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# New Senior Investment Group Quarterly Investor Presentation

*First Quarter 2015*

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# Forward-Looking Statements, Non-GAAP and Other Information

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**IN GENERAL.** This disclaimer applies to this document and the verbal or written comments of any person presenting it. This document, taken together with any such verbal or written comments, is referred to herein as the “Presentation.” Throughout this Presentation, New Senior Investment Group Inc. (NYSE: SNR) is referred to as “New Senior,” “SNR” or “we.”

**FORWARD-LOOKING STATEMENTS.** 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 our acquisition pipeline, our expectation that acquisitions will add meaningful growth to earnings, our expectation that organic growth of New Senior’s portfolio will outperform the healthcare industry’s average growth, our estimates of initial yields, which represent year 1 projections, and occupancy trends. These statements are not historical facts. They represent management’s current expectations regarding future events and are subject to a number of trends and uncertainties, many of which are beyond our control, that could cause actual results to differ materially from those described in the forward-looking statements. For instance, our acquisition pipeline is subject to varying degrees of diligence, and there can be no assurance that we will be able to source high quality assets, obtain adequate financing on attractive terms for new acquisitions or complete acquisitions with attractive yields. Accordingly, you should not place undue reliance on any forward-looking statements contained herein. For a discussion of some of the risks and important factors that could affect such forward-looking statements, see the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s annual and quarterly reports filed with the Securities and Exchange Commission, which are available on the Company’s website ([www.newseniorinv.com](http://www.newseniorinv.com)). 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. Forward-looking statements contained herein speak only as of the date of this presentation, and 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.

**NON-GAAP FINANCIAL INFORMATION.** This Presentation includes information based on financial measures that are not recognized under generally accepted accounting principles (“GAAP”), such as total NOI, Normalized FFO, AFFO and Normalized FAD. You should use non-GAAP information in addition to, and not as an alternative to, financial information prepared in accordance with GAAP. See Reconciliation and Glossary at the end of this Presentation for reconciliations to the most comparable GAAP measures and an explanation of each of our non-GAAP measures. Our non-GAAP measures may not be identical or comparable to measures with the same name presented by other companies.

**PAST PERFORMANCE.** In all cases where historical results are presented or past performance is described, we note that past performance is not a reliable indicator of future results and performance.

# Executive Summary

*New Senior Investment Group (NYSE: SNR) is a \$2+ billion publicly traded REIT focused on independent living (IL) & assisted living/memory care (AL/MC) senior housing assets<sup>(1)</sup>*

- **Only pure-play, publicly-traded senior housing REIT – spun from Newcastle Investment Corp. on November 6, 2014**
  - 90% of portfolio NOI comprised of private pay senior housing properties<sup>(2)</sup>
  - Diversified portfolio contains 124 properties with over 15,600 beds, across 32 states<sup>(3)</sup>
  
- **Continued strong portfolio performance in 1Q'15**
  - Total NOI of \$39.6 million – up from \$32.3 million in 1Q'14<sup>(2)</sup>
  - Same store NOI growth for managed portfolio of 6.3% (1Q'15 vs. 1Q'14)<sup>(4)</sup>
  - Stable EBITDARM coverage for NNN portfolio of 1.30x
  
- **Normalized FFO per share of \$0.27 for 1Q'15**
  - Pro forma for year-to-date acquisitions and debt refinancing: \$0.35 per share (\$1.40 per share on an annualized basis)<sup>(5)</sup>
  
- **Continue building acquisition track record with more than \$3 billion investment pipeline**
  - \$596 million of high-quality acquisitions completed year-to-date → exceeds total 2014 volume of \$315 million

1) \$2+ billion represents enterprise value as of March 31, 2015.

2) Total NOI (the sum of the NOI from each of New Senior's segments) is a non-GAAP measure; see GAAP reconciliation at the end of this presentation.

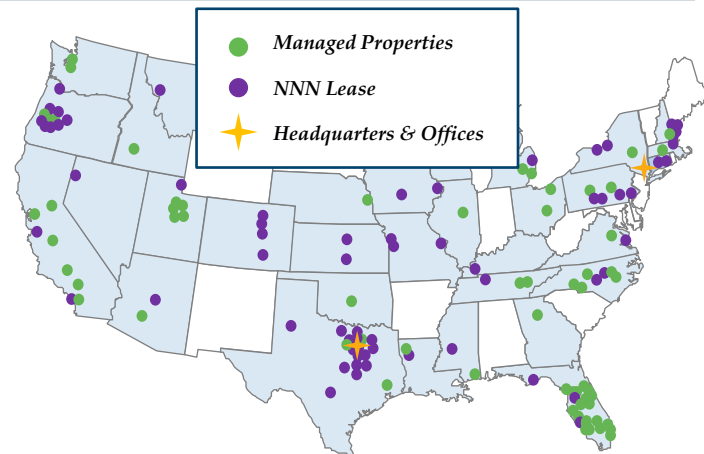
3) Represents portfolio as of the date hereof. For details regarding portfolio as of March 31, 2015, see Appendix.

4) 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.

5) Pro forma NFFO is an illustrative/hypothetical value, which represents 1Q'15 NFFO with adjustments to (1) include 3 months of NFFO attributable to acquisitions completed during and subsequent to quarter end, based on underwriting assumptions for the months in which we did not own an asset for the entire month and (2) reflect 3 months of interest expense from the new financing completed at the end of the first quarter.

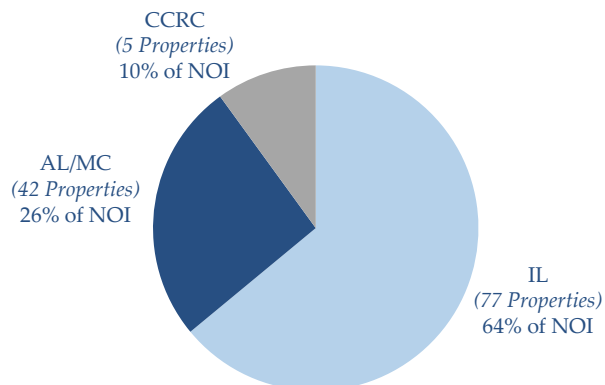
# New Senior Overview

- **The only publicly-traded pure play senior housing REIT**
  - One of the largest owners of senior housing:<sup>(1)</sup>
    - ✓ \$2.6 billion enterprise value and \$1.1 billion market cap
    - ✓ 124 properties, 15,600 beds across 32 states<sup>(1)</sup>
- **90% private pay independent and assisted living properties<sup>(2)</sup>**
- **41% managed and 59% triple net leased (“NNN”)<sup>(2)</sup>**

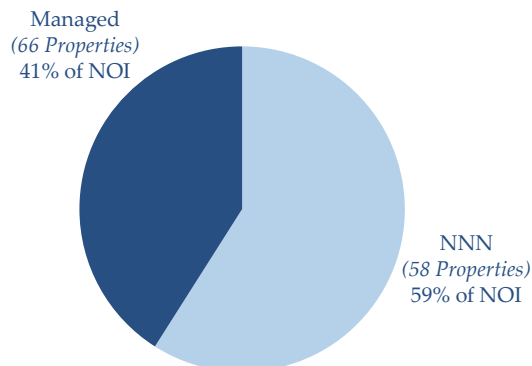


## New Senior's Portfolio Composition<sup>(2)</sup>

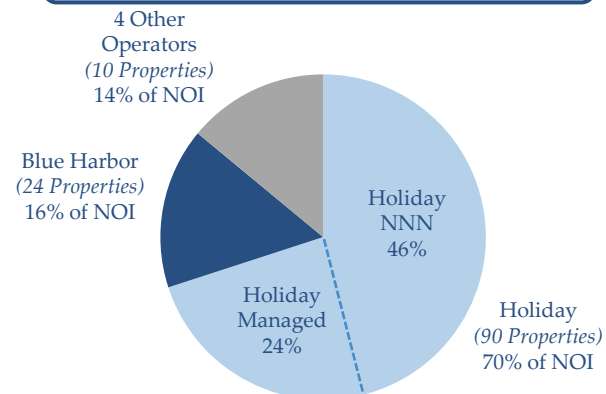
### Majority Private Pay



### Balanced Managed/NNN Mix



### Best in Class 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. Includes three properties acquired during 2Q 2015.

