



EPR Properties™
Return on Insight

Supplemental Operating and Financial Data

Second Quarter and Six Months Ended June 30, 2014

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

With the exception of historical information, certain statements contained or incorporated by reference herein may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), such as those pertaining to our acquisition or disposition of properties, our capital resources, future expenditures for development projects, and our results of operations and financial condition. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of actual events. There is no assurance the events or circumstances reflected in the forward-looking statements will occur. You can identify forward-looking statements by use of words such as "will be," "intend," "continue," "believe," "may," "expect," "hope," "anticipate," "goal," "forecast," "pipeline," "anticipates," "estimates," "offers," "plans," "would," or other similar expressions or other comparable terms or discussions of strategy, plans or intentions contained or incorporated by reference herein. In addition, references to our budgeted amounts and guidance are forward-looking statements. Forward-looking statements necessarily are dependent on assumptions, data or methods that may be incorrect or imprecise. These forward-looking statements represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Many of the factors that will determine these items are beyond our ability to control or predict. For further discussion of these factors see "Item 1A. Risk Factors" in our most recent Annual Report on Form 10-K and, to the extent applicable, our Quarterly Reports on Form 10-Q.

For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date hereof or the date of any document incorporated by reference herein. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances after the date hereof.

NON-GAAP INFORMATION

This document contains certain non-GAAP measures. These non-GAAP measures, as calculated by the Company, are not necessarily comparable to similarly titled measures reported by other companies. Additionally, these non-GAAP measures are not measurements of financial performance or liquidity under GAAP and should not be considered alternatives to the Company's other financial information determined under GAAP. See pages 31 through 32 for definitions of certain non-GAAP financial measures used in this document.

EPR Properties Company Profile

The Company

EPR Properties (“EPR” or the “Company”) is a self administered and self-managed real estate investment trust. EPR was formed in August 1997 as a Maryland real estate investment trust (“REIT”), and an initial public offering was completed on November 18, 1997.

Since that time, the Company has grown into a leading specialty real estate investment trust with an investment portfolio that includes entertainment, education, recreation and other specialty investments.

Company Strategy

EPR’s primary business objective is to enhance shareholder value by achieving predictable and increasing Funds from Operations (“FFO”) and dividends per share. Our prevailing strategy is to focus on long-term investments in a limited number of categories in which we maintain a depth of knowledge and relationships, and which we believe offer sustained performance throughout all economic cycles. We believe our focused niche approach provides a competitive advantage, and the potential for higher growth and better yields.

We also adhere to rigorous underwriting and investing criteria, centered on key industry and property level cash flow criteria. As part of our growth strategy we will consider acquiring, developing or financing additional properties which are consistent with our overall strategy and meet our underwriting and investing criteria. In executing our growth strategy, we will employ moderate leverage. We have historically paid out approximately 80% of our FFO as adjusted in the form of dividends. This allows investors to realize a portion of their returns on a current basis.

Following are the key criteria against which our investments are evaluated:

Inflection Opportunity - Renewal or restructuring in an industry’s properties

Enduring Value - Real estate devoted to and improving long-lived activities

Excellent Execution - Market-dominant performance that creates value beyond tenant credit

Attractive Economics - Accretive initial returns along with growth in yield

Advantageous Position - Sustainable competitive advantages

EPR Properties
Investor Information

Senior Management

David Brain <i>President and Chief Executive Officer</i>	Greg Silvers <i>Executive Vice President and Chief Operating Officer</i>
Mark Peterson <i>Senior Vice President and Chief Financial Officer</i>	Jerry Earnest <i>Senior Vice President and Chief Investment Officer</i>
Neil Sprague <i>Senior Vice President and General Counsel</i>	Mike Hirons <i>Vice President - Strategic Planning</i>

Company Information

Corporate Headquarters 909 Walnut Street, Suite 200 Kansas City, MO 64106 888-EPR-REIT www.eprkc.com	Trading Symbols <u>Common Stock:</u> EPR <u>Preferred Stock:</u> EPR-PrC EPR-PrE EPR-PrF
Stock Exchange Listing New York Stock Exchange	

