



Investor Presentation

June 30, 2015



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New Senior Overview

New Senior Investment Group (NYSE: SNR) is a \$3+ billion publicly traded REIT focused on independent living (IL) & assisted living (AL) senior housing assets⁽¹⁾

- **New Senior is the only pure-play, publicly-traded senior housing REIT – spun from Newcastle Investment Corp. on November 6, 2014**
 - Diversified portfolio contains 152 properties with over 18,900 beds across 37 states⁽²⁾
 - 91% of portfolio's NOI is comprised of private pay senior housing properties⁽³⁾
- **New Senior is externally managed by Fortress Investment Group (NYSE: FIG), which has ~15 years of investment experience in the senior housing sector (Holiday Retirement Corporation and Brookdale Senior Living)**
- **Continue building acquisition track record with more than \$2.5 billion investment pipeline**
 - \$596 million of high-quality acquisitions completed in 2015 YTD⁽⁴⁾ → exceeds total 2014 volume of \$315 million
 - \$640 million acquisition of 28 independent living properties announced on June 22, 2015⁽⁵⁾
 - \$130 million of additional acquisitions in-contract as of June 22, 2015⁽⁵⁾
- **New Senior well positioned to capitalize on strong industry fundamentals**
 - Seniors are the fastest growing demographic, with senior housing demand continuing to outpace new supply
 - \$300 billion, highly-fragmented senior housing market⁽⁶⁾

1) \$3+ billion represents net real estate investments plus accumulated depreciation and amortization as of 3/31/15, plus the purchase price of acquisitions that closed in 2Q totaling \$98 million and pro forma for the acquisition of the Portfolio.

2) Represents portfolio as of the date hereof and pro forma for the Portfolio acquisition.

3) Pro forma NOI represents 1Q 2015 actuals with adjustments to 1) include 3 months of results attributable to acquisitions completed during and subsequent to quarter end, based on underwriting assumptions for the months in which the Company did not own an asset for the entire month and 2) acquisition of the Portfolio.

4) As of the date hereof.

5) There can be no assurance that such acquisitions will be completed.

6) Size of senior housing market based on management estimates.

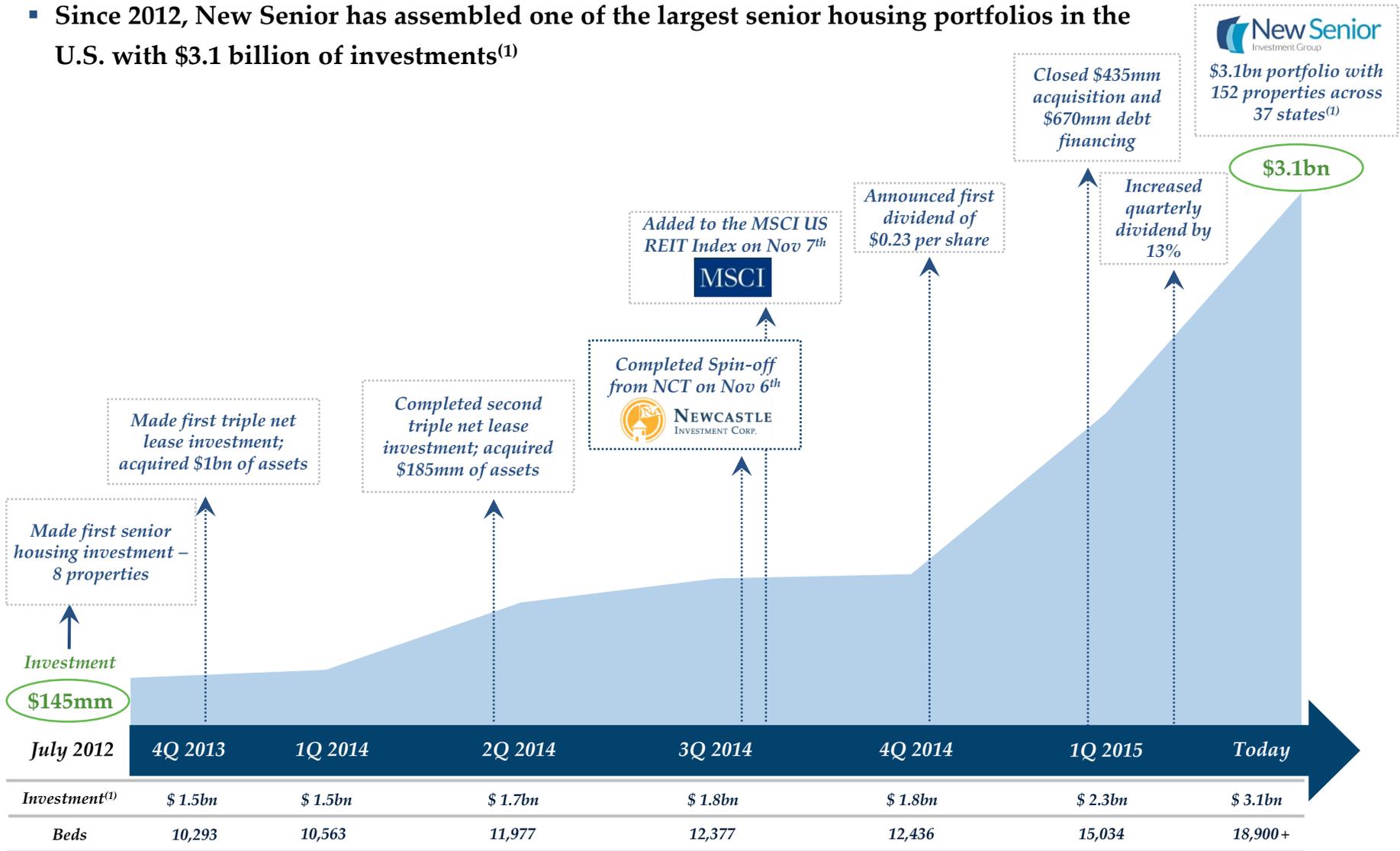
New Senior's Business Model to Drive Earnings Growth⁽¹⁾



¹⁾ There can be no assurance that New Senior will be able to execute its business strategy or refinancing plans as anticipated. Management's business strategy is subject to change.

