



New Senior Investment Group

Investor Presentation

December 22, 2014

Forward-Looking Statements

These disclaimers apply to this presentation and to any comments made by the individuals presenting it (the collectively, the “Presentation”).

Forward-looking statements; no duty to update. Certain items in this Presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements regarding the closing of the acquisition described herein, the expected timing of the closing, the intention to enter into a property management agreement with Holiday, the acquired properties expected NOI yield, the expected cash NOI increase from the acquisition, the expected post-acquisition NOI for the portfolio, the expected proportion of cash and debt financing to fund the purchase price and the potential NFFO yield at which New Senior could trade. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond our control. New Senior can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements contained herein. New risks and uncertainties emerge from time to time, and it is not possible for New Senior to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this Presentation. New Senior expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in New Senior's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

Executive Summary

New Senior has committed to acquire \$435 million of senior housing properties

- **New Senior expects to acquire a 17-property portfolio from affiliates of Hawthorn Retirement Group LLC**
 - 100% private pay and currently operated by Holiday with 2,082 units – occupancy of 92% as of November 2014
 - Expect to enter into a management contract with Holiday at closing
 - Closing expected by end of Q1 2015
- **Purchase price of \$435 million⁽¹⁾ - expected to be funded with approximately \$135 million of cash on hand and approximately \$300 million of debt**
 - Expected to generate a NOI yield (after management fees) of 6.3%
- **Holiday is the largest private owner and operator of senior housing in the U.S.**
 - Operates 306 properties with 37,371 units in 43 U.S. states
- **Transaction is consistent with our strategy of focusing on acquiring private pay senior housing assets**



Transaction Highlights

1

*Increased Private Pay
Senior Housing NOI*

- ✓ 100% private pay, independent living assets
- ✓ Senior housing cash NOI expected to increase from 91% to 93% of portfolio
- ✓ Post acquisition, attractive mix of NNN & managed assets (52% / 48%)

2

*Newer, High-Quality &
Growth Portfolio at an
Attractive Yield*

- ✓ Average age of 6 years & strong occupancy of 92%
- ✓ Expect NOI yield (after management fees) of 6.3% with strong NOI margins (~45%)
- ✓ Expect continued strong growth from portfolio

3

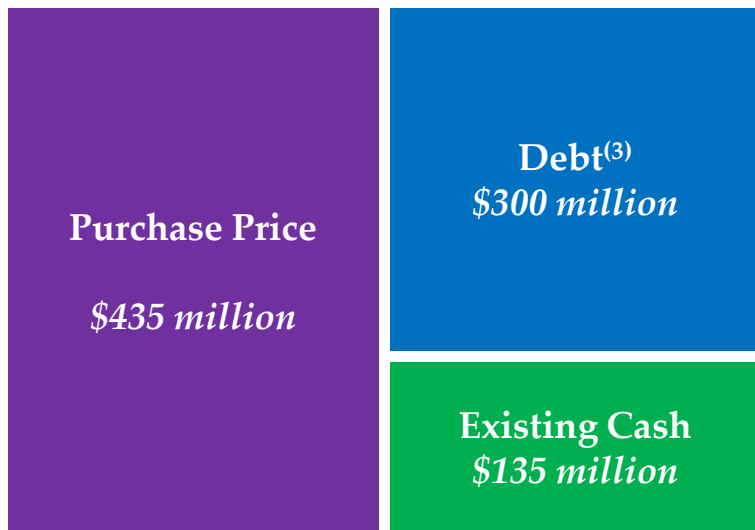
*Additional Geographic
Diversification & Enhanced
Scale*

- ✓ Portfolio adds three new states: MA, WA, NE
- ✓ Post acquisition, 117 properties diversified across 30 states
- ✓ Expect NOI in excess of \$180 million for the total portfolio⁽¹⁾

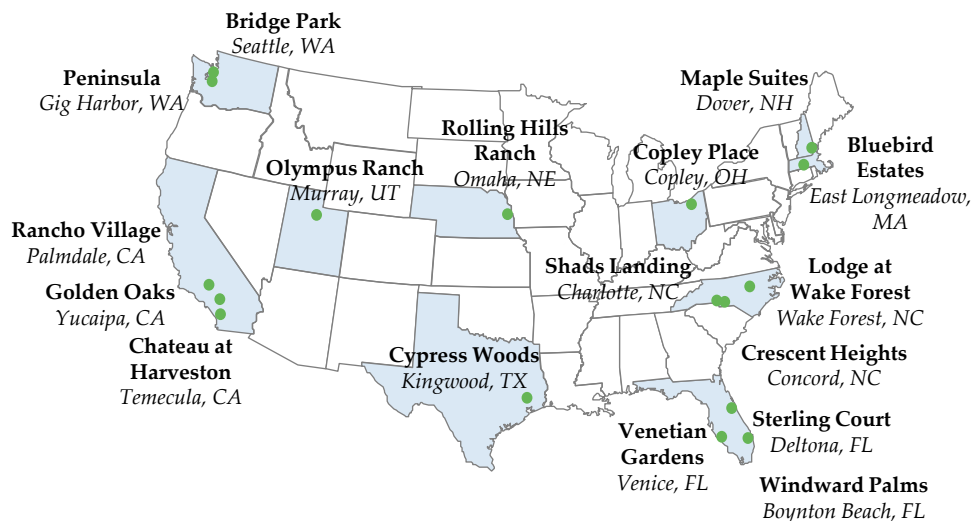
Transaction & Portfolio Overview

- Expect to acquire 17 independent living assets for \$435 million⁽¹⁾
 - Expect to fund with approximately \$135 million of cash on hand and approximately \$300 million of debt
 - Expect NOI yield of 6.3% and strong margins of ~45%
- 17 properties - 2,082 units - located across 10 states - 100% private pay portfolio - average age of only 6 years
 - Strong geographic diversification with complementary footprint to SNR's existing portfolio

Targeted Sources & Uses⁽²⁾



Diversified Geographic Footprint



1) Excluding transaction costs or any potential debt prepayment penalties.