Equity Research Coverage

BMO Capital Markets	Paul Adornato	212-885-4170
Citi Global Markets	Michael Bilerman/Nick Joseph	212-816-4471
FBR Capital Markets & Co.	Daniel Altscher	703-312-1651
Goldman Sachs	Andrew Rosavich	212-902-2796
J.P. Morgan	Anthony Paolone	212-622-6682
Kansas City Capital Associates	Jonathan Braatz	816-932-8019
Keybank Capital Markets	Jordan Sadler/Craig Mailman	917-368-2280
Ladenburg Thalmann	Daniel Donlan	214-409-2056
RBC Capital Markets	Richard Moore	440-715-2646
Stifel	Simon Yarmak	443-224-1345

EPR Properties is followed by the analysts identified above. Please note that any opinions, estimates, forecasts or recommendations regarding EPR Properties' performance made by these analysts are theirs alone and do not represent opinions, estimates, forecasts or recommendations of EPR Properties or its management. EPR Properties does not by its reference above or distribution imply its endorsement of or concurrence with such information, conclusions or recommendations.

EPR Properties
Selected Financial Information
(Unaudited, dollars and shares in thousands)

<u>Operating Information:</u>	Three Months Ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Revenue (1)	91,787	82,952	181,643	165,903
Net income available to common shareholders of EPR Properties	34,808	26,524	72,388	61,778
Earnings before interest, taxes, depreciation and amortization (EBITDA) - continuing operations (2)	78,194	70,500	153,844	139,297
Earnings before interest, taxes, depreciation and amortization (EBITDA) - discontinued operations (2)	(4)	1,201	3,387	1,889
Adjusted EBITDA - continuing operations (2)	78,950	70,724	154,796	139,839
Adjusted EBITDA - discontinued operations (2)	(4)	1,201	11	1,889
Interest expense, net (1)	20,555	20,000	40,453	39,989
Recurring principal payments	3,249	4,141	5,977	8,444
Capitalized interest	1,610	626	2,897	970
Straight-lined rental revenue	1,107	707	2,218	1,921
Dividends declared on preferred shares	5,952	5,952	11,904	11,904
Dividends declared on common shares	45,710	37,201	91,070	74,362
General and administrative expense	7,079	6,051	14,541	12,703
 <u>Balance Sheet Information:</u>	June 30,			
	2014	2013		
Total assets	3,532,852	3,016,285		
Accumulated depreciation	439,242	395,191		
Total assets before accumulated depreciation (gross assets)	3,972,094	3,411,476		
Unencumbered real estate assets (3)				
Number	188	170		
Gross book value	2,793,324	2,483,490		
Annualized stabilized NOI	277,285	253,052		
Total debt	1,659,801	1,474,735		
Equity	1,751,970	1,454,637		
Common shares outstanding	53,471	47,165		
Total market capitalization (using EOP closing price)	4,993,468	4,191,959		
Debt/total assets	47%	49%		
Debt/total market capitalization	33%	35%		
Debt/gross assets	42%	43%		
Debt/Adjusted EBITDA - continuing operations (1)(4)	5.26	5.21		
Debt/Adjusted EBITDA - continuing and discontinued operations (4)	5.26	5.13		

(1) Excludes discontinued operations.

(2) See pages 31 through 32 for definitions.

(3) Includes unencumbered rental properties, gross, direct financing lease, net and mortgage notes receivable; excludes property under development and undeveloped land.

(4) Adjusted EBITDA is for the quarter annualized. See pages 31 through 32 for definitions.

EPR Properties
Selected Balance Sheet Information
(Unaudited, dollars in thousands)

