



## SNH Announces Financial Results for the Quarter and Year Ended December 31, 2002

Newton, MA (February 12, 2003): Senior Housing Properties Trust (NYSE: SNH) today announced its financial results for the quarter and year ended December 31, 2002, as follows (in thousands, except per share data):

	Quarter Ended December 31,		Year Ended December 31,	
	2002	2001	2002	2001
Total revenues	\$32,835	\$73,017	\$122,297	\$274,644
Income from continuing operations	14,164	6,210	52,013	18,021
Net income	14,826	5,910	50,184	17,018
Funds from operations (FFO)	20,232	12,508	78,264	45,440
Weighted average shares outstanding	58,437	42,166	56,416	30,859
Per share data:				
Income from continuing operations	\$0.24	\$0.15	\$0.92	\$0.58
Net income	0.25	0.14	0.89	0.55
Funds from operations (FFO)	0.35	0.30	1.39	1.47

The character of revenues reported in the 2001 and 2002 periods displayed above are not comparable. Revenues in the 2001 periods include \$57.4 million and \$224.9 million, respectively, of operating revenues derived from senior housing facilities which were operated for our account. At year end 2001, SNH completed a spin off of Five Star Quality Care, Inc., its subsidiary which operated these properties, and revenues in the 2002 periods include rental income received for the properties previously operated for SNH's account as well as rents from investments made in 2002.

Senior Housing Properties Trust is a real estate investment trust headquartered in Newton, MA that owns 119 senior living properties located in 29 states.

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

	Quarter Ended December 31,		Year Ended December 31,	
	2002	2001	2002	2001
Revenues:				
Rental income	\$32,520	\$14,128	\$115,560	\$47,430
Facilities' operations(1)	-	57,439	-	224,867
FF&E reserve income(2)	-	-	5,345	-
Interest and other income	315	1,450	1,392	2,347
Total revenues	32,835	73,017	122,297	274,644
Expenses:				
Interest	6,971	979	27,399	5,879

Depreciation	8,381	4,887	31,596	19,351
Facilities' operations(1)	-	55,563	-	217,910
General and administrative				
- Recurring	2,617	940	8,478	4,129
- Related to foreclosures and lease terminations(1)	-	-	-	4,167
- Five Star spin-off costs(1)	-	3,732	-	3,732
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Total	17,969	66,101	67,473	255,168
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Income from continuing operations before distributions on trust preferred securities	14,866	6,916	54,824	19,476
Distributions on trust preferred securities	702	706	2,811	1,455
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Income from continuing operations	14,164	6,210	52,013	18,021
Income (loss) from discontinued operations(3)	662	(300)	(1,829)	(1,003)
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Net income	\$14,826	\$5,910	\$50,184	\$17,018
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Calculation of funds from operations  
(FFO) (2)(4):

Net income	\$14,826	\$5,910	\$50,184	\$17,018
Add: Depreciation expense	8,381	4,887	31,596	19,351
General and administrative expense related to foreclosures and lease terminations	-	-	-	4,167
Five Star spin-off costs	-	3,732	-	3,732
Non- cash items	-	44	-	169
Loss (income) from discontinued operations	(662)	300	1,829	1,003
Less: Deferred percentage rent(5)	2,313	2,365	-	-
FF&E reserve income	-	-	5,345	-
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FFO	\$20,232	\$12,508	\$78,264	\$45,440
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Weighted average shares outstanding	58,437	42,166	56,416	30,859
	=====			
Per share data:				
Income from continuing operations	\$0.24	\$0.15	\$0.92	\$0.58
	=====			
Net income	\$0.25	\$0.14	\$0.89	\$0.55
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FFO	\$0.35	\$0.30	\$1.39	\$1.47
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Balance Sheet Data:

	December	December
	31, 2002	31, 2001
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Assets		
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Real estate properties	\$1,238,487	\$593,199
Accumulated depreciation	(125,039)	(124,252)
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	1,113,448	468,947
Cash and cash equivalents	8,654	352,026

Restricted cash	12,364	10,201
Other assets	23,734	36,129
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	\$1,158,200	\$867,303
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Liabilities and Shareholders' Equity

Unsecured revolving bank credit facility	\$81,000	\$-
Senior unsecured notes due 2012	243,746	243,607
Secured debt and capital leases	32,618	9,100
Other liabilities	21,116	12,578
Trust preferred equity securities	27,394	27,394
Shareholders' equity	752,326	574,624
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	\$1,158,200	\$867,303
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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 properties. These operations had been repossessed from former tenants. As a result of these repossessions and the subsequent spin off of Five Star, SNH incurred certain non-recurring general and administrative expenses during 2001, which are separately identified in the preceding financial information.