Evolution of New Senior

- Since 2012, New Senior has assembled one of the largest senior housing portfolios in the U.S. with \$3.1 billion of investments⁽¹⁾



1) \$3.1 billion represents net real estate investments plus accumulated depreciation and amortization as of 3/31/15, plus the purchase price of acquisitions that closed in the second quarter totaling \$98 million and pro forma for the acquisition of the Portfolio.

New Senior Highlights⁽¹⁾

1

*Pure Play
Senior Housing REIT*

- ✓ Only pure play senior housing REIT out of 16 total public healthcare REITs
- ✓ 91% of portfolio NOI is from private pay senior housing
- ✓ 70% of portfolio NOI from independent living

2

*Diversified Portfolio with
Best-in-Class Operators*

- ✓ 152 properties with over 18,900 beds diversified across 37 states
- ✓ Attractive mix of NNN (49%) and managed properties (51%)
- ✓ 82% of NOI managed/leased by the Top 3 largest senior living operators in the U.S.

3

*Expected Strong
Internal & External
Growth Prospects*

- ✓ Strong organic growth expected from portfolio
 - 4+% contractual growth from NNN
 - 6.3% same store NOI growth from managed portfolio from 1Q'14 to 1Q'15⁽²⁾
- ✓ Robust acquisition pipeline expected to drive future growth

1) Based on 1Q pro forma plus the acquisition of the Portfolio.

2) 1Q 2015 same store NOI excludes \$122,000 relating to the write-off of a receivable assumed at the time of an acquisition in the third quarter of 2013. Same store is defined as properties that remained in operations and were consistently reported as leased properties or managed properties for the duration of both comparison periods presented. Same store statistics allow management to evaluate the performance of our real estate portfolio under a consistent population, which eliminates changes in the composition of our portfolio.

Acquisition Highlights

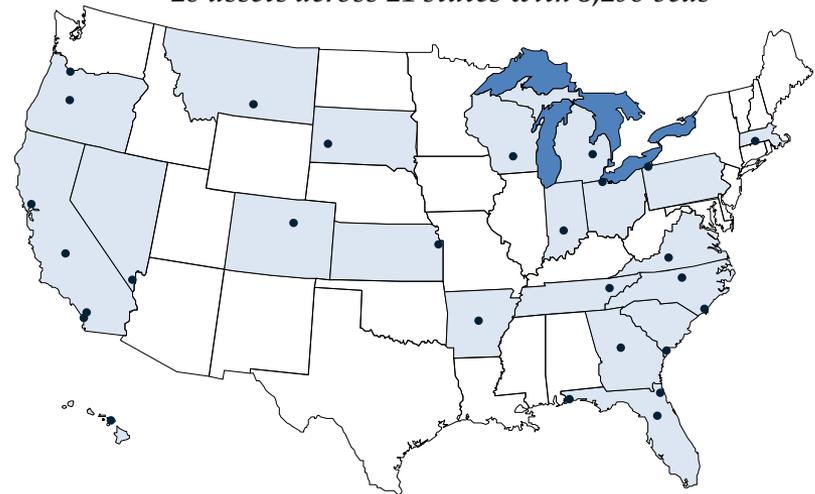
- **New Senior expects to acquire a 28-property portfolio from Holiday Retirement (“Holiday”)**
 - 100% private pay and currently operated by Holiday with 3,298 units - occupancy of 88% as of May 2015
 - Expect to enter into management contracts with Holiday at closing - closing expected in 3Q 2015
- **Purchase price of \$640 million⁽¹⁾ - expected to be funded with approximately \$190 million of equity and approximately \$450 million of long-term, fixed rate secured debt**
 - Expected to generate an attractive initial cap rate and strong margins
- **Transaction is consistent with our strategy of focusing on acquiring private pay senior housing assets**

Acquisition Targeted Sources & Uses⁽²⁾



Diversified Geographic Footprint

- ✓ *Strong geographic diversification with complementary footprint to SNR's existing portfolio*
- ✓ *28 assets across 21 states with 3,298 beds*



1) Excluding transaction costs.

2) Actual purchase price, debt and equity 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.

Acquisition Highlights

1

Increased Private Pay Senior Housing NOI

- 100% private pay, independent living assets
- Senior housing NOI expected to increase to 91% of portfolio
- Post acquisition, attractive mix of NNN and managed assets (49% / 51%)



2

High-Quality Portfolio with "Best-In-Class" Operator

- High occupancy of 88% as of May 2015
- Portfolio adds geographic diversification & enhances scale
 - ✓ Pro forma, SNR will have 152 assets across 37 states
- Minimal transition risk – Holiday will continue to operate the Portfolio post-close



3

Continue Track Record of Growth at Attractive Valuations

- Attractive initial cap rate expected
- Expect continued strong growth from portfolio
- Expected to be accretive to AFFO and Normalized FAD



New Senior's Proven Acquisition Track Record⁽¹⁾

- This will be the third sizable independent living portfolio New Senior has acquired
 - ✓ Acquired 51 properties from Holiday in December 2013; Acquired 17 properties from Hawthorn in March 2015
- Portfolio compares favorably with prior independent living acquisitions

	Closed December 2013 ⁽²⁾	Closed March 2015 ⁽³⁾	New Acquisition
Properties	51	17	28
Rentable Units	5,839	2,082	3,298
Average Property Age	17 yrs	7 yrs	18 yrs
Purchase Price	\$1.0bn	\$435mm	\$640mm
Purchase Price/Unit	\$171K	\$209K	\$194K
Occupancy	88%	90%	88%
Revenue per Resident	\$2,539	\$2,688	\$2,545

1) All results are TTM as of the end of date listed.