2) Calculated based on annualized 1Q 2015 pro forma NOI. See Appendix for portfolio data as of 3/31/15 and Glossary for explanation of pro forma NOI.

# 1Q 2015 Highlights – A Strong Start to the Year<sup>(1)</sup>

1

*Achieved Solid Results & Strong Portfolio Performance vs. Industry*

- Normalized FFO per share of \$0.27 and AFFO per share of \$0.22 for 1Q
  - ✓ Pro forma Normalized FFO: \$0.35 per share (annualized \$1.40 per share)
- Total annualized NOI increased 22.7% from **\$129** million in 1Q'14 to **\$158** million in 1Q'15
  - ✓ Pro forma annualized NOI of **\$191** million
- Same store NOI growth for managed portfolio of 6.3% from 1Q'14 to 1Q'15<sup>(2)</sup>

2

*Continued Track Record of Growth at Attractive Valuations*

- \$596 million of senior housing properties acquired year-to-date (\$315 million acquired in 2014)
  - ✓ Majority private pay: 21 IL, 2 AL/MC and 1 rental CCRC
- Grew portfolio from 86 properties in 1Q 2014 to 124 properties today

3

*Lowered Cost of Debt & Improved Capital Structure*

- Completed \$670 million Freddie Mac financing in March → L+234 / 7 year term
- Significantly lowered cost of funds on floating rate debt → \$0.085 per share of annual savings
- Decreased overall cost of funds by 85bps

1) See Glossary for explanation of pro forma results.

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.

# Accretive Acquisitions & Strategic Initiatives Driving Growth<sup>(1)</sup>

- 1Q 2015 actual results exclude the full impact of year-to-date acquisitions and the refinancing
  - \$596 million of senior housing properties acquired year-to-date expected to add meaningful growth to earnings
- Annualized Pro Forma Normalized FFO of \$93 million (\$1.40 per share) and AFFO of \$81 million (\$1.22 per share)
- Significant YoY NOI growth; \$32 million in 1Q 2014 to \$40 million in 1Q 2015 and \$48 million Pro Forma

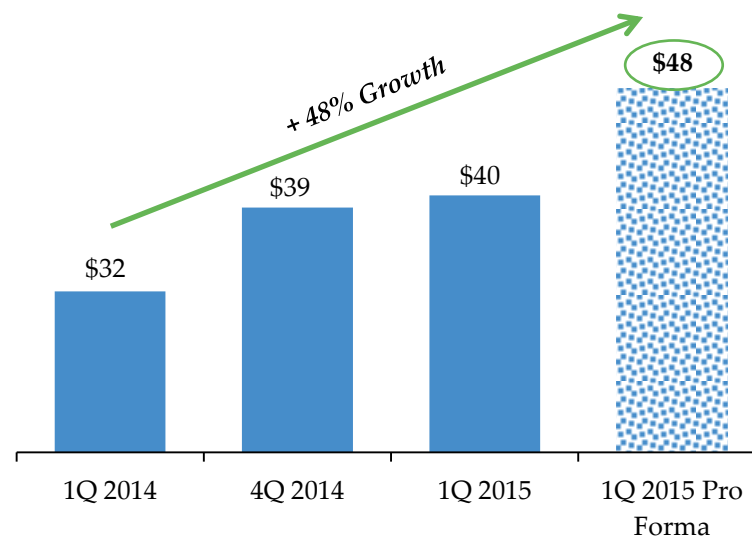
## Actual and Pro Forma Results<sup>(1)</sup>

(\$ in millions, except per share)

	1Q 2015 Actual Results	1Q 2015 Annualized Pro Forma Results
NOI	\$39.6	\$191
Normalized FFO	\$17.9	\$93
<i>Normalized FFO per share</i>	<i>\$0.27</i>	<i>\$1.40</i>
AFFO	\$14.9	\$81
<i>AFFO per share</i>	<i>\$0.22</i>	<i>\$1.22</i>

## Significant NOI Growth

- ✓ Actual Year-Over-Year growth of 22.7%
- ✓ Pro Forma Year-Over-Year growth of 48.0%



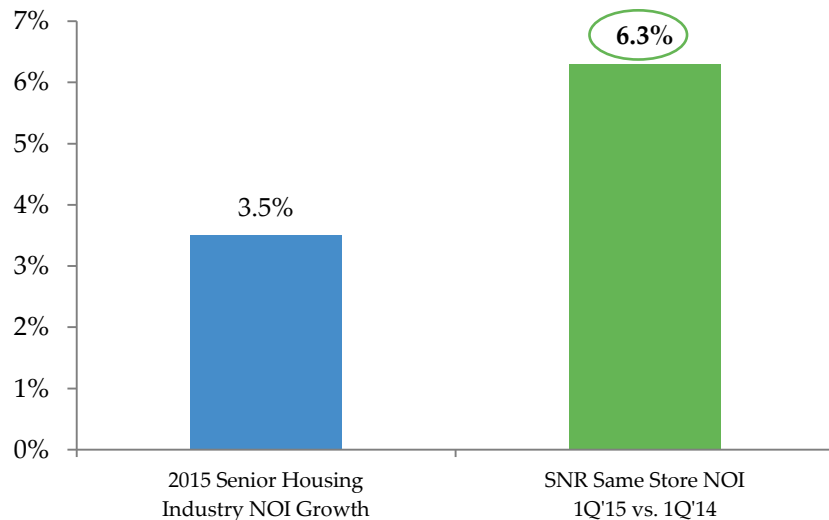
1) See Glossary for explanation of pro forma results. Pro forma results are illustrative/hypothetical values and do not represent New Senior's historical performance or management's projections for any future reporting period.

# SNR Portfolio Outperforming Overall Market

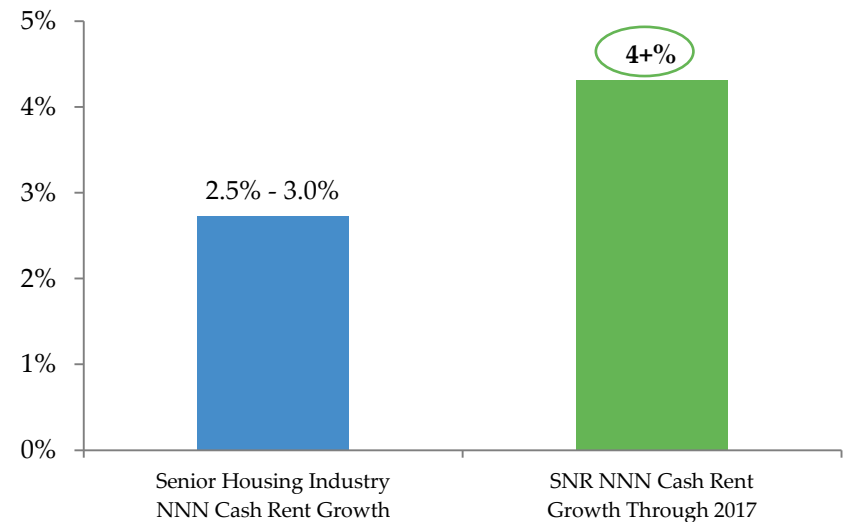
- Organic growth of SNR's existing portfolio expected to outperform the healthcare industry's average growth
  - Strong managed portfolio performance to date → 6.3% same store NOI growth (1Q'14 to 1Q'15) vs. 3.5% for peers<sup>(1)</sup>
  - 4+% escalators in NNN portfolio through 2017 vs. 2.5% - 3% for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

## Managed Growth Compared to Peers<sup>(1,2)</sup>

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



## NNN Growth Compared to Peers<sup>(2)</sup>



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 (March 2015), and industry NNN rent growth average is 2.5% - 3% per management estimates.



