NEWS RELEASE

Sabra Closes First Assisted Living Facility in First Phoenix Group Pipeline; Completes $217.5 Million of Investments in 2012

2012-12-19

IRVINE, Calif., Dec. 19, 2012 (GLOBE NEWSWIRE) -- Sabra Health Care REIT, Inc. ("Sabra," the "Company" or "we") (Nasdaq:SBRA) announced the acquisition on December 18, 2012 of an assisted living facility located in Marshfield, Wisconsin ("Stoney River Marshfield"), which is the first acquisition associated with the pipeline agreement entered into with First Phoenix Group, LLC ("First Phoenix") in August 2012. With this acquisition, Sabra's 2012 investments totaled $217.5 million.

Stoney River Marshfield

In August of this year, we committed to a forward purchase program (the "Pipeline Agreement") to acquire newly constructed senior housing properties to be developed by First Phoenix. On December 18, 2012, we acquired Stoney River Marshfield, a 60-bed assisted living facility, for $8.2 million through a triple-net sale-leaseback transaction with First Phoenix. Upon the completion of license transfer on the facility, which is currently expected to occur during the first quarter of 2013, Sabra will cancel the existing lease and enter into a new triple-net lease with a 50%/50% RIDEA-compliant joint venture partnership between affiliates of Sabra and First Phoenix. The initial lease and replacement lease will have similar terms, including an initial term of 10 years with two five-year renewal options and annual rent escalators equal to the greater of the change in the Consumer Price Index or 3.0%, resulting in annual lease revenues determined in accordance with GAAP of $0.8 million and an initial yield on cash rent of 8.0%. The acquisition was funded with available cash and proceeds from our secured revolving credit facility. No additional consideration will be paid at the time the joint venture partnership between affiliates of Sabra and First Phoenix is formed.

2012 Acquisitions and Impact on Portfolio

With the acquisition of Stoney River Marshfield, we completed $217.5 million of investments in 2012, which were funded through available cash, proceeds from our July 2012 senior notes offering and proceeds from our secured revolving credit facility. As of December 19, 2012, we have $109.1 million of availability on our secured revolving credit facility and have no immediate plans for an additional capital raise. The completed investments were comprised of the following:

(dollars in millions)	Investment Funds	% of Total	Initial Cash Yield
Real Estate Acquisitions:			
Skilled Nursing/Post-Acute	$ 104.8	48.2%	9.5%
Senior Housing/Memory Care	100.7	46.3%	8.0%
Total	205.5	94.5%	8.8%
Loan Fundings:			
Skilled Nursing/ Post-Acute	$ 11.0	5.0%	8.5%
Senior Housing/Memory Care	1.0	0.5%	9.0%
Total	12.0	5.5%	8.5%
Total Investments	$ 217.5	100.0%	8.8%

Sabra continues to diversify its revenue base away from Skilled Nursing/Post-Acute to Senior Housing/Memory Care facilities as reflected in the annualized revenue comparison by asset class below.

Facility Type	December 2011	December 2012
Skilled Nursing/Post-Acute	88.0%	83.2%
Senior Housing/Memory Care	4.7%	11.6%
Acute Care Hospital	7.3%	5.2%
	100.0%	100.0%

Commenting on the Stoney River Marshfield acquisition and 2012 investment activity, Rick Matros, CEO and Chairman, said, "The latter part of 2012 saw us executing on the expansion of our asset base in assisted living and memory care facilities, thereby increasing our private pay concentration. The $217.5 million in acquisitions reduced our exposure to Genesis to 65% of annualized revenues on a pro-forma basis. Finally, we were pleased to acquire our first assisted living facility associated with the First Phoenix pipeline agreement."

ABOUT SABRA

Sabra Health Care REIT, Inc. (Nasdaq:SBRA), 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 December 19, 2012, and after giving effect to the Stoney River Marshfield acquisition, Sabra's investment portfolio included 120 properties leased to operators/tenants under triple-net lease agreements (consisting of (i) 97 skilled nursing/post-acute facilities, (ii) 22 senior housing facilities, and (iii) one acute care hospital) and two mortgage loan investments. As of December 19, 2012, and after giving effect to the Stoney River Marshfield acquisition, Sabra's properties were located in 27 states and included 12,552 licensed beds/units.

The Sabra Health Care REIT, Inc. logo is available at **http://www.globenewswire.com/newsroom/prs/?pkgid=8563**

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 Stoney River Marshfield acquisition and the future performance of Stoney River Marshfield.

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. 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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