NEWS RELEASE

Sabra Health Care REIT, Inc. Provides Update on Sale of Certain Senior Care Centers and Genesis Facilities; Provides Update on Holiday Transition

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IRVINE, Calif., Jan. 27, 2019 (GLOBE NEWSWIRE) -- Sabra Health Care REIT, Inc. ("Sabra", the "Company" or "we") (Nasdaq: SBRA) provided updates today on the status of the 38 facilities owned by Sabra and operated by Senior Care Centers (the "Senior Care Centers Facilities") and three of the remaining facilities leased by Sabra to Genesis Healthcare, Inc. ("Genesis"), as well as the conversion of its Holiday operated 21-community independent living portfolio from a triple net master lease to a management agreement structure.

Senior Care Centers

As previously announced, we entered into an agreement to sell the Senior Care Centers Facilities for an aggregate purchase price of $385.0 million. This agreement has been amended to reduce the number of Senior Care Centers Facilities being sold and the associated purchase price therefor to 28 and $282.5 million, respectively, and to allow Sabra to retain the remaining 10 facilities (the "Retained Facilities") for lease to one or more new operators. Once stabilized, we expect the value of the Retained Facilities to be between $95 million and $105 million.

We expect the sale of the 28 Senior Care Facilities and transition of the Retained Facilities to both occur on April 1, 2019, subject to customary closing conditions including bankruptcy court approval of operations transfer and related agreements.

Genesis Sale Update

On December 21, 2018, we completed the previously announced sale of nine facilities leased to Genesis for gross sales proceeds of $37.1 million, leaving three facilities (the “HUD Facilities”) leased to Genesis that we plan to sell. We have entered into agreements for the sale of the HUD facilities, which are being sold subject to HUD-insured debt. These sales are expected to close upon approval by HUD, which has been delayed due to the government shutdown. The sale of the HUD Facilities is expected to generate gross sales proceeds of $33.2 million and result in the elimination of $2.7 million of annual cash rents. Our agreement with Genesis provides for residual rents to be paid to Sabra for 4.28 years following the sale of each facility. Upon completion of the sale of the HUD Facilities, we expect these residual rents to total $10.4 million per year. We expect to retain eight facilities leased to Genesis, which currently generate annual cash rents of $10.4 million (which would be in addition to the residual rents of $10.4 million per year).

Holiday Transition Update

As previously announced, we expect to terminate our Holiday master lease and concurrently enter into one or more management agreements with Holiday. In exchange for terminating the lease agreements, we would receive $57.2 million of total consideration, including $15.1 million of retained security deposits and a $42.1 million termination fee, which we have elected to receive in cash. We currently expect this transition to occur in the first quarter of 2019, though there can be no assurances that this transition will be completed on the foregoing terms or timing or at all.

Commenting on these developments, Rick Matros, CEO and Chairman, said, “The revised terms of the Senior Care Centers Facilities sale represent a good outcome for Sabra. Upon completion, we will have achieved each of our stated objectives in connection with this transaction by wrapping up our association with a troubled operator and reducing our geographic concentration in a challenging state, with the ability now to reduce earnings dilution through re-tenanting of the retained properties with desired operating partners. The transition of the Holiday portfolio remains on track and the delay in the sale of the HUD Facilities should have a modest positive impact on our 2019 results as we expect to continue collecting contractual rents until these sales are completed.”

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 and Canada.

Special Note Regarding Forward-Looking Statements

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: (i) our expectations regarding the timing and terms for the 28 Senior Care Centers Facilities we expect to sell, (ii) our expectations regarding the 10 Senior Care Centers Facilities we expect to retain, including our expectation regarding the value of those facilities once stabilized, (iii) our expectations regarding the timing and terms for our planned termination of the master lease with respect to the Holiday communities and planned entry into the Holiday management agreements, and (iv) our expectations with respect to the timing and terms of the sale of the HUD Facilities, including the impact on our 2019 results from the delay in these sales.

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 the operating success of our tenants; operational risks with respect to our Senior Housing - Managed communities; the effect of our tenants declaring bankruptcy or becoming insolvent; our ability to find replacement tenants and the impact of unforeseen costs in acquiring new properties; the impact of litigation and rising insurance costs on the business of our tenants; the anticipated benefits of our merger with Care Capital Properties, Inc. ("CCP") may not be realized; the anticipated and unanticipated costs, fees, expenses and liabilities related to our merger with CCP; our ability to implement the previously announced rent repositioning program for certain of our tenants who were legacy tenants of CCP on the timing or terms we have previously disclosed; our ability to dispose of facilities currently leased to Genesis Healthcare, Inc. and Senior Care Centers on the timing or terms we have disclosed; the possibility that Sabra may not acquire the remaining majority interest in the Enlivant joint venture; risks associated with our investments in joint ventures; changes in healthcare regulation and political or economic conditions; the impact of required regulatory approvals of transfers of healthcare properties; competitive conditions in our industry; our concentration in the healthcare property sector, particularly in skilled nursing/transitional care facilities and senior housing communities, which makes our profitability more vulnerable to a downturn in a specific sector than if we were investing in multiple industries; the significant amount of and our ability to service our indebtedness; covenants in our debt agreements that may restrict our ability to pay dividends, make investments, incur additional indebtedness and refinance indebtedness on favorable terms; increases in market interest rates; our ability to raise capital through equity and debt financings; changes in foreign currency exchange rates; the relatively illiquid nature of real estate investments; the loss of key management personnel or other employees; uninsured or underinsured losses affecting our properties and the possibility of environmental compliance costs and liabilities; the impact of a failure or security breach of information technology in our operations; our ability to maintain our status as a REIT; changes in tax laws and regulations affecting REITs (including the potential effects of the Tax Cuts and Jobs Act); compliance with REIT requirements and certain tax and tax regulatory matters related to our status as a REIT; and the ownership limits and anti-takeover defenses in our governing documents and under Maryland law, which may restrict change of control or business combination opportunities.

Additional information concerning risks and uncertainties that could affect our business can be found in our filings with the Securities and Exchange Commission (the "SEC"), including Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2017. We do not intend, and we undertake no obligation, to update any forward-looking information to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events, unless required by law to do so.

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Source: Sabra Health Care REIT, Inc.