2. One of SNH's leases which began in January 2002 provides that a percentage of revenues at the leased properties be escrowed for future capital expenditures at the leased properties. Effective October 1, 2002, SNH entered into an agreement to amend the lease pursuant to which its tenant, Five Star, retains 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 no longer include FF&E reserve income. 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.

3. During the fourth quarter of 2002, SNH sold a property which had been closed by one of its tenants earlier in the year. The sold property was combined in one lease with other properties operated by the same tenant. Under the terms of the lease, the rent payable on the combined lease was reduced by 10% of the net proceeds received by SNH from the sale. In the second quarter of 2002 SNH classified this property as an asset held for sale and recorded a loss from discontinued operations, which included historical depreciation expense as well as an impairment loss write-down of \$2.5 million. The sales proceeds received by SNH in the fourth quarter of 2002 exceeded the net book value of the property at the time of the sale, resulting in income from discontinued operations. 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 shown in the calculation above. SNH considers FFO to be an appropriate measure of performance for a REIT, along with net income and cash flow from operating, investing and financing 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 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 SNH's Board of Trustees in determining the amount of distributions to shareholders.

5. The Securities and Exchange Commission Staff Accounting Bulletin No. 101 generally requires SNH to recognize percentage rental income received for the first, second and third quarters in the fourth quarter. Although recognition of revenue was deferred until the fourth quarter of each year presented for purposes of calculating net income, the calculations of FFO included these amounts during the first three quarters.

Senior Housing Properties Trust  
Additional Data

The following additional data is intended to respond to frequently asked questions (dollars in thousands)

			Current	% of
			Annual	Current
# of	# of	% of	Rent	Annual
Properties	Units/ Investment	Investment	Revenues	Rent

	Beds			Revenues		
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Facility Type						
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Independent living communities(1)	54	12,253	\$1,003,884	81.1%	\$100,530	82.1%
Skilled nursing facilities	60	6,016	186,834	15.1%	12,928	10.6%
Hospitals	2	364	43,553	3.5%	8,700	7.1%
Assisted living facilities	3	196	4,216	0.3%	236	0.2%
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Total	119	18,829	\$1,238,487	100.0%	\$122,394	100.0%
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Tenant/Operator						
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Five Star/Marriott	31	7,476	\$614,598	49.6%	\$63,000	51.5%
Marriott Senior Living Services	14	4,030	325,472	26.3%	31,245	25.5%
HEALTHSOUTH	2	364	43,553	3.5%	8,700	7.1%
Five Star Quality Care Lease #1	54	4,952	141,383	11.4%	6,923	5.7%
Five Star Quality Care Lease #2	9	747	63,814	5.2%	6,285	5.1%
Genesis Health Ventures	1	156	13,007	1.0%	1,496	1.2%
Integrated Health Services	1	140	15,598	1.3%	1,200	1.0%
5 private companies (combined)	7	964	21,062	1.7%	3,545	2.9%
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Total	119	18,829	\$1,238,487	100.0%	\$122,394	100.0%
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Rent Coverage (2)

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Year To Last Three  
Date Months  
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Tenant/Operator	
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Five Star/Marriott	1.1x
Marriott Senior Living Services	1.4x
HEALTHSOUTH	3.9x
Five Star Quality Care Lease #1	2.8x
Five Star Quality Care Lease #2	1.3x

1.1x	1.1x
1.3x	1.3x
4.5x	4.5x
2.8x	2.8x
1.2x	1.2x

Genesis Health Ventures	1.8x	1.8x
Integrated Health Services	1.9x	1.7x
5 private companies (combined)	2.1x	1.6x

Total Portfolio Tenant Operating Statistics (weighted average by rent)

	Occupancy	Rent Coverage	% Private Pay	% Medicare	% Medicaid
Year to date(2)	88.3%	1.5x	75%	14%	11%
Last three months(2)	88.0%	1.5x	76%	13%	12%

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

(2) Rent coverage is calculated as operating cash flow from SNH's tenants' facility operations, before subordinated charges and capital expenditure reserves, divided by rent payable to SNH. All tenant operating statistics are calculated based upon the periods ended December 31, 2002 operating results or the most recent tenant operating results available to SNH.