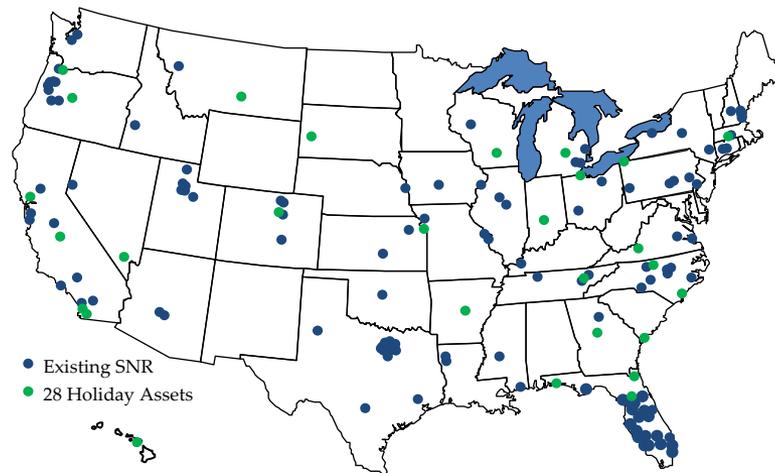
2) Portfolio was originally purchased by Newcastle Investment Corp (the company that New Senior was spun off from in November 2014).

3) Portfolio was not owned by Holiday, but assets in portfolio were operated by Holiday and are similar to typical Holiday properties.

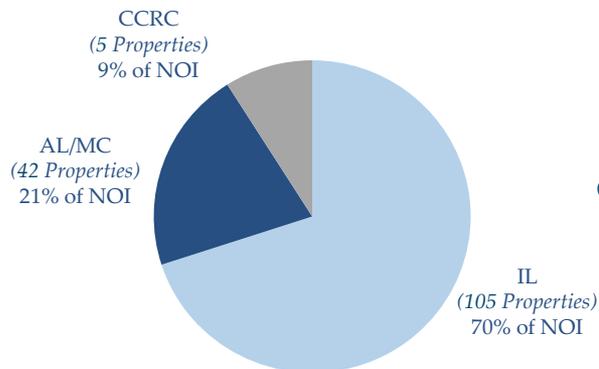
New Senior Overview (Post Acquisition)⁽¹⁾

- The only publicly-traded, pure-play senior housing REIT
- One of the largest owners of senior housing:
 - ✓ \$3.1 billion of investments
 - ✓ 152 properties, ~18,900 beds across 37 states
- 91% of NOI from private pay, independent and assisted living properties
- Well-balanced mix: 51% managed and 49% triple net leased (“NNN”)