# 1Q Managed Portfolio Performance

*Same store pool continuing to deliver strong results for managed portfolio*

- **Strong same store year-over-year performance for 1Q'15<sup>(1)</sup>**
  - Occupancy increased **40bps** over prior year
  - NOI increased **6.3%** and NOI margin increased **30bps** over prior year
- **Same store sequential quarter performance for 1Q'15 outperforms the industry<sup>(1)</sup>**
  - Occupancy increased **20bps** over prior quarter

## Year-Over-Year Comparison

	Total			Same Store		
	1Q 2014	1Q 2015	Δ	1Q 2014	1Q 2015 <sup>(1)</sup>	Δ
# of Properties	35	64	29	33	33	--
Occupancy	83.4%	83.7%	30bps	83.1%	83.5%	40bps
NOI	\$9,978	\$12,917	29.5%	\$9,587	\$10,191	6.3%
NOI margin	28.1%	27.4%	(70bps)	28.0%	28.3%	30bps

## Sequential Quarter Comparison

	Total			Same Store		
	4Q 2014	1Q 2015	Δ	4Q 2014	1Q 2015 <sup>(1)</sup>	Δ
# of Properties	43	64	21	42	42	--
Occupancy	83.6%	83.7%	10bps	83.5%	83.7%	20bps
NOI	\$11,995	\$12,917	7.7%	\$11,864	\$11,877	0.1%
NOI margin	27.4%	27.4%	--	27.3%	27.2%	(10bps)

# 1Q Triple-Net Lease Portfolio Performance



## Triple-Net Portfolio Statistics

✓ No lease expirations until 2029

	4Q'14	1Q'15
Properties	57	57
Beds	7,074	7,074
TTM Occupancy <sup>(1)</sup>	87.8%	88.0%
TTM EBITDARM Coverage <sup>(1)</sup>	1.32x	1.30x

## Holiday Transaction – Closed December 2013

- Diversified portfolio of 51 IL properties across 24 states
- \$1.0 billion acquisition and 17-year triple net lease with Holiday
  - ✓ GAAP yield of 8.9%<sup>(2)</sup>
  - ✓ Initial cash lease yield of 6.5% with 4.5% annual escalators in years 2 to 4 and minimum of 3.5% thereafter<sup>(2)</sup>

## LCS Transaction – Closed June 2014

- Regional Texas portfolio with four rental CCRC's, one IL property, and one AL/MC property (6 assets total)
- \$185 million acquisition and 15-year triple net lease with subsidiary of LCS
  - ✓ GAAP yield of 9.5%<sup>(2)</sup>
  - ✓ Initial cash lease yield of 7.6% with 3.75% annual escalators in years 2 to 4 and 2.5% thereafter<sup>(2)</sup>

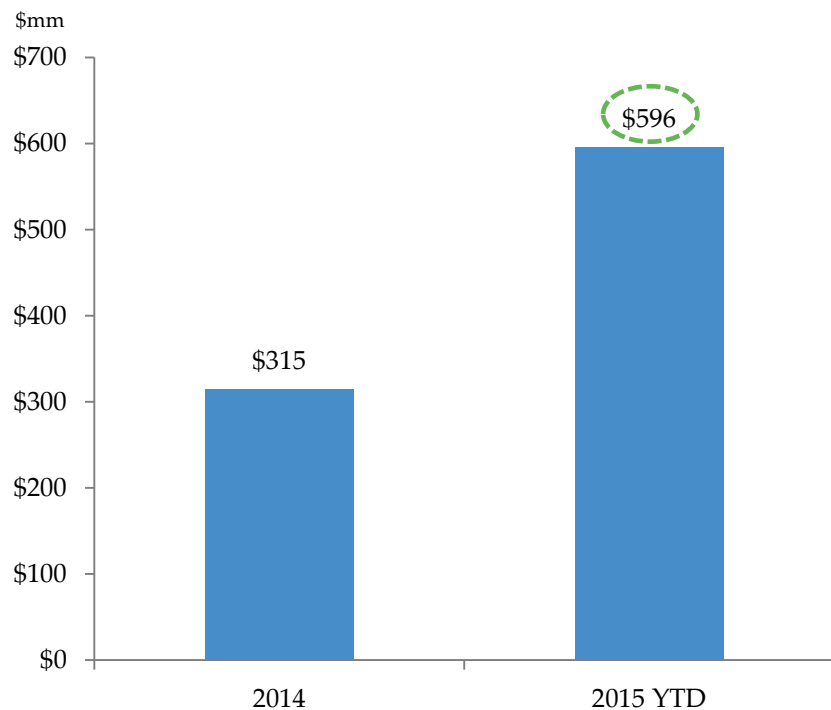
1) Occupancy and EBITDARM coverage is presented one quarter in arrears from the date reported on a trailing twelve month basis.

2) GAAP yield and cash lease yield represent first year GAAP revenue or lease payment required by contract, as applicable, divided by property purchase price.

# 1Q Robust Acquisition Activity to Drive 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 \$3 billion acquisition pipeline (\$129 million “in contract”; greater than \$3 billion “active pipeline”<sup>(1)</sup>)
  - ✓ Track record of executing on pipeline – grown portfolio from 12 properties in 2012 to 124 properties today

## 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.

# 1Q Financial Overview

## 1Q Earnings (non-GAAP)<sup>(1)</sup>

- ✓ NOI of \$39.6 million
- ✓ Normalized FFO of \$17.9 million, or \$0.27 per share
- ✓ AFFO of \$14.9 million, or \$0.22 per share
- ✓ Normalized FAD of \$13.4 million, or \$0.20 per share

## Pro Forma Earnings (non-GAAP)<sup>(1)</sup>

- ✓ NOI of \$47.8 million
- ✓ Normalized FFO of \$23.3 million, or \$0.35 per share
- ✓ AFFO of \$20.3 million, or \$0.31 per share
- ✓ Normalized FAD of \$18.5 million, or \$0.28 per share

	4Q 2014		1Q 2015		1Q 2015 Pro Forma <sup>(2)</sup>		
	(\$mm)	(\$/ WA basic/diluted share)	(\$mm)	(\$/ WA basic/diluted share)	(\$mm)	(\$/ WA basic/diluted share)	(Per Share Annualized)
<b><i>Earnings (non-GAAP)</i></b>							
<i>NOI</i>	\$38.7	--	\$39.6	--	\$47.8	--	--
<i>Normalized FFO<sup>(2)</sup></i>	17.3	\$0.26	17.9	\$0.27	23.3	\$0.35	\$1.40
<i>AFFO<sup>(2)</sup></i>	12.9	\$0.19	14.9	\$0.22	20.3	\$0.31	\$1.22
<i>Normalized FAD</i>	--	--	13.4	\$0.20	18.5	\$0.28	\$1.12
<i>Common Dividend</i>	15.3	\$0.23	15.3	\$0.23	15.3	\$0.23	\$0.92
<b><i>Balance Sheet</i></b>							
<i>Gross Assets</i>	\$2,102	--	\$2,494	--	\$2,564	--	--
<i>Total Debt</i>	1,223	--	1,615	--	1,685	--	--

(1) See Reconciliation and Glossary for reconciliations to GAAP measures and explanation of pro forma results. Pro forma results are illustrative/hypothetical values and do not represent New Senior's historical performance or management's projections for any future reporting period.

(2) In 1Q 2015, SNR reclassified a portion of acquisition-related expenses previously included in G&A into Acquisition, Transaction & Integration expenses. The reclassification has not been applied to any prior periods. If the reclassification were applied to 4Q 2014 results, NFFO would have been \$0.27 per share and AFFO would have been \$0.20 per share.

# 1Q Operating Segment Overview

## Year-Over-Year Total Portfolio Performance:

- ✓ NOI increased from \$32 million in 1Q 2014 to \$40 million in 1Q 2015

	1Q'14	2Q'14	3Q'14	4Q'14	1Q'15	YoY Δ
<i>Total Portfolio</i>						
<i>Ending Properties</i>	86	95	99	100	121	35
<i>Rentable Beds</i>	10,563	11,977	12,377	12,436	15,034	4,471
<i>Avg. Occupancy</i>	83%	87%	87%	86%	86%	300bps
<i>NOI (\$mm)</i>	\$32	\$33	\$38	\$39	\$40	22.7%
<b>1</b> <i>Managed Portfolio</i>						
<i>Ending Properties</i>	35	38	42	43	64	29
<i>Rentable Beds</i>	4,723	4,870	5,303	5,362	7,960	3,237
<i>Avg. Occupancy<sup>(1)</sup></i>	83%	83%	84%	84%	84%	100bps
<i>NOI (\$mm)</i>	\$10	\$11	\$12	\$12	\$13	29.5%
<b>2</b> <i>NNN Portfolio</i>						
<i>Ending Properties</i>	51	57	57	57	57	6
<i>Rentable Beds</i>	5,840	7,107	7,074	7,074	7,074	1,234
<i>Avg. Occupancy<sup>(1)</sup></i>	n/a	89%	90%	88%	88%	n/a
<i>NOI (\$mm)</i>	\$22	\$22	\$27	\$27	\$27	19.6%


1) Managed and NNN properties occupancy are based on average occupied beds divided by average available beds. NNN occupancy is presented one quarter in arrears from the date reported.

