NEWS RELEASE

Sabra Acquires Indiana Senior Housing Campus in $23.8 Million Sale/Leaseback Transaction; Funds Additional Preferred Equity Investment of $1.7 Million

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IRVINE, Calif., April 30, 2014 (GLOBE NEWSWIRE) -- Sabra Health Care REIT, Inc. ("Sabra," the "Company" or "we") (Nasdaq:SBRA) (Nasdaq:SBRAP) announced today the acquisition of a senior housing campus in Fort Wayne, Indiana ("Park Place") for $23.8 million and a preferred equity investment for the completion of a memory care facility located in Colorado Springs, Colorado of $1.7 million.

Park Place

Park Place is a senior housing campus with a total of 140 units (24 independent living units, 76 assisted living units and 40 memory care units) which opened in 2011 and is currently 100% occupied. Additionally, Park Place is encumbered by a HUD-insured mortgage with an outstanding principal balance of approximately $14.1 million and an annual interest rate of 4.84%. At closing, $1.1 million of the purchase price was used to repay an interim loan made by Sabra to affiliates of the Leo Brown Group, the operator of Park Place, and we assumed the $14.1 million HUD-insured mortgage, resulting in a cash investment of $8.6 million.

Concurrently with the purchase, we entered into a triple-net master lease agreement with affiliates of the Leo Brown Group. The lease has an initial term of 15 years with two renewal options of five years each and provides for an annual rent escalator of the greater of (i) the Consumer Price Index and (ii) 3.0%, but not to exceed 4.0%, resulting in annual lease revenues, determined in accordance with GAAP, of $2.2 million and an initial yield on cash rent of 7.38%. In addition to the sale/leaseback transaction, we are pursuing development opportunities with the Leo Brown Group.

Preferred Equity Investment

Sabra provided $1.7 million of preferred equity funding to affiliates of New Dawn Holding Company ("New Dawn") for the completion of a 48-bed memory care facility located in Colorado Springs, Colorado. The preferred equity investment provides for an annual 12.0% preferred return in addition to a right of first offer and "last look" upon the sale of the facility. This is the third development investment that Sabra has entered into with New Dawn.

Commenting on these investments, Rick Matros, CEO and Chairman, said, "We have been working to consummate a transaction with the Leo Brown Group for some time and are pleased to close this one. They are a fantastic team to work with. We are also working on a larger relationship and hope to announce a senior housing development project with them as well. The Leo Brown Group would be Sabra's fifth development partner as we continue executing our strategy to bring new purpose built products into our portfolio. We are also pleased to expand our development relationship with New Dawn with this latest project. They continue to be a terrific partner, and we expect that there will be more projects with them to come."

ABOUT SABRA

Sabra Health Care REIT, Inc. (Nasdaq:SBRA) (Nasdaq:SBRAP), a Maryland corporation, operates as a self-administered, self-managed real estate investment trust (a "REIT") that, through its subsidiaries, owns and invests in real estate serving the healthcare industry. Sabra leases properties to tenants and operators throughout the United States. As of April 30, 2014, and after giving effect to the Park Place acquisition and preferred equity investment described above, our investment portfolio consisted of 130 real estate properties held for investment and leased to operators/tenants under triple-net lease agreements (consisting of (i) 102 skilled nursing/post-acute facilities, (ii) 26 senior housing facilities, and (iii) two acute care hospitals), 11 debt investments (consisting of (i) four mortgage loans, (ii) three construction loans, (iii) one mezzanine loan, and (iv) three pre-development loans) and three preferred equity investments. As of April 30, 2014, Sabra's real estate properties were located in 28 states and included 13,550 licensed beds.

This release contains "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements may be identified, without limitation, by the use of "expects," "believes," "intends," "should" or comparable terms or the negative thereof. Forward-looking statements in this release include all statements regarding our expectations concerning the Park Place acquisition and preferred equity investment described above, including the future performance of these investments, as well as our expectations concerning our future relationship with the Leo Brown Group and New Dawn.

Our actual results may differ materially from those projected or contemplated by our forward-looking statements as a result of various factors, including, among others, the following: our dependence on Genesis HealthCare LLC

("Genesis"), the parent company of Sun Healthcare Group, Inc., until we are able to further diversify our portfolio; our dependence on the operating success of our tenants; changes in general economic conditions and volatility in financial and credit markets; the dependence of our tenants on reimbursement from governmental and other third-party payors; the significant amount of and our ability to service our indebtedness; covenants in our debt agreements that may restrict our ability to make acquisitions, incur additional indebtedness and refinance indebtedness on favorable terms; increases in market interest rates; our ability to raise capital through equity financings; the relatively illiquid nature of real estate investments; competitive conditions in our industry; the loss of key management personnel or other employees; the impact of litigation and rising insurance costs on the business of our tenants; uninsured or underinsured losses affecting our properties and the possibility of environmental compliance costs and liabilities; our ability to maintain our status as a REIT; compliance with REIT requirements and certain tax matters related to our status as a REIT; and other factors discussed from time to time in our news releases, public statements and/or filings with the Securities and Exchange Commission (the "SEC"), especially the "Risk Factors" sections of our Annual and Quarterly Reports on Forms 10-K and 10-Q. Forward-looking statements made in this press release are not guarantees of future performance, events or results, and you should not place undue reliance on these forward-looking statements, which speak only as of the date hereof. We assume no, and hereby disclaim any, obligation to update any of the foregoing or any other forward-looking statements as a result of new information or new or future developments, except as otherwise required by law.

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Source: Sabra Health Care REIT, Inc.