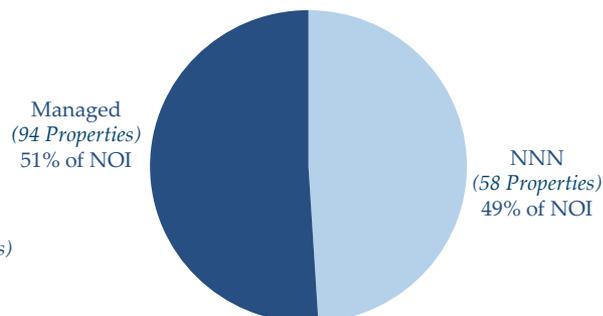
New Senior's National Footprint



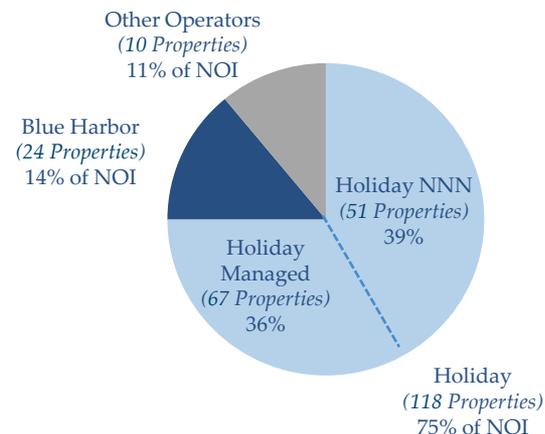
Majority Private Pay



Balanced Managed/NNN Mix

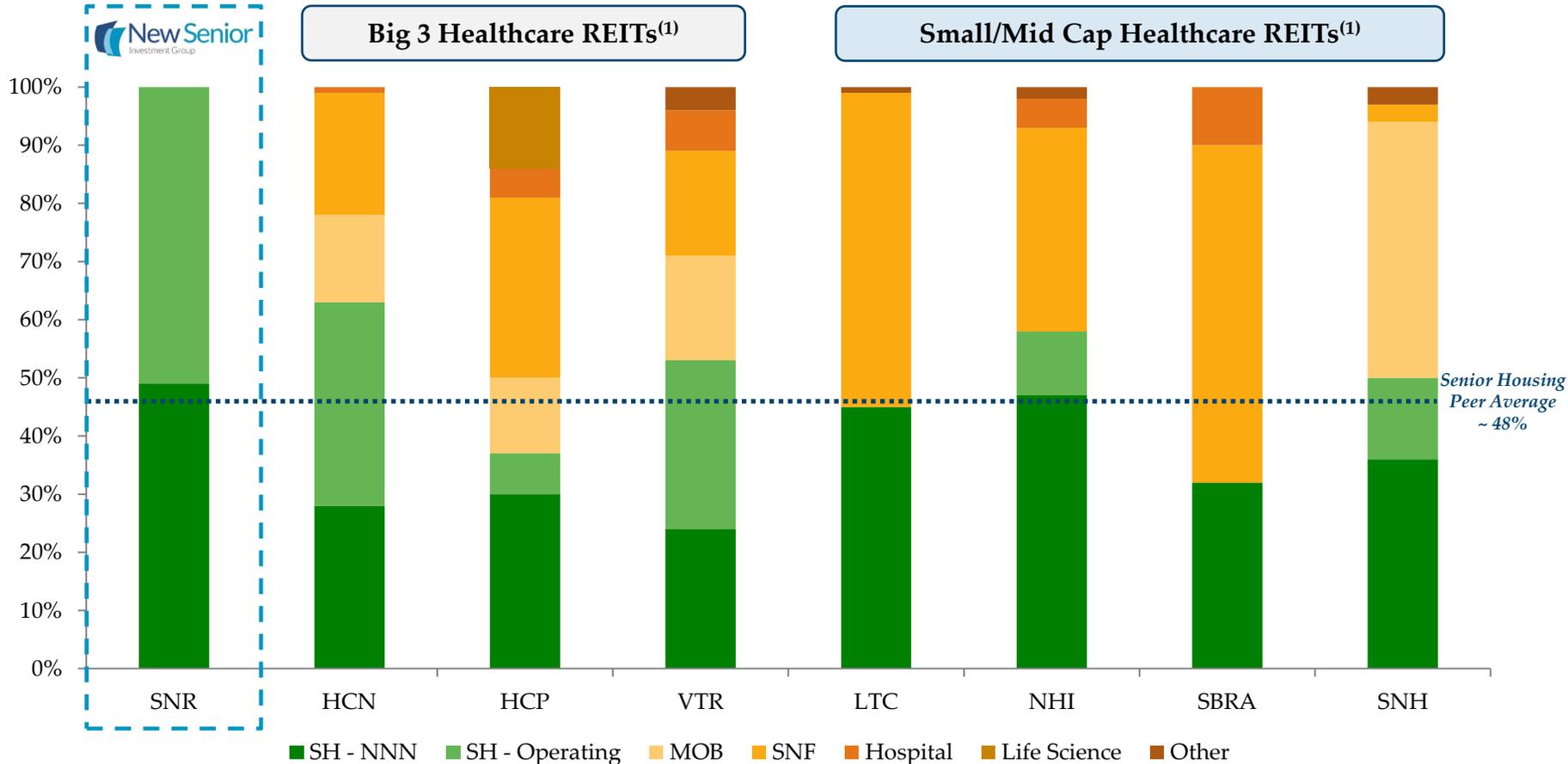


Best in Class Operator Mix



New Senior Portfolio Comparison vs. Peers⁽¹⁾

- New Senior expected to maintain its industry leading private pay senior housing portfolio mix
 - ✓ Superior private pay exposure compared to “Big 3” and small/mid cap healthcare REIT peers
 - ✓ Balanced mix between NNN (49%) and managed (51%)

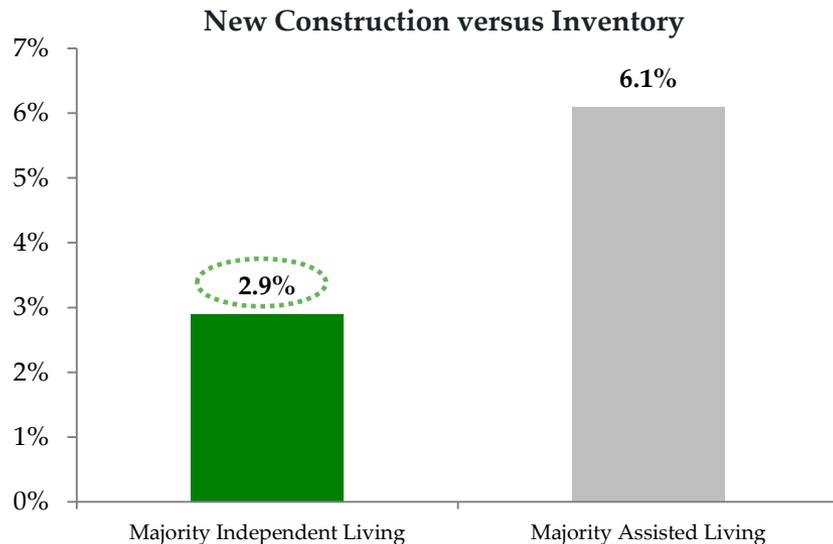


1) Portfolio mix data based on NOI. For SNR, based on 1Q pro forma NOI plus the acquisition of the Portfolio. Source: per company filings.

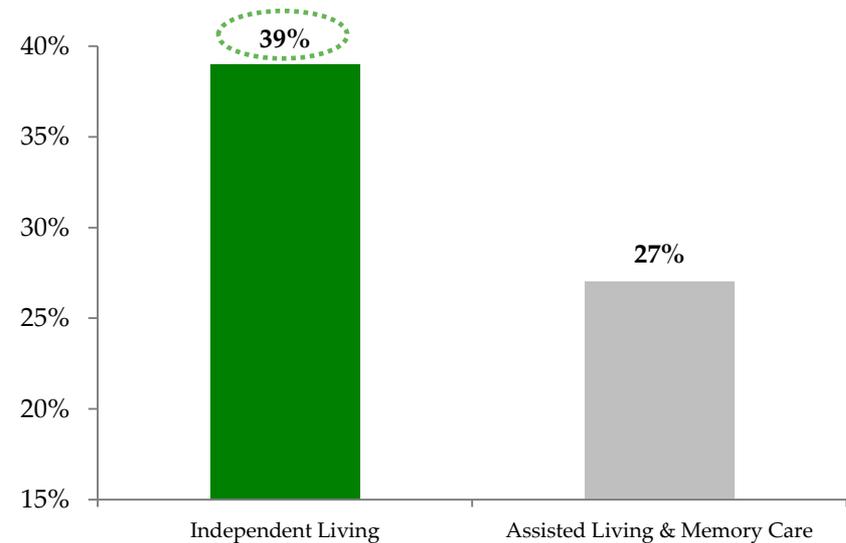
Why We Like Independent Living

- 1 Lower regulatory risk & oversight driven by lower acuity of care provided at IL properties
- 2 Less new supply in the market compared to AL/MC: **2.9%** new construction to inventory vs. **6.1%** for AL
- 3 Higher margins from lower operating expenses required in IL properties: **39%** margins vs. **27%** for AL
- 4 Average length of stay in IL of ~3 years compared to ~2 years in AL/MC