# 1Q Capital Structure Improvements

*New Senior completed \$670 million financing with Freddie Mac at the end of 1Q 2015, improving overall cost of funds by 85bps*

- Debt refinancing optimizes New Senior's capital structure
  - Pricing of L + 234 bps and term of 7 years; hedged against potential increases in rates
  - Extended weighted average maturity on total debt

## Summary Capital Structure

	4Q 2014		1Q 2015	
	\$mm	Effective Rate <sup>(1)</sup>	\$mm	Effective Rate <sup>(1)</sup>
Existing Floating Debt	\$399	4.32%	\$114	3.63%
New Debt	--	--	\$679	2.68%
Total Floating Debt	\$399	4.32%	\$793	2.81%
<i>% of Total</i>	33%		49%	
Total Fixed Debt	\$824	5.04%	\$822	5.04%
<i>% of Total</i>	67%		51%	
<b>Total Debt</b>	<b>\$1,223</b>	<b>4.81%</b>	<b>\$1,615</b>	<b>3.96%</b> 

*85bps of improvement*

1) Includes the amortization of discount / premium and deferred financing costs on mortgage notes payable.

# 1Q Summary & Looking Forward

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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

2

## *Robust Acquisition Pipeline*

- \$596 million of acquisitions closed YTD already; significantly ahead of 2014 volume
- Continued focus on acquiring high-quality private pay senior housing assets
- Increasing number of opportunities in the market – strong pipeline going into 2Q

3

## *Strong Performance from Existing Portfolio*

- Impressive same store NOI growth of 6.3% on managed portfolio<sup>(1)</sup>
- Sequential quarter occupancy trending ahead of industry averages
- Stable rent coverage on NNN portfolio

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.

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## Appendix: Supplemental Information

*Unless stated otherwise, all amounts in this section are actual results for the quarter ended March 31, 2015 and therefore do not reflect a full quarter's contribution from acquisitions completed during the quarter or any acquisition activity subsequent to quarter end.*

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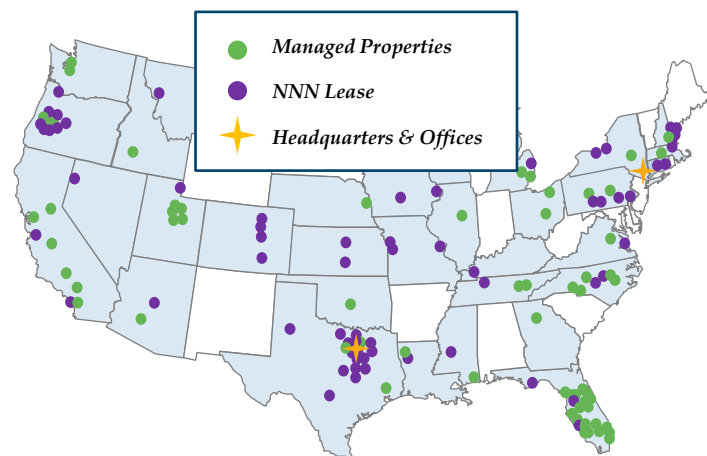
# Portfolio Overview

## Portfolio Summary<sup>(1)</sup>

(\$ in thousands)

	Properties	Beds	Units	States	Investment	TTM Results			1Q'15 Annualized	
						EBITDARM Coverage	Rev. Quality Mix	1Q 2015 Average Occupancy <sup>(2)</sup>	Revenue	NOI
Senior Housing – Managed	64	7,960	7,329	22	\$1,132,582	N/A	95%	83.7%	\$188,751	\$51,669
Senior Housing – NNN	57	7,074	6,960	24	1,185,058	1.30x	100%	88.0%	106,688	106,688
<b>Total</b>	<b>121</b>	<b>15,034</b>	<b>14,289</b>	<b>31</b>	<b>\$2,317,640</b>		<b>98%</b>		<b>\$295,439</b>	<b>\$158,357</b>

## Portfolio Diversification



## Financial Summary<sup>(1)</sup>

(\$ in millions, except per share amounts)

	1Q'15	
	Amount	Per Share
<b>Segment NOI</b>		
Managed Properties	\$12.9	--
NNN Lease Properties	\$26.7	--
<b>Total Segment NOI</b>	<b>\$39.6</b>	<b>--</b>
<b>Normalized FFO</b>	<b>\$17.9</b>	<b>\$0.27</b>
<b>AFFO</b>	<b>\$14.9</b>	<b>\$0.22</b>
<b>Normalized FAD</b>	<b>\$13.4</b>	<b>\$0.20</b>

1) See Reconciliation and Glossary for explanations of terms, reconciliations of total NOI, Normalized FFO, AFFO and Normalized FAD to GAAP measures.

2) Occupancy of managed and triple net ("NNN") properties is based on average occupied beds divided by average available beds. NNN occupancy and EBITDARM coverage is presented one quarter in arrears from the date reported on a trailing twelve month basis.

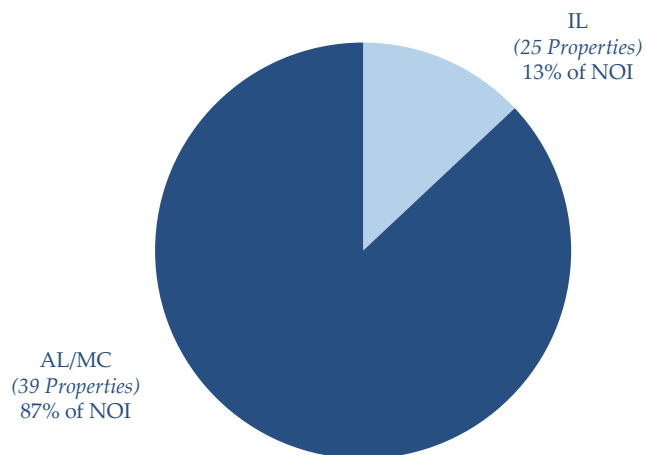
# Portfolio Overview - Managed Portfolio

- Acquisition strategy focused on undermanaged properties to deliver higher growth
- 64 properties; 7,960 beds; 22 states
- 4 operator relationships
  - *Holiday: Largest IL operator in U.S.*
  - *Blue Harbor: Regional AL/MC operator with 25+ asset portfolio*
  - *1 other seasoned operator*

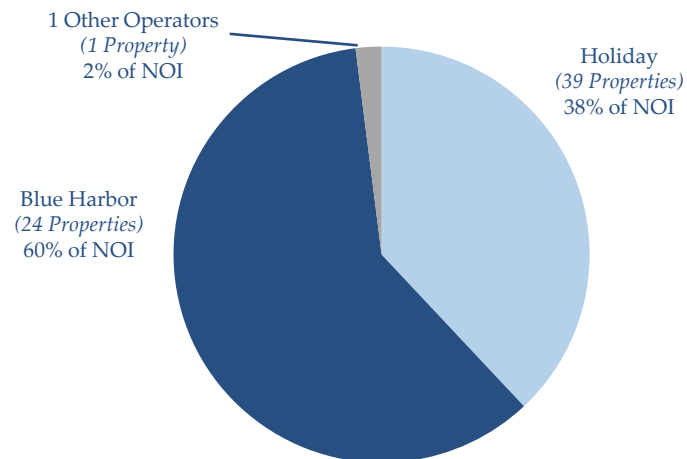
## Geographic Diversification

State	Properties	% of NOI
Florida	19	27%
California	6	12%
Texas	3	11%
Utah	5	9%
Oregon	2	7%
Other 17 States	29	34%
<b>Total</b>	<b>64</b>	<b>100%</b>