	2nd Quarter 2014	1st Quarter 2014	4th Quarter 2013	3rd Quarter 2013	2nd Quarter 2013	1st Quarter 2013
Assets						
Rental properties: (1)						
Entertainment	\$ 2,284,385	\$ 2,143,392	\$ 2,152,138	\$ 2,065,181	\$ 2,023,640	\$ 2,017,909
Education	199,580	199,580	193,372	184,728	120,468	112,193
Recreation	218,656	159,334	158,194	70,955	70,961	70,961
Other	10,090	10,090	10,090	14,062	43,580	43,580
Less: accumulated depreciation	(439,242)	(422,463)	(409,643)	(398,356)	(395,191)	(383,651)
Land held for development	203,443	202,552	201,342	200,325	199,001	197,740
Property under development	182,897	138,586	89,473	86,048	77,492	38,369
Mortgage notes receivable: (2)						
Entertainment	58,220	58,220	58,220	91,309	77,464	77,464
Education	66,013	61,027	56,505	55,412	42,647	35,904
Recreation	379,435	366,561	366,580	364,829	359,630	352,668
Other	5,021	5,032	5,032	2,521	2,521	2,521
Investment in a direct financing lease, net	198,020	242,905	242,212	240,990	239,803	235,302
Investment in joint ventures	5,853	5,586	5,275	13,683	12,962	12,287
Cash and cash equivalents	13,589	20,406	7,958	24,141	20,030	11,763
Restricted cash	17,566	19,568	9,714	18,110	17,030	32,614
Accounts receivable, net	42,830	41,616	42,538	40,326	39,354	38,246
Other assets	86,496	87,121	83,276	61,009	64,893	55,922
Total assets	\$ 3,532,852	\$ 3,339,113	\$ 3,272,276	\$ 3,135,273	\$ 3,016,285	\$ 2,951,792
Liabilities and Equity						
Liabilities:						
Accounts payable and accrued liabilities	\$ 70,383	\$ 47,526	\$ 72,327	\$ 58,273	\$ 51,722	\$ 47,798
Common dividends payable	15,239	15,232	13,601	12,636	12,418	37,161
Preferred dividends payable	5,952	5,952	5,952	5,951	5,952	5,952
Unearned rents and interest	29,507	27,281	17,046	18,979	16,821	19,984
Line of credit	79,000	—	—	68,000	24,000	59,000
Debt	1,580,801	1,482,608	1,475,336	1,477,973	1,450,735	1,324,392
Total liabilities	1,780,882	1,578,599	1,584,262	1,641,812	1,561,648	1,494,287
Equity:						
Common stock and additional paid-in-capital	2,093,922	2,090,420	2,004,397	1,825,790	1,784,123	1,775,653
Preferred stock at par value	139	139	139	139	139	139
Treasury stock	(66,096)	(65,857)	(62,177)	(62,177)	(62,169)	(61,227)
Accumulated other comprehensive income	14,225	15,129	17,193	17,536	20,392	20,114
Distributions in excess of net income	(290,597)	(279,694)	(271,915)	(288,204)	(288,225)	(277,551)
EPR Properties shareholders' equity	1,751,593	1,760,137	1,687,637	1,493,084	1,454,260	1,457,128
Noncontrolling interests	377	377	377	377	377	377
Total equity	1,751,970	1,760,514	1,688,014	1,493,461	1,454,637	1,457,505
Total liabilities and equity	\$ 3,532,852	\$ 3,339,113	\$ 3,272,276	\$ 3,135,273	\$ 3,016,285	\$ 2,951,792

(1) Includes rental properties held for sale.

(2) Includes related accrued interest receivable.

EPR Properties
Selected Operating Data
(Unaudited, dollars in thousands)