2) Actual purchase price, debt and cash amounts are subject to change.

3) Targeted financing may not be achieved at the expected terms or in the amount we expect, or at all.

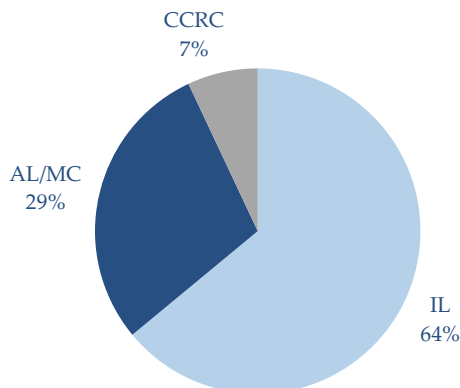
New Senior (Post Acquisition)

- **One of largest publicly traded owners of senior housing properties⁽¹⁾**
 - \$2.2 billion enterprise value and \$1.1 billion market cap
 - 117 properties across 30 states
- **93% private-pay independent and assisted living properties⁽²⁾**
- **48% managed and 52% triple net leased⁽²⁾**

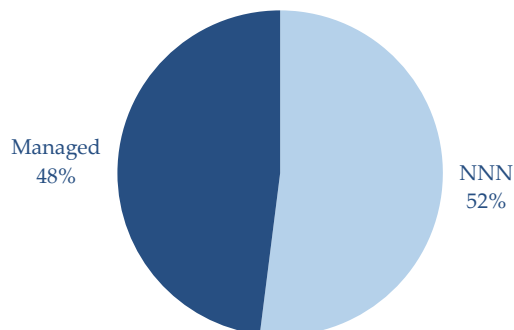


New Senior's \$2.3 Billion Asset Composition⁽²⁾

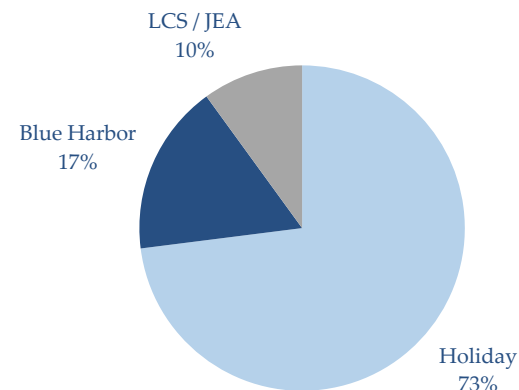
Majority Private Pay



Balanced Managed/NNN Mix



Strategically Diversifying Operator Mix



1) Estimated based on ASHA 2013 Top Senior Housing Owners report, published in June 2013 and management's estimates of acquisitions since June 2013.

2) Calculated based on an annualized 3Q 2014 Cash NOI pro forma for the \$435 million acquisition and a \$16 million acquisition for a memory care community. Cash NOI is a non-GAAP measure equal to NOI excluding non-cash GAAP adjustments.

Superior Private Pay Exposure vs. Peers

- Only healthcare REIT with 100% senior housing asset portfolio with over 90% private pay exposure
 - Most similar to multifamily REITs
- New Senior could trade at a 6.50% to 7.00% NFFO yield (or 15.4x to 14.3x multiple of NFFO)⁽¹⁾

	"Big 3" Healthcare REITs Avg. ⁽²⁾	Other Healthcare REITs Avg. ⁽²⁾	New Senior	Multifamily REITs
Portfolio Composition:				
Senior Housing ⁽³⁾	52%	39%	100%	--
Skilled Nursing	22%	42%	-- ⁽⁴⁾	--
Medical Office Building & Other	26%	19%	--	--
Valuation:			<i>Illustrative</i>	
Avg. Enterprise Value ⁽⁵⁾	\$33 bn	\$3.5 bn	\$2.2 bn	\$15 bn
Avg. Market Cap ⁽⁵⁾	\$22 bn	\$2.4 bn	\$1.1 bn	\$10 bn
Avg. Debt to Enterprise Value	31%	27%	50%	36%
2014 NFFO Yield ⁽⁶⁾	5.4% - 6.8%	6.1% - 7.8%	6.5% - 7.0% ⁽¹⁾	5.3%
2014 NFFO Multiple ⁽⁶⁾	18.5x - 14.8x	16.3x - 12.8x	15.4x - 14.3x ⁽¹⁾	19.0x

1) For New Senior, NFFO yield/multiple range is presented for illustrative purposes only and actual yields/multiples may vary.

2) "Big 3" Healthcare REITs include VTR, HCP and HCN. Other Healthcare REITs include SNH, NHI, SBRA and LTC. Multifamily REITs include AIV, AEC, AVB, CPT, EQR, ESS, HME, MAA, PPS and UDR. Portfolio composition based on NOI.

3) "Senior Housing" generally includes independent living, assisted living and memory care, and excludes free-standing skilled nursing facilities.

4) New Senior owns certain continuing care retirement facilities ("CCRC") that have a skilled nursing component.

5) Enterprise Value and market cap based on share prices as of 12/18/2014 for "Big 3" healthcare REITs, other healthcare REITs and multifamily REITs.

6) 2014 NFFO yield and multiples for Big 3, other healthcare REITs and multifamily REITs is based on management estimates and consensus estimates.