## Property Type Diversification



## Operator Diversification



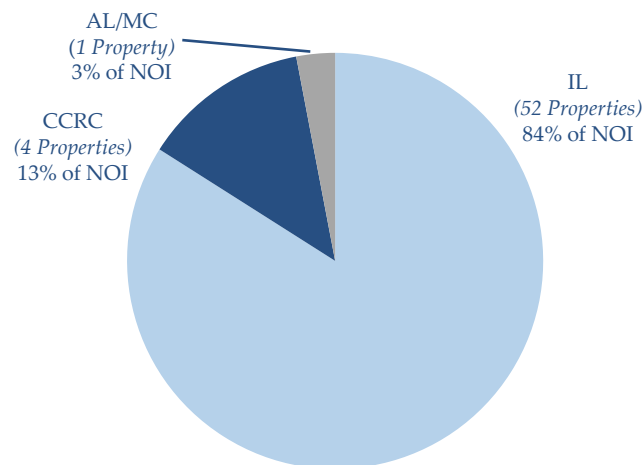
# Portfolio Overview - Triple Net Portfolio

- Triple net portfolio provides stable and predictable cash flow<sup>(1)</sup>
  - 4+% blended annual escalators through 2017
- 57 properties; 7,074 beds; 24 states
- 2 operator relationships
  - *Holiday: Largest IL operator in U.S.*
  - *LCS: 3<sup>rd</sup> largest senior housing operator in U.S.*

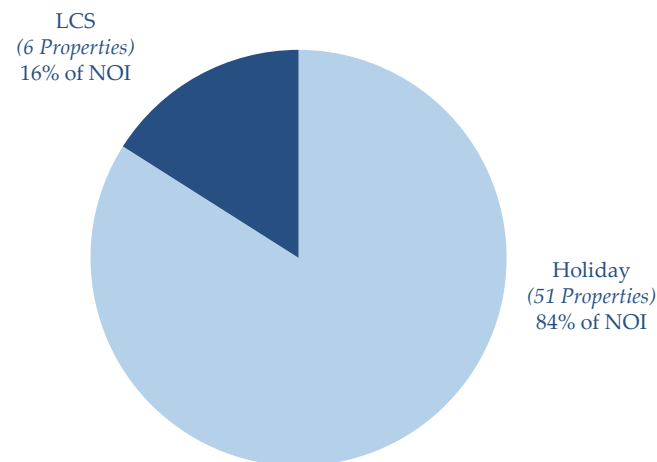
## Geographic Diversification

State	Properties	% of NOI
Texas	14	29%
Oregon	6	8%
Pennsylvania	3	6%
Missouri	3	6%
Colorado	4	6%
Other 19 States	27	45%
<b>Total</b>	<b>57</b>	<b>100%</b>

## Property Type Diversification

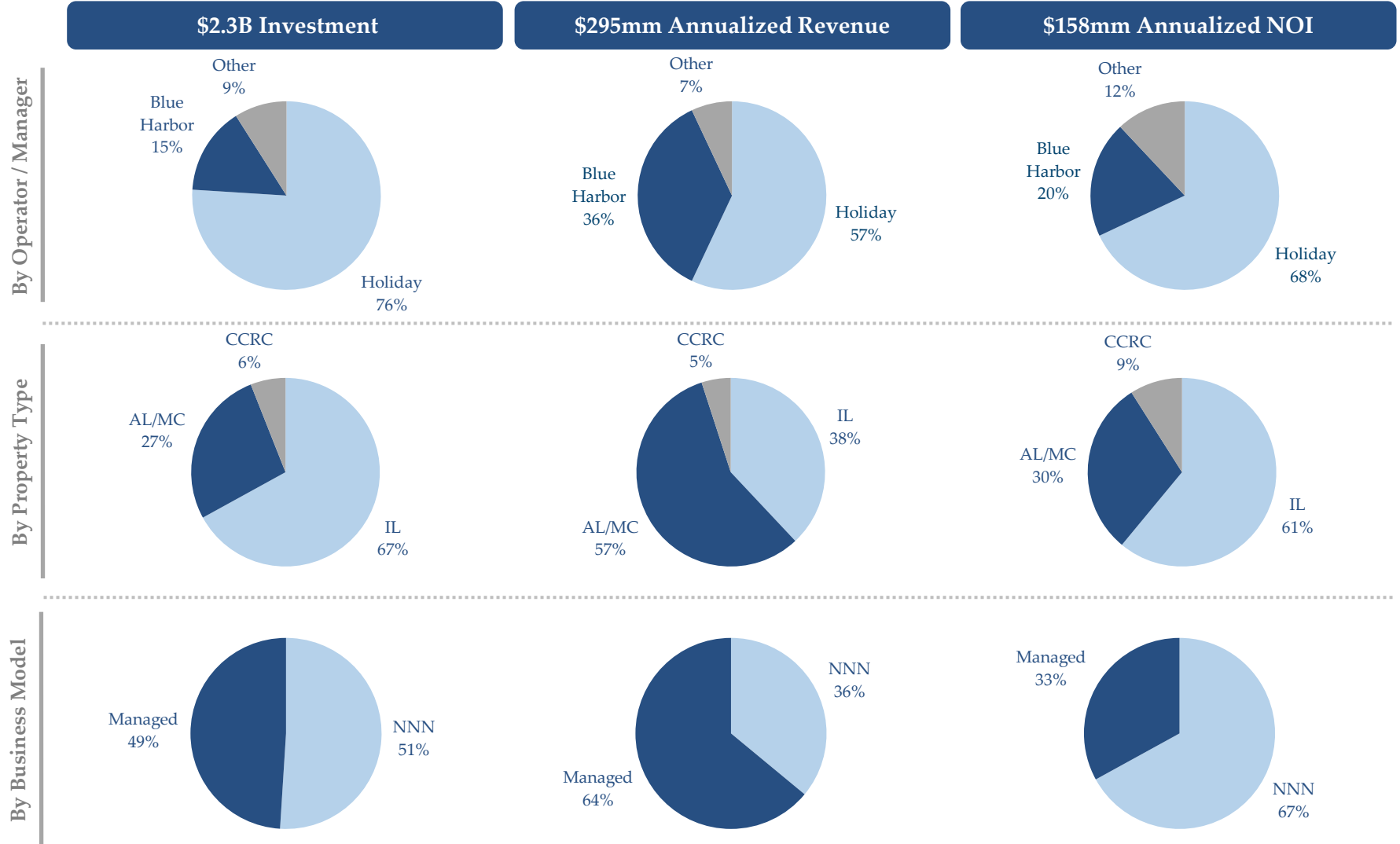


## Operator Diversification



1) Assumes tenant-operator compliance with terms of lease, which is subject to risks.

# Portfolio Diversification



# Portfolio Diversification

## By State

(\$ in thousands)	Managed			NNN			Total <sup>(1)</sup>		
	State	Properties	Annual. NOI	% of Total	Properties	Annual. NOI	% of Total	Properties	Annual. NOI
Texas	3	\$5,759	11%	14	\$30,840	29%	17	\$36,599	23%
Florida	19	13,944	27%	3	5,758	5%	22	19,701	12%
Oregon	2	3,858	7%	6	8,748	8%	8	12,606	8%
California	6	6,265	12%	2	4,455	4%	8	10,720	7%
Pennsylvania	2	2,950	6%	3	6,572	6%	5	9,522	6%
North Carolina	5	2,545	5%	2	4,504	4%	7	7,048	4%
Utah	5	4,502	9%	1	1,866	2%	6	6,368	4%
Missouri	-	-	-	3	5,953	6%	3	5,953	4%
Colorado	-	-	-	4	5,914	6%	4	5,914	4%
New York	1	1,277	2%	2	4,604	4%	3	5,881	4%
Other States	21	10,569	21%	17	27,474	26%	38	38,045	24%
<b>Total</b>	<b>64</b>	<b>\$51,669</b>	<b>100%</b>	<b>57</b>	<b>\$106,688</b>	<b>100%</b>	<b>121</b>	<b>\$158,357</b>	<b>100%</b>

## By Operator / Manager

Operator/Manager	Managed			NNN			Total <sup>(1)</sup>		
	Properties	Annual. NOI	% of Total	Properties	Annual. NOI	% of Total	Properties	Annual. NOI	% of Total
Holiday	39	\$19,377	38%	51	\$89,192	84%	90	\$108,570	69%
Blue Harbor	24	31,079	60%	-	-	-	24	31,079	20%
Other 2 operators	1	1,213	2%	6	17,496	16%	7	18,708	11%
<b>Total</b>	<b>64</b>	<b>\$51,669</b>	<b>100%</b>	<b>57</b>	<b>\$106,688</b>	<b>100%</b>	<b>121</b>	<b>\$158,357</b>	<b>100%</b>

1) See Reconciliation and Glossary for reconciliation of total NOI to net income (loss).