Lower New Supply for Majority IL⁽¹⁾



Higher Margins with IL Assets⁽²⁾



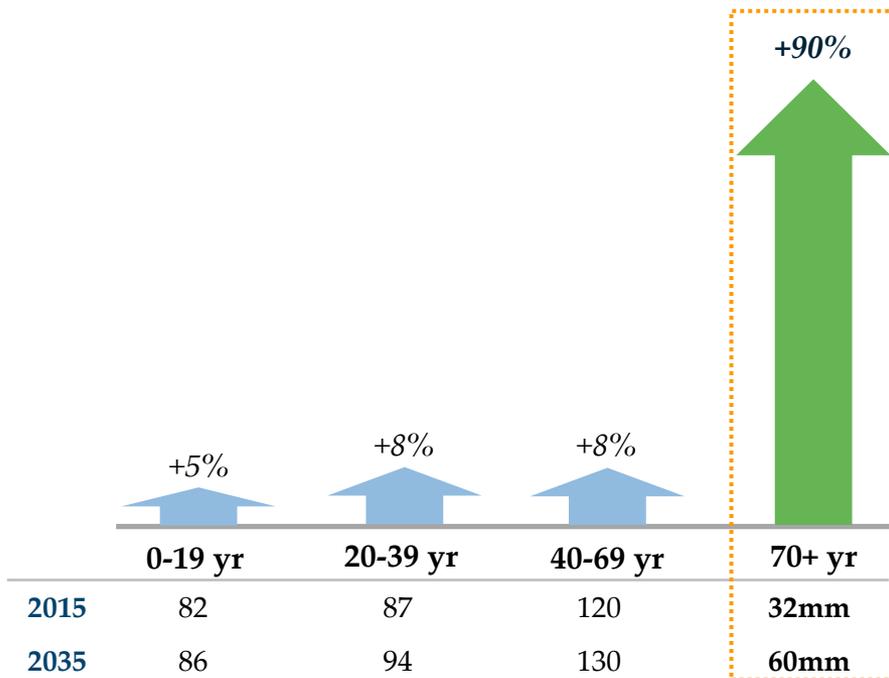
1) Data per the National Investment Center for the Seniors Housing and Care Industry (NIC) for 1Q 2015.

2) Based on 1Q Pro Forma NOI for the managed property segment.

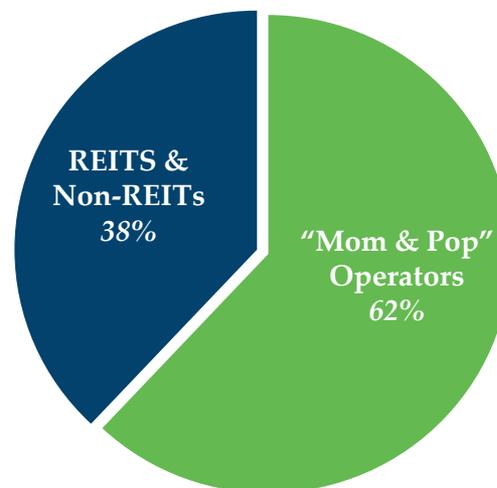
Strong Industry Fundamentals Generate Significant Demand

- U.S. 70+ population is expected to grow faster than any other age group; 32 million in 2015 → 60 million in 2035⁽¹⁾
- Industry is characterized by a significant supply-demand imbalance and high fragmentation
 - Estimated \$300 billion⁽²⁾ of senior housing assets in the U.S. – 62% of those properties are owned by “mom and pops”
- 4.1% of seniors over the age of 70 live in senior housing⁽¹⁾
 - 50bps increase in penetration rate to 4.6% would equate to 100% industry occupancy

Seniors Represent Fastest Growing Demographic⁽¹⁾



Dominated by “Mom & Pop” Owners⁽³⁾



1) United Nations Dept. of Economic & Social Affairs, July 2014, U.S. Census Bureau and NIC.

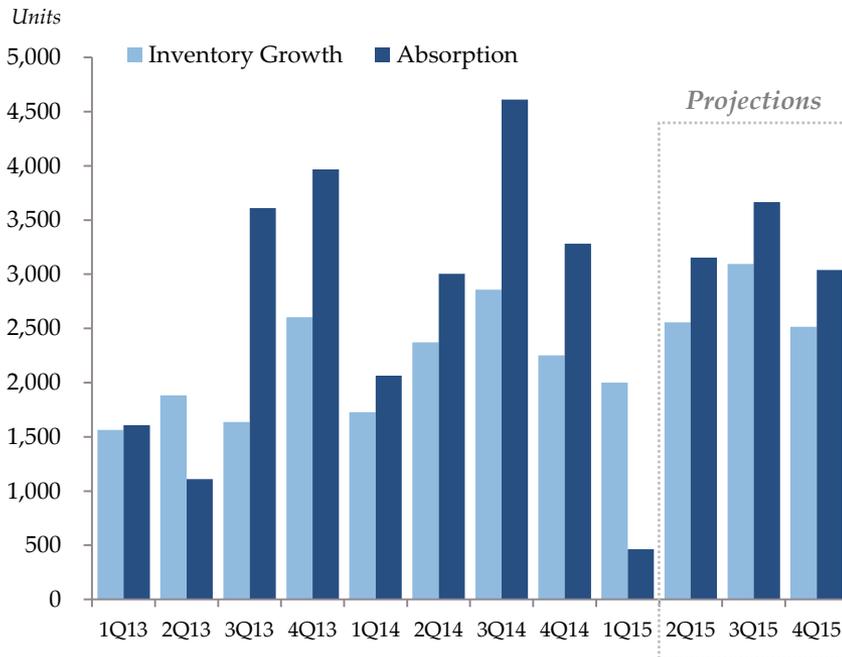
2) Based on management estimates.

