of our properties. We use NOI internally to evaluate individual and company wide property level performance, and we believe that NOI provides useful information to investors regarding our results of operations because it reflects only those income and expense items that are incurred at the property level and may facilitate comparisons of our operating performance between periods. The calculation of NOI excludes certain components of net income in order to provide results that are more closely related to our properties' results of operations. NOI does not represent cash generated by operating activities in accordance with GAAP and should not be considered as an alternative to net income, operating income or cash flow from operating activities determined in accordance with GAAP, or as an indicator of our financial performance or liquidity, nor is this measure necessarily indicative of sufficient cash flow to fund all of our needs. We believe that NOI may facilitate an understanding of our consolidated historical operating results. This measure should be considered in conjunction with net income, operating income and cash flow from operating activities as presented in our Condensed Consolidated Statements of Income and Comprehensive Income and Condensed Consolidated Statements of Cash Flows. Other REITs and real estate companies may calculate NOI differently than we do.



EXHIBIT B

CALCULATION AND RECONCILIATION OF EBITDA AND ADJUSTED EBITDA

(dollars appearing in the table below are in thousands)

	For the Three Months Ended		For the Nine Months Ended	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Net income	\$ 38,125	\$ 25,646	\$ 78,957	\$ 91,248
interest expense	29,405	30,417	88,536	87,426
income tax expense	125	43	405	290
depreciation expense from continuing operations	38,473	35,276	114,472	102,673
depreciation expense from discontinued operations	-	604	799	1,815
EBITDA	106,128	91,986	283,169	283,452
acquisition related costs from continuing operations	396	4,297	2,590	6,814
impairment of assets from continuing operations	-	-	5,675	3,071
loss on early extinguishment of debt from continuing operations	692	6,349	797	6,349
loss on lease terminations	-	104	-	104
(gain) loss on sale of properties	(1,141)	101	(1,141)	101
impairment of assets from discontinued operations	-	-	27,896	-
percentage rent adjustment (1)	2,300	2,400	6,800	8,200
Adjusted EBITDA	\$ 108,375	\$ 105,237	\$ 325,786	\$ 308,091

- (1) In calculating net income in accordance with GAAP, we recognize percentage rental income received for the first, second and third quarters in the fourth quarter, which is when all contingencies are met and the income is earned. Although we defer recognition of this revenue until the fourth quarter for purposes of calculating net income, we include these amounts in our calculation of Adjusted EBITDA for each quarter of the year. The fourth quarter Adjusted EBITDA calculation excludes the amounts included during the first three quarters.

We calculate EBITDA and Adjusted EBITDA as shown above. We consider EBITDA and Adjusted EBITDA to be appropriate measures of our operating performance, along with net income, operating income and cash flow from operating activities. We believe that EBITDA and Adjusted EBITDA provide useful information to investors because by excluding the effects of certain historical amounts, such as interest, depreciation and amortization expense, EBITDA and Adjusted EBITDA may facilitate a comparison of current operating performance with our past operating performance. EBITDA and Adjusted EBITDA do not represent cash generated by operating activities in accordance with GAAP and should not be considered an alternative to net income, operating income or cash flow from operating activities, determined in accordance with GAAP, or as an indicator of financial performance or liquidity, nor are these measures necessarily indicative of sufficient cash flow to fund all of our needs. We believe that EBITDA and Adjusted EBITDA may facilitate an understanding of our consolidated historical operating results. These measures should be considered in conjunction with net income, operating income and cash flow from operating activities as presented in our Condensed Consolidated Statements of Income and Comprehensive Income and Condensed Consolidated Statements of Cash Flows. Other REITs and real estate companies may calculate EBITDA and Adjusted EBITDA differently than we do.

CALCULATION AND RECONCILIATION OF FUNDS FROM OPERATIONS (FFO) AND NORMALIZED FFO

(amounts appearing in the table below are in thousands, except per share data)



EXHIBIT C

	For the Three Months Ended		For the Nine Months Ended	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Net income	\$ 38,125	\$ 25,646	\$ 78,957	\$ 91,248
Depreciation expense from continuing operations	38,473	35,276	114,472	102,673
Depreciation expense from discontinued operations	-	604	799	1,815
(Gain) loss on sale of properties	(1,141)	101	(1,141)	101
Impairment of assets from continuing operations	-	-	5,675	3,071
Impairment of assets from discontinued operations	-	-	27,896	-
FFO	75,457	61,627	226,658	198,908
Acquisition related costs	396	4,297	2,590	6,814
Loss on early extinguishment of debt	692	6,349	797	6,349
Loss on lease terminations	-	104	-	104
Percentage rent adjustment (1)	2,300	2,400	6,800	8,200
Normalized FFO	\$ 78,845	\$ 74,777	\$ 236,845	\$ 220,375
Weighted average shares outstanding	188,102	174,690	186,942	166,698
FFO per share	\$ 0.40	\$ 0.35	\$ 1.21	\$ 1.19
Normalized FFO per share	\$ 0.42	\$ 0.43	\$ 1.27	\$ 1.32

- (1) In calculating net income in accordance with GAAP, we recognize percentage rental income received for the first, second and third quarters in the fourth quarter, which is when all contingencies are met and the income is earned. Although we defer recognition of this revenue until the fourth quarter for purposes of calculating net income, we include these amounts in our calculation of Normalized FFO for each quarter of the year. The fourth quarter Normalized FFO calculation excludes the amounts included during the first three quarters.

We calculate FFO and Normalized FFO as shown above. FFO is calculated on the basis defined by The National Association of Real Estate Investment Trusts, or NAREIT, which is net income, calculated in accordance with GAAP, excluding any gain or loss on sale of properties and impairment of real estate assets, plus real estate depreciation and amortization, as well as certain other adjustments currently not applicable to us. Our calculation of Normalized FFO differs from NAREIT's definition of FFO because we include estimated percentage rent in the period to which we estimate that it relates rather than when it is recognized as income in accordance with GAAP and exclude acquisition related costs, gain or loss on early extinguishment of debt, gain or loss on lease terminations and loss on impairment of intangible assets, if any. We consider FFO and Normalized FFO to be appropriate measures of operating performance for a REIT, along with net income, operating income and cash flow from operating activities. We believe that FFO and Normalized FFO provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation expense, FFO and Normalized FFO may facilitate a comparison of our operating performance between periods and between us and other REITs. FFO and Normalized FFO are among the factors considered by our Board of Trustees when determining the amount of distributions to our shareholders. Other factors include, but are not limited to, requirements to maintain our status as a REIT, limitations in our revolving credit facility agreement and public debt covenants, the availability of debt and equity capital to us, our expectation of our future capital requirements and operating performance and our expected needs and availability of cash to pay our obligations. FFO and Normalized FFO do not represent cash generated by operating activities in accordance with GAAP and should not be considered as alternatives to net income, operating income or cash flow from operating activities, determined in accordance with GAAP, or as indicators of our financial performance or liquidity, nor are these measures necessarily indicative of sufficient cash flow to fund all of our needs. We believe that FFO and Normalized FFO may facilitate an understanding of our historical operating results. These measures should be considered in conjunction with net income, operating income and cash flow from operating activities as presented in our Condensed Consolidated Statements of Income and Comprehensive Income and Condensed Consolidated Statements of Cash Flows. Other REITs and real estate companies may calculate FFO and Normalized FFO differently than we do.