# Managed Portfolio

## Managed Portfolio Statistics<sup>(1)</sup>

(\$ in thousands, except for average monthly RevPOR)

	Year Over Year Comparison						Sequential Quarter Comparison					
	Total			Same Store			Total			Same Store		
	1Q'14	1Q'15	Δ	1Q'14	1Q'15 <sup>(2)</sup>	Δ	4Q'14	1Q'15	Δ	4Q'14	1Q'15 <sup>(2)</sup>	Δ
Ending Properties	35	64	29	33	33	--	43	64	21	42	42	--
Avg. Available Beds	4,630	5,729	1,099	4,456	4,457	1	5,318	5,729	411	5,296	5,297	1
Avg. Occupancy	83.4%	83.7%	30bps	83.1%	83.5%	40bps	83.6%	83.7%	10bps	83.5%	83.7%	20bps
Avg. Monthly RevPOR	\$3,068	\$3,280	6.9%	\$3,082	\$3,230	4.8%	\$3,277	\$3,280	0.1%	\$3,272	\$3,283	0.3%
Revenue	\$35,537	\$47,188	32.8%	\$34,235	\$36,065	5.3%	\$43,706	\$47,188	8.0%	\$43,408	\$43,670	0.6%
Operating expenses	(23,452)	(31,154)	32.8%	(22,614)	(23,452)	3.7%	(29,106)	(31,154)	7.0%	(28,954)	(28,852)	(0.3%)
<b>EBITDARM<sup>(1)</sup></b>	<b>\$12,085</b>	<b>\$16,034</b>	<b>32.7%</b>	<b>\$11,621</b>	<b>\$12,613</b>	<b>8.5%</b>	<b>\$14,600</b>	<b>\$16,034</b>	<b>9.8%</b>	<b>\$14,454</b>	<b>\$14,818</b>	<b>2.5%</b>
Property management fees	(2,107)	(3,117)	47.9%	(2,034)	(2,422)	19.1%	(2,605)	(3,117)	19.7%	(2,590)	(2,941)	13.6%
<b>Segment NOI</b>	<b>\$9,978</b>	<b>\$12,917</b>	<b>29.5%</b>	<b>\$9,587</b>	<b>\$10,191</b>	<b>6.3%</b>	<b>\$11,995</b>	<b>\$12,917</b>	<b>7.7%</b>	<b>\$11,864</b>	<b>\$11,877</b>	<b>0.1%</b>
EBITDARM Margin	34.0%	34.0%	--	33.9%	35.0%	110bps	33.4%	34.0%	60bps	33.3%	33.9%	60bps
Segment NOI Margin	28.1%	27.4%	(70bps)	28.0%	28.3%	30bps	27.4%	27.4%	--	27.3%	27.2%	(10bps)

1) See Reconciliation and Glossary for reconciliation of EBITDARM to net income (loss) and explanation of terms used on this slide.

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

# Triple-Net Lease Portfolio



## Holiday Transaction – Closed December 2013

- Diversified portfolio of 51 IL properties across 24 states
- \$1.0 billion acquisition and 17-year triple net lease with Holiday
  - ✓ GAAP yield of 8.9%<sup>(2)</sup>
  - ✓ Initial cash lease yield of 6.5% with 4.5% annual escalators in years 2 to 4 and minimum of 3.5% thereafter<sup>(2)</sup>

## Triple-Net Portfolio Statistics

	4Q'14	1Q'15
Properties	57	57
Beds	7,074	7,074
TTM Occupancy <sup>(1)</sup>	87.8%	88.0%
TTM EBITDARM Coverage <sup>(1)</sup>	1.32x	1.30x

## LCS Transaction – Closed June 2014

- Regional Texas portfolio with four rental CCRC's, one IL property, and one AL/MC property (6 assets total)
- \$185 million acquisition and 15-year triple net lease with subsidiary of LCS
  - ✓ GAAP yield of 9.5%<sup>(2)</sup>
  - ✓ Initial cash lease yield of 7.6% with 3.75% annual escalators in years 2 to 4 and 2.5% thereafter<sup>(2)</sup>

1) Occupancy and EBITDARM coverage is presented one quarter in arrears from the date reported on a trailing twelve month basis.

2) Cash lease yield represents first year lease payment required by contract, divided by property purchase price.

# Investment Activity

## Historical Investment Activity

(\$ in thousands)

		Properties	Investment	Type	Beds
2012	Managed	12	\$191,184	IL/AL/MC	1,428
2013	Triple Net	51	1,000,475	IL	5,840
	Managed	21	309,945	IL/AL/MC	3,030
	<b>Total</b>	72	1,310,420		8,870
2014	Triple Net	6	184,583	IL/AL/MC/CCRC	1,234
	Managed	10	133,140	IL/AL/MC	906
	<b>Total</b>	16	317,723		2,140
1Q'15	Managed	21	498,313	IL	2,596
<b>Total Since Inception</b>		121	<b>\$2,317,640</b>		<b>15,034</b>



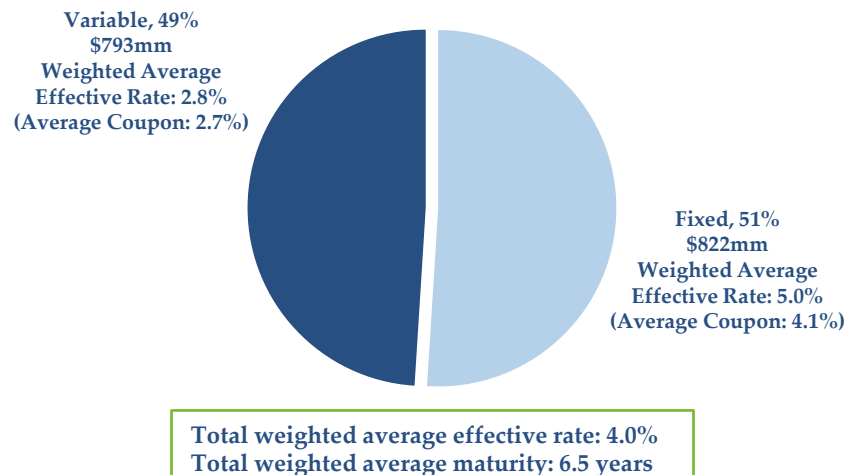
# Capitalization

(\$ in millions)

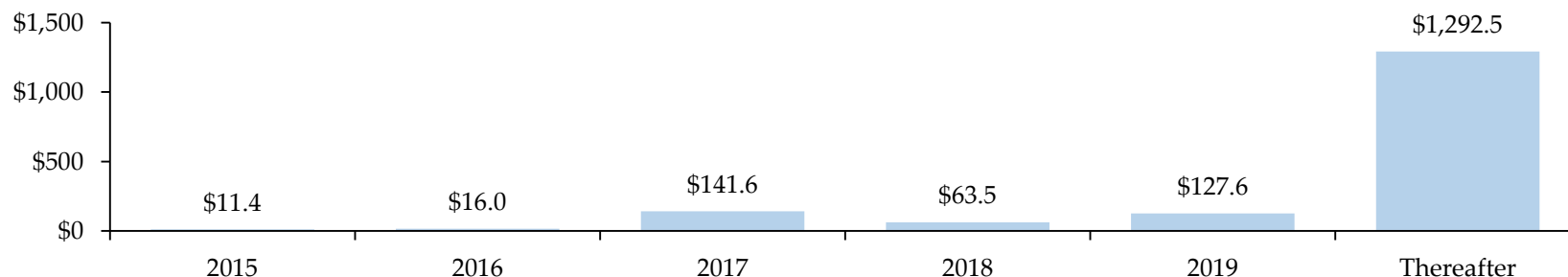
## Capital Structure

Price as of 3/31/2015	\$16.63
Shares outstanding	66.4
<b>Market capitalization</b>	<b>\$1,104.5</b>
Mortgage notes payable, net	1,614.8
Cash	(107.1)
<b>Net debt</b>	<b>\$1,507.7</b>
<b>Enterprise Value</b>	<b>\$2,612.2</b>
Net Debt / Gross Assets	60.5%
Net Debt / Enterprise Value	57.7%

## Debt Characteristics



## Debt Maturities<sup>(1)</sup>



1) Based on current unpaid principal balance and includes monthly principal amortization.