3) 2013 ASHA 50 Report. Data as of June 2013.

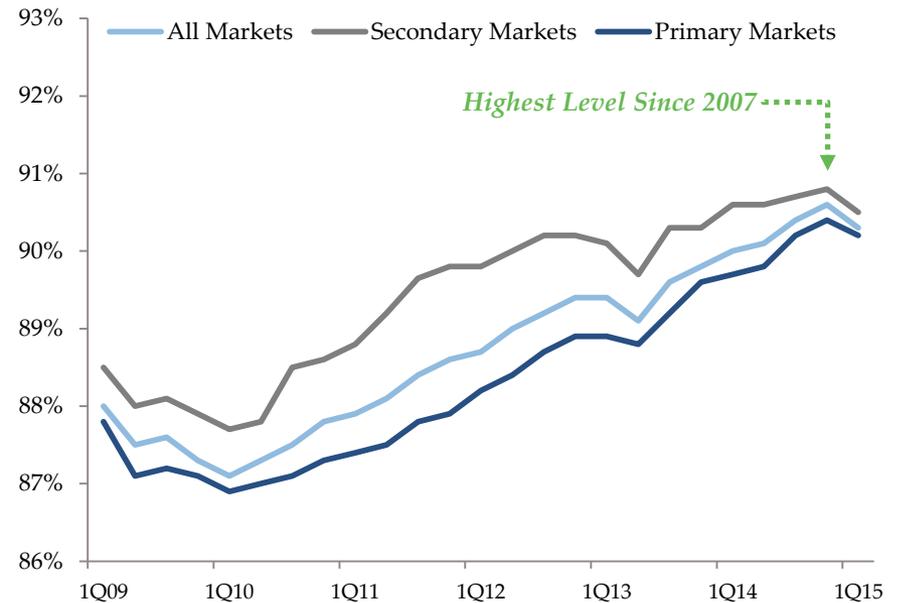
Demand Continues to Outpace New Supply⁽¹⁾

- Total industry supply of 1.4 million senior housing units
- Moderate increase in new supply has been offset by strong absorption
 - 2014 absorption was positive
 - ✓ 12,961 units absorbed versus 9,212 new units coming online
 - Occupancies recently reached 2007 highs
- Positive absorption expected to continue into 2015

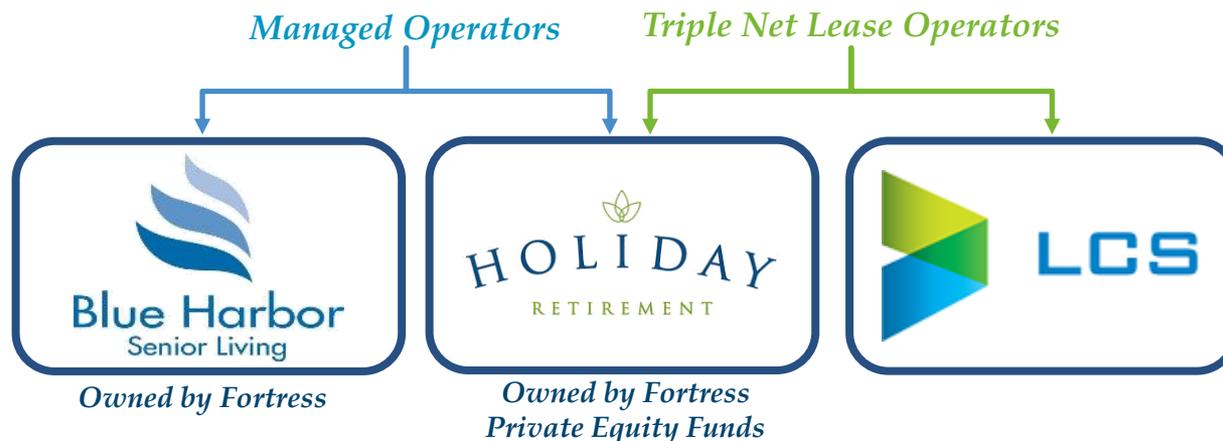
Demand Continues to Outpace New Supply...



...Leading to Increased Industry Occupancies



Utilizing Experienced and Best-in-Class Operators to Drive Growth



Operator Information⁽¹⁾

U.S. Ranking ⁽²⁾	--	2 nd largest operator	3 rd largest operator
Number of Properties Operated	26 properties	308 properties	116 properties
Property Type Focus	AL	IL	IL/AL/SNF
Geographic Presence	13 states	43 states	30 states

Relationship with SNR⁽¹⁾

Tenant	--	51 properties	6 properties
Third-Party Manager	24 properties	67 properties	--
% of NOI ⁽³⁾	14%	75%	8%

1) Operator information and information regarding relationship with SNR as of the date of this presentation. Excludes three other operators that manage or lease four properties.

2) Industry ranking per ALFA-2014 Largest Senior Living Providers.