# Consolidated Balance Sheet

## Consolidated Balance Sheet

(\$ in thousands, except per share data)

3/31/15

### Assets

#### Real estate investments:

Land	\$ 170,690
Building, improvements and other	1,907,393
Accumulated depreciation	(70,391)
Net real estate property	2,007,692
Acquired lease and other intangible assets	239,557
Accumulated amortization	(95,811)
Net real estate intangibles	143,746
Net real estate investments	2,151,438

Cash and cash equivalents	107,090
Receivables and other assets, net	69,208
<b>Total Assets</b>	<b>\$ 2,327,736</b>

### Liabilities and Equity

Mortgage notes payable, net	\$ 1,614,759
Due to affiliates	9,924
Accrued expenses and other liabilities	75,753
Dividend payable	-
<b>Total Expenses</b>	<b>1,700,436</b>

Common stock	\$ 664
Additional paid-in capital	672,604
Accumulated deficit	(45,968)
<b>Equity</b>	<b>627,300</b>

<b>Total Liabilities and Equity</b>	<b>\$ 2,327,736</b>
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# Consolidated Income Statement

## Consolidated Income Statement

(\$ and shares in thousands, except per share data)

	1Q'15
<b>Revenues</b>	
Resident fees and services	\$ 47,188
Rental revenue	26,672
<b>Total Revenues</b>	<b>73,860</b>
<b>Expenses</b>	
Property operating expense	(34,271)
Depreciation and amortization	(30,157)
Interest expense	(15,312)
Acquisition, transaction & integration expense	(3,918)
Management fee to affiliate	(3,050)
General and administrative expense	(3,409)
Loss on extinguishment of debt	(5,091)
<b>Total Expenses</b>	<b>(95,208)</b>
<b>Loss before income taxes</b>	<b>(21,348)</b>
Income tax benefit	95
<b>Net Loss</b>	<b>\$ (21,253)</b>
<i>Basic and diluted loss per share</i>	<i>\$ (0.32)</i>
<i>Basic and diluted shares outstanding</i>	<i>66,415</i>

# Consolidated Statement of Cash Flows

## Consolidated Statement of Cash Flows

(\$ in thousands)

	1Q'14	1Q'15
<b>Cash Flow from Operating Activities</b>		
Net Loss	\$(10,938)	\$(21,253)
Adjustments:		
Depreciation and amortization	22,835	30,193
Amortization of deferred financing fees	2,054	2,198
Amortization of deferred community fees	(266)	(563)
Amortization of premium on mortgage notes payable	215	230
Non-cash straight line rent	(6,064)	(6,166)
Loss on extinguishment of debt	-	5,091
Equity-based compensation	-	17
Provision for bad debt	233	467
Changes in:		
Receivables and other assets	(2,042)	(3,244)
Due to affiliates	1,511	3,042
Accrued expenses and other liabilities	8,253	2,985
<b>Net cash provided by operating activities</b>	<b>\$15,791</b>	<b>\$12,997</b>
<b>Cash Flow from Investing Activities</b>		
Acquisition of real estate investments and intangibles	(23,000)	(492,943)
Capital expenditures	(1,785)	(2,460)
Funds reserved for future capital expenditures	(253)	(445)
Deposits paid for real estate investments	(2,448)	(4,955)
<b>Net cash used in investing activities</b>	<b>\$(27,486)</b>	<b>\$(500,803)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from mortgage notes payable	17,250	687,722
Principal payments of mortgage notes payable	(2,739)	(4,176)
Repayments of mortgage notes payable	-	(289,484)
Payment of exit fee on extinguishment of debt	-	(1,499)
Payment of deferred financing costs	(252)	(7,779)
Payment of common stock dividend	-	(15,276)
Purchase of interest rate caps	-	(989)
Contributions	12,129	-
Distributions	(8,081)	-
<b>Net cash provided by financing activities</b>	<b>\$18,307</b>	<b>\$368,519</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,612</b>	<b>(119,287)</b>
Cash and cash equivalents, beginning of period	30,393	226,377
<b>Cash and cash equivalents, end of period</b>	<b>\$37,005</b>	<b>\$107,090</b>

# Non-GAAP Reconciliation

## Total NOI Reconciliation

(\$ in thousands)

	1Q'15		
	<u>NNN Properties</u>	<u>Managed Properties</u>	<u>Total</u>
Revenue	\$ 26,672	\$ 47,188	\$ 73,860
Property operating expense	-	(34,271)	(34,271)
<b>Segment / Total NOI</b>	<b>\$ 26,672</b>	<b>\$ 12,917</b>	<b>\$ 39,589</b>
Depreciation and amortization			(30,157)
Interest expense			(15,312)
Acquisition, transaction & integration expense			(3,918)
Management fee to affiliate			(3,050)
General and administrative expense			(3,409)
Loss on extinguishment of debt			(5,091)
Income tax benefit			95
<b>Net loss</b>			<b>\$ (21,253)</b>

# Non-GAAP Reconciliation

## Cash NOI Reconciliation

(\$ in thousands)

	1Q'15		
	<u>NNN Properties</u>	<u>Managed Properties</u>	<u>Total</u>
Cash NOI	\$ 20,543	\$ 13,580	\$ 34,123
Straight-line rent	6,166	-	6,166
Amortization of deferred community fees and other <sup>(1)</sup>	(37)	(663)	(700)
<b>Segment / Total NOI</b>	<b>\$ 26,672</b>	<b>\$ 12,917</b>	<b>\$ 39,589</b>
Depreciation and amortization			(30,157)
Interest expense			(15,312)
Acquisition, transaction & integration expense			(3,918)
Management fee to affiliate			(3,050)
General and administrative expense			(3,409)
Loss on extinguishment of debt			(5,091)
Income tax benefit			95
<b>Net loss</b>			<b>\$ (21,253)</b>

1) Includes net change in deferred community fees, above/below market lease amortization and other non-cash GAAP adjustments.

# Non-GAAP Reconciliation

## EBITDARM Reconciliation

(\$ in thousands)

	1Q'14			4Q'14			1Q'15		
	<u>NNN Properties</u>	<u>Managed Properties</u>	<u>Total</u>	<u>NNN Properties</u>	<u>Managed Properties</u>	<u>Total</u>	<u>NNN Properties</u>	<u>Managed Properties</u>	<u>Total</u>
EBITDARM	\$ 22,298	\$ 12,085	\$ 34,383	\$ 26,676	\$ 14,600	\$ 41,276	\$ 26,672	\$ 16,034	\$ 42,706
Property management fees	-	(2,107)	(2,107)	-	(2,605)	(2,605)	-	(3,117)	(3,117)
<b>Segment / Total NOI</b>	<b>\$ 22,298</b>	<b>\$ 9,978</b>	<b>\$ 32,276</b>	<b>\$ 26,676</b>	<b>\$ 11,995</b>	<b>\$ 38,671</b>	<b>\$ 26,672</b>	<b>\$ 12,917</b>	<b>\$ 39,589</b>
Depreciation and amortization			(22,835)			(28,597)			(30,157)
Interest expense			(13,305)			(15,494)			(15,312)
Acquisition, transaction & integration expense			(4,223)			(1,972)			(3,918)
Management fee to affiliate			(1,653)			(2,706)			(3,050)
General and administrative expense			(838)			(4,363)			(3,409)
Loss on extinguishment of debt			-			-			(5,091)
Income tax benefit (expense)			(360)			1,177			95
<b>Net loss</b>			<b>\$ (10,938)</b>			<b>\$ (13,284)</b>			<b>\$ (21,253)</b>

# Non-GAAP Reconciliation

## Same Store EBITDARM Reconciliation

(\$ in thousands)

	1Q'14				1Q'15			
	<u>NNN Properties</u>	<u>Same Store Managed Properties</u>	<u>Non-Same Store Managed Properties</u>	<u>Total</u>	<u>NNN Properties</u>	<u>Same Store Managed Properties</u>	<u>Non-Same Store Managed Properties</u>	<u>Total</u>
EBITDARM	\$ 22,298	\$ 11,621	\$ 464	\$ 34,383	\$ 26,672	\$ 12,491	\$ 3,543	\$ 42,706
Property management fees	-	(2,034)	(73)	(2,107)	-	(2,422)	(695)	(3,117)
<b>Segment / Total NOI</b>	<b>\$ 22,298</b>	<b>\$ 9,587</b>	<b>\$ 391</b>	<b>\$ 32,276</b>	<b>\$ 26,672</b>	<b>\$ 10,069</b>	<b>\$ 2,848</b>	<b>\$ 39,589</b>
Depreciation and amortization				(22,835)				(30,157)
Interest expense				(13,305)				(15,312)
Acquisition, transaction & integration expense				(4,223)				(3,918)
Management fee to affiliate				(1,653)				(3,050)
General and administrative expense				(838)				(3,409)
Loss on extinguishment of debt				-				(5,091)
Income tax benefit (expense)				(360)				95
<b>Net loss</b>				<b>\$ (10,938)</b>				<b>\$ (21,253)</b>



# Non-GAAP Reconciliation

## Same Store EBITDARM Reconciliation

(\$ in thousands)

	4Q'14				1Q'15			
	<u>NNN Properties</u>	<u>Same Store Managed Properties</u>	<u>Non-Same Store Managed Properties</u>	<u>Total</u>	<u>NNN Properties</u>	<u>Same Store Managed Properties</u>	<u>Non-Same Store Managed Properties</u>	<u>Total</u>
EBITDARM	\$ 26,676	\$ 14,454	\$ 146	\$ 41,276	\$ 26,672	\$ 14,696	\$ 1,337	\$ 42,706
Property management fees	-	(2,590)	(15)	(2,605)	-	(2,941)	(176)	(3,117)
<b>Segment / Total NOI</b>	<b>\$ 26,676</b>	<b>\$ 11,864</b>	<b>\$ 131</b>	<b>\$ 38,671</b>	<b>\$ 26,672</b>	<b>\$ 11,755</b>	<b>\$ 1,161</b>	<b>\$ 39,589</b>
Depreciation and amortization				(28,597)				(30,157)
Interest expense				(15,494)				(15,312)
Acquisition, transaction & integration expense				(1,972)				(3,918)
Management fee to affiliate				(2,706)				(3,050)
General and administrative expense				(4,363)				(3,409)
Loss on extinguishment of debt				-				(5,091)
Income tax benefit				1,177				95
<b>Net loss</b>				<b>\$ (13,284)</b>				<b>\$ (21,253)</b>

# GAAP Reconciliation of FFO, Normalized FFO, AFFO and Normalized FAD

## FFO, Normalized FFO, AFFO and Normalized FAD Reconciliation

(\$ and shares in thousands, except per share data)

	1Q'15
Net loss	\$ (21,253)
<b>Add (Deduct):</b>	
Depreciation and amortization	30,157
<b>FFO</b>	<b>\$ 8,904</b>
<b>FFO per Diluted Share</b>	<b>\$ 0.13</b>
Acquisition, transaction & integration expense	3,918
Loss on extinguishment of debt	5,091
<b>Normalized FFO</b>	<b>\$ 17,913</b>
<b>Normalized FFO per Diluted Share</b>	<b>\$ 0.27</b>
Straight-line rent	(6,166)
Amortization of deferred financing costs	2,198
Amortization of premium on mortgage notes payable	230
Amortization of deferred community fees and other <sup>(1)</sup>	700
<b>AFFO</b>	<b>\$ 14,875</b>
<b>AFFO per Diluted Share</b>	<b>\$ 0.22</b>
Maintenance capital expenditures	(1,525)
<b>Normalized FAD</b>	<b>\$13,350</b>
<b>Normalized FAD per Diluted Share</b>	<b>\$0.20</b>
Weighted average basic shares outstanding	66,415
Weighted average diluted shares outstanding <sup>(2)</sup>	67,418

1) Includes net change in deferred community fees, above/below market lease amortization and other non-cash GAAP adjustments.

2) Includes dilutive effect of options.

# Glossary

## Cash Revenue

Cash Revenue is a non-GAAP measure that represents Revenue excluding the effects of straight-line rents and amortization of deferred community fees and other, which includes the net change in deferred community fees, above/below market lease amortization and other non-cash GAAP adjustments.

## EBITDARM

EBITDARM is a non-GAAP measure and represents earnings before interest, taxes, depreciation, amortization, rent and management fees for the period stated unless otherwise noted. We use EBITDARM in determining coverage and as a supplemental measure of the ability of the property to generate sufficient liquidity to meet related obligations to us. For our triple net lease portfolio, all facility financial performance data was derived solely from information provided by operators/tenants without independent verification by us. EBITDARM does not represent net income or cash flow from operations and should not be considered an alternative to those indications.

## EBITDARM Coverage

Facility EBITDARM divided by the aggregate of base rent and any additional rent due to us for the same period. EBITDARM coverage is a supplemental measure of a property's ability to generate cash flows for the operator/tenant (not for us) to meet the operator's/tenant's related rent and other obligations to us.

## EBITDARM Margin

EBITDARM margin is equal to EBITDARM divided by Revenue.

## Enterprise Value

Enterprise value is equal to market capitalization plus carrying value of mortgage notes payable, minus cash.

## Gross Assets

The carrying amount of total assets, after adding back accumulated depreciation and amortization, as reported in our consolidated financial statements.

## Investment

Represents the carrying amount of real estate assets, including intangibles, after adding back accumulated depreciation and amortization, as reported in our consolidated financial statements.

## FFO, Normalized FFO, AFFO and Normalized FAD

We use the National Association of Real Estate Investment Trusts ("NAREIT") definition of funds from operations ("FFO"). NAREIT defines FFO as net income (computed in accordance with GAAP) excluding gains (losses) from sales of depreciable real estate assets, impairment charges of depreciable real estate, plus real estate related depreciation and amortization, and after adjustments for unconsolidated entities and joint ventures to reflect FFO on the same basis.

We define "Normalized FFO" as FFO excluding the following income and expense items (which may be recurring in nature): (a) acquisition, transaction and integration related expenses; (b) the write off of unamortized deferred financing fees, or additional costs, make whole payments, penalties or premiums incurred as a result of early retirement or payment of debt; and (c) changes in the fair value of contingent consideration and financial instruments.

We define "AFFO" as Normalized FFO excluding the impact of the following: (a) straight-line rents; (b) amortization of above / below market lease intangibles; (c) amortization of deferred financing costs; (d) amortization of premium on mortgage notes payable and (e) amortization of deferred community fees and other, which includes the net change in deferred community fees and other non-cash GAAP adjustments.

We define "Normalized FAD" as AFFO less maintenance capital expenditures. Maintenance capital expenditures is defined as capital expenditures that have a useful life of ten years or less.

## Net Operating Income ("NOI") and Cash NOI

NOI and Cash NOI are non-GAAP measures. We define NOI as total revenue less property operating expenses, which include property management fees and travel cost reimbursements to affiliates. We define Cash NOI as NOI excluding the effects of straight-line rents and amortization of deferred community fees and other, which includes the net change in deferred community fees, above/below market lease amortization and other non-cash GAAP adjustments. We consider NOI as an important supplemental measure used to evaluate the operating performance of our segments because it allows investors, analysts and our management to assess our unleveraged property-level operating results and to compare our operating results with other real estate companies, and between periods on a consistent basis.

# Glossary

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## Occupancy

For the managed portfolio, occupancy represents the facilities' average operating occupancy for the trailing three-month period. For the triple net lease portfolio, occupancy is based on the period reported unless otherwise noted. The percentages are calculated based on available beds. All occupancy data was derived solely from information provided by operators/tenants without independent verification by us.

## Pro Forma Financials

Pro forma NFFO, pro forma NOI, pro forma AFFO and pro forma Normalized FAD, as well as annualized pro forma amounts, included in this presentation are illustrative/hypothetical values based on 1Q'15 results with the adjustments described below. These pro forma measures do not represent New Senior's historical performance or management's projections for any future reporting period.

Pro forma NFFO, pro forma AFFO and pro forma Normalized FAD represent 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) reflect 3 months of interest expense from the new financing completed at the end of the first quarter.

Pro forma NOI represents 1Q 2015 NOI with the first adjustment described above.

## Revenue Quality Mix

Non-Medicaid revenues as a percent of total revenues for the trailing 12 months and one quarter in arrears from the period presented.

## RevPOR

Represents average GAAP revenues per occupied room per month. We use RevPOR to evaluate the revenue generating potential of our senior housing portfolio independent of fluctuating occupancy rates.

## Same Store Portfolio

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.

## Segment NOI Margin

Segment NOI margin is equal to Segment NOI dividend by Revenue.