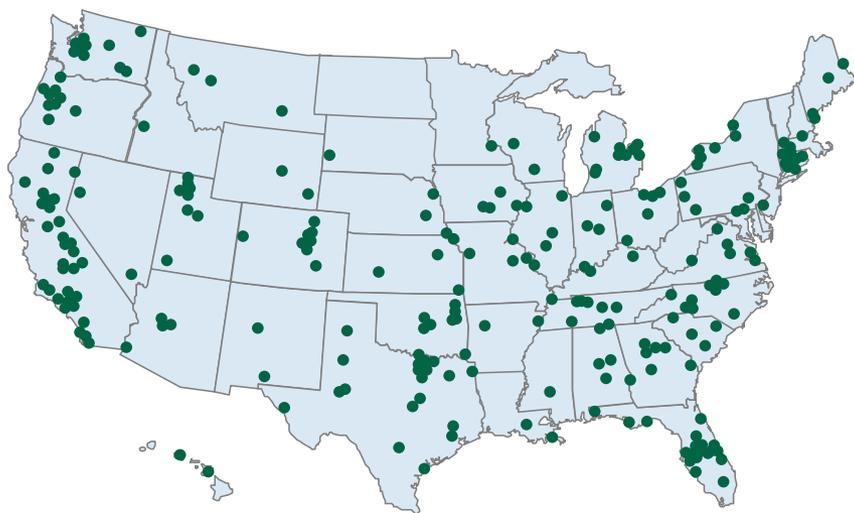
3) Based on 1Q pro forma NOI plus the acquisition of the Portfolio.

Holiday Retirement Overview

- Holiday Retirement is the largest independent living operator of senior housing in the U.S.
- Since Fortress's acquisition, Holiday transformed from a mom & pop operator to a professional manager
 - Operating platform was revamped to focus on property-level sales and expense efficiencies
- Occupancy has increased 1,100bps over the past 4 years to 92%⁽¹⁾

Large Footprint in America...

✓ Operates over 300 properties in 43 states, of which 118 properties are owned by New Senior



...With Homogeneous Portfolio

Over 90% of properties built with same building design



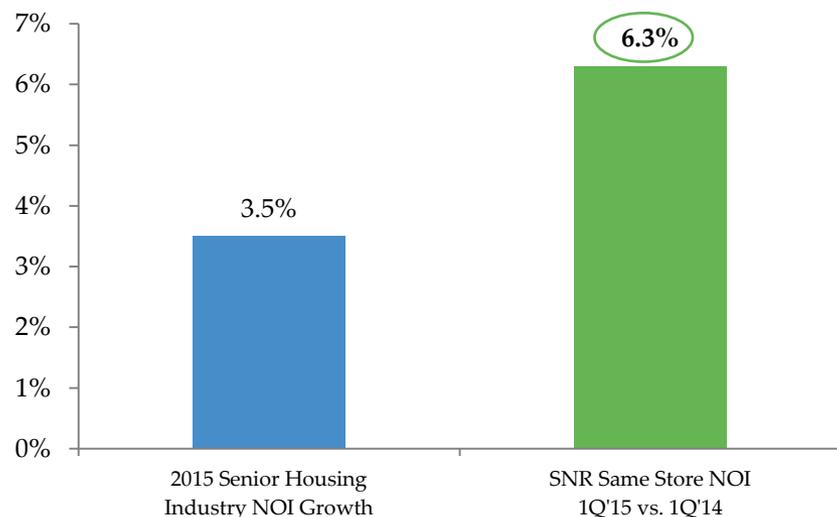
1) Occupancy rates provided by Holiday's management team.

New Senior's Portfolio Has Outperformed Overall Market

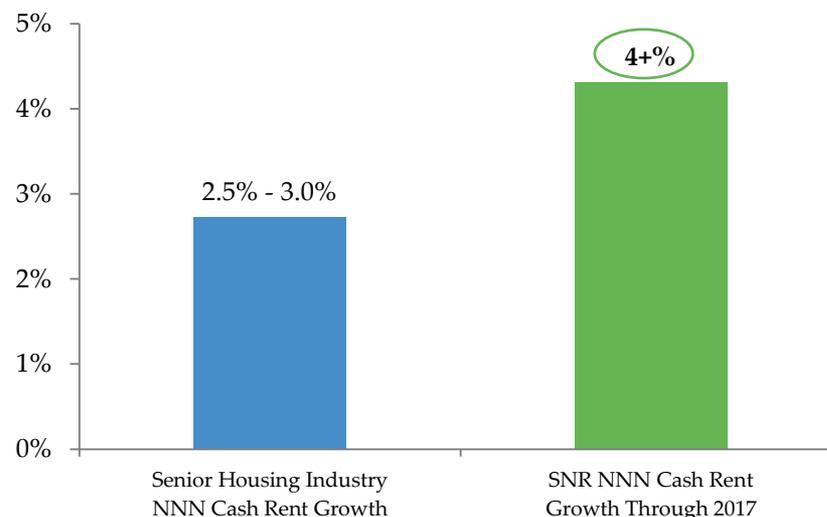
- Organic growth of SNR's existing portfolio expected to outperform the healthcare industry's average growth
 - Strong managed portfolio performance to date → 6.3% same store NOI growth (1Q'14 to 1Q'15) vs. 3.5% for peers⁽¹⁾
 - 4+% escalators in NNN portfolio through 2017 vs. 2.5% - 3% for peers

Managed Growth Compared to Peers^(1,2)

- Utilize best-in-class team to execute results-driven sales & marketing program
- Implement staffing efficiencies & corporate purchasing program



NNN Growth Compared to Peers⁽²⁾



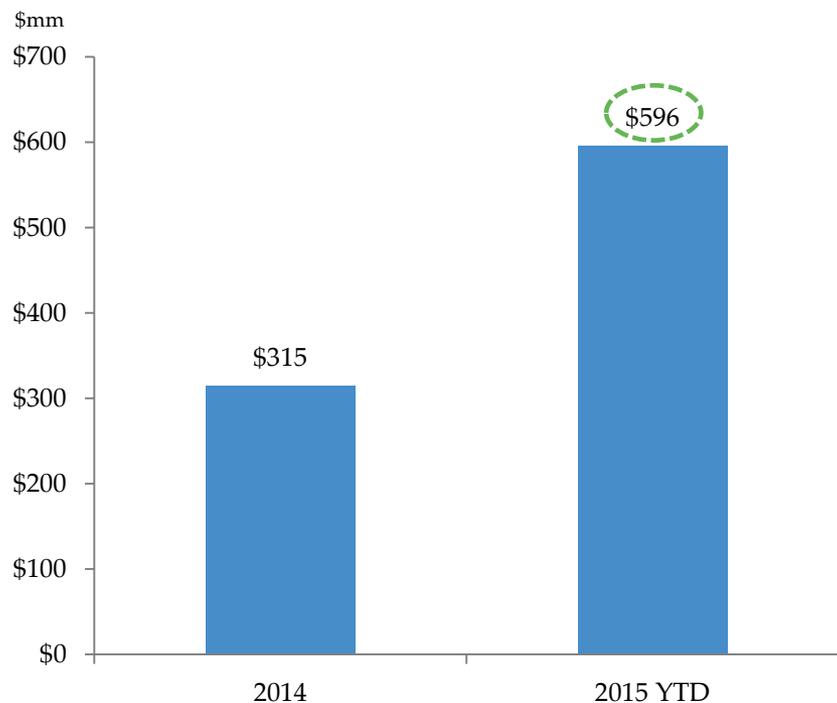
1) 1Q 2015 same store NOI excludes \$122,000 relating to the write-off of a receivable assumed at the time of an acquisition in the third quarter of 2013.

2) Industry managed NOI growth for Big 3 healthcare REITs (VTR, HCN and HCP) is 3.5% for 2015 per Green Street Advisors (May 2015), and industry NNN rent growth average is 2.5% - 3% per management estimates.

Robust Acquisition Activity Expected to Drive Additional Growth

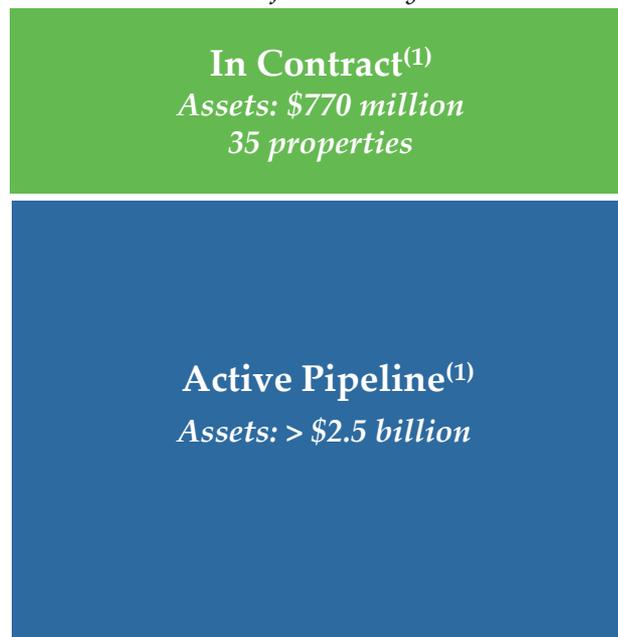
- Investment activity year-to-date in 2015 has already exceeded 2014 full year volume
- Incredibly active market with strong pipeline of potential deals (mixture of small deals & larger opportunities)
 - ✓ Over \$2.5 billion acquisition pipeline (\$770 million “in contract”; greater than \$2.5 billion “active pipeline”⁽¹⁾)
 - ✓ Track record of executing on pipeline – grown portfolio from 12 properties in 2012 to 152 properties pro forma for the acquisition

Acquisition Activity Already Exceeds 2014



Acquisition Pipeline Remains Active

Target off-market, non-brokered transactions with favorable yields



1) “In contract” includes investments with a signed purchase and sale agreement or letter of intent with binding exclusivity provisions. “Active pipeline” includes investments that we are actively pursuing but with respect to which we have not yet signed a purchase and sale agreement or letter of intent. There can be no assurance that such acquisitions will be completed.

Summary & Looking Forward

1

Significant Initiatives Completed Since Spin

- Invested majority of cash in high-quality, private pay independent living facilities
- Completed \$670 million Freddie Mac financing in March at attractive rate of L+234bps
 - ✓ Refinanced ~\$290 million of floating rate debt / achieved 190bps of interest rate savings
- Increased dividend 13% in 2Q 2015

2

Robust Acquisition Pipeline

- \$596 million of acquisitions closed YTD already; significantly ahead of 2014 volume
- \$770 million of private pay senior housing acquisitions in contract⁽¹⁾ (including \$640 million acquisition of 28 independent living properties)
- Increasing number of opportunities in the market – strong pipeline

3

Strong Performance from Existing Portfolio

- Impressive same store NOI growth of 6.3% on managed portfolio⁽²⁾
- Sequential quarter occupancy growth trending ahead of industry averages
- Stable rent coverage on NNN portfolio

1) There can be no assurance that such acquisitions will be completed.

2) 1Q 2015 same store NOI excludes \$122,000 relating to the write-off of a receivable assumed at the time of an acquisition in the third quarter of 2013.

Appendix

External Management Structure Aligned with Shareholders

New Senior is externally managed by an affiliate of Fortress Investment Group

1

- **Continue to leverage the expertise of our manager – an affiliate of Fortress Investment Group**
 - Leading, highly diversified global investment management firm with \$69.9 billion in AUM
 - ~15 years of experience investing in senior housing industry → Brookdale and Holiday
 - Industry presence provides access to significant acquisition opportunities

2

- **Simple fee structure that is aligned with shareholders⁽¹⁾**
 - Base management fee of 1.5% of invested equity
 - Incentive fee provides alignment: 25% of amount earned above a 10% return on invested equity (cumulative test)
 - Total G&A in-line with peers

3

- **Leverage Fortress national vendor contracts to lower operating expenses**
 - New Senior benefits from combined purchasing power of Fortress portfolio companies
 - ✓ Savings on food and beverage, utilities and maintenance supplies for operators