	2nd Quarter 2014	1st Quarter 2014	4th Quarter 2013	3rd Quarter 2013	2nd Quarter 2013	1st Quarter 2013
Rental revenue and tenant reimbursements:						
Entertainment	\$ 63,783	\$ 61,410	\$ 61,373	\$ 59,352	\$ 58,974	\$ 59,727
Education	5,519	5,478	5,198	4,422	3,152	3,157
Recreation	4,612	3,846	3,751	2,682	1,782	1,909
Other	285	285	283	305	704	339
Mortgage and other financing income:						
Entertainment	1,768	1,723	1,761	2,258	2,223	2,204
Education (1)	7,440	8,778	8,666	8,507	8,145	7,957
Recreation	8,096	8,066	8,081	8,807	7,789	7,555
Other	97	97	94	67	79	79
Corporate/Unallocated	—	—	—	—	—	—
Other income (loss)	187	174	145	1,441	125	(29)
Total revenue	\$ 91,787	\$ 89,857	\$ 89,352	\$ 87,841	\$ 82,973	\$ 82,898
Property operating expense	5,539	6,449	6,413	6,579	5,990	7,034
Other expense	219	98	150	204	208	96
General and administrative expense	7,079	7,462	6,146	6,764	6,051	6,652
Costs associated with loan refinancing or payoff	—	—	—	223	5,943	—
Gain on early extinguishment of debt	—	—	—	—	—	(4,539)
Interest expense, net	20,555	19,899	20,632	20,435	20,000	19,989
Transaction costs	756	196	1,096	317	224	318
Depreciation and amortization	16,002	15,327	14,807	13,141	13,176	12,822
Income before equity in income in joint ventures and other items	41,637	40,426	40,108	40,178	31,381	40,526
Equity in income from joint ventures	267	311	230	351	466	351
Gain on sale or acquisition, net	—	330	3,017	—	—	—
Gain on previously held equity interest	—	—	4,853	—	—	—
Gain on sale of investment in a direct financing lease	220	—	—	—	—	—
Income tax benefit (expense)	(1,360)	(925)	14,176	—	—	—
Income from continuing operations	40,764	40,142	62,384	40,529	31,847	40,877
Discontinued operations:						
Income (loss) from discontinued operations	(4)	15	135	(195)	629	(236)
Transaction (costs) benefit	—	3,376	—	—	—	—
Gain on sale of real estate	—	—	523	3,168	—	565
Net income attributable to EPR Properties	40,760	43,533	63,042	43,502	32,476	41,206
Preferred dividend requirements	(5,952)	(5,952)	(5,951)	(5,951)	(5,952)	(5,952)
Net income available to common shareholders of EPR Properties	\$ 34,808	\$ 37,581	\$ 57,091	\$ 37,551	\$ 26,524	\$ 35,254

(1) Represents income from owned assets under a direct financing lease, nine mortgage notes receivable and one note receivable.

EPR Properties
Funds From Operations and Funds From Operations as Adjusted
(Unaudited, dollars in thousands except per share information)

	<u>2nd Quarter 2014</u>	<u>1st Quarter 2014</u>	<u>4th Quarter 2013</u>	<u>3rd Quarter 2013</u>	<u>2nd Quarter 2013</u>	<u>1st Quarter 2013</u>
Funds From Operations ("FFO") (1):						
Net income available to common shareholders of EPR Properties	\$ 34,808	\$ 37,581	\$ 57,091	\$ 37,551	\$ 26,524	\$ 35,254
Gain on sale of real estate	—	—	(3,540)	(3,168)	—	(565)
Gain on previously held equity interest	—	—	(4,853)	—	—	—
Gain on sale of investment in a direct financing lease	(220)	—	—	—	—	—
Real estate depreciation and amortization	15,725	15,049	14,528	13,069	13,498	13,468
Allocated share of joint venture depreciation	53	54	64	164	162	157
FFO available to common shareholders of EPR Properties	<u>\$ 50,366</u>	<u>\$ 52,684</u>	<u>\$ 63,290</u>	<u>\$ 47,616</u>	<u>\$ 40,184</u>	<u>\$ 48,314</u>
FFO available to common shareholders of EPR Properties	\$ 50,366	\$ 52,684	\$ 63,290	\$ 47,616	\$ 40,184	\$ 48,314
Add: Preferred dividends for Series C preferred shares	—	—	1,941	—	—	—
Diluted FFO available to common shareholders	<u>\$ 50,366</u>	<u>\$ 52,684</u>	<u>\$ 65,231</u>	<u>\$ 47,616</u>	<u>\$ 40,184</u>	<u>\$ 48,314</u>
Funds From Operations as adjusted (1):						
FFO available to common shareholders of EPR Properties	\$ 50,366	\$ 52,684	\$ 63,290	\$ 47,616	\$ 40,184	\$ 48,314
Costs associated with loan refinancing or payoff	—	—	—	223	5,943	—
Transaction costs (benefit)	756	(3,180)	1,096	317	224	318
Gain on early extinguishment of debt	—	—	—	—	—	(4,539)
Gain on sale of land	—	(330)	—	—	—	—
Deferred income tax expense (benefit)	842	407	(14,787)	—	—	—
FFO as adjusted available to common shareholders of EPR Properties	<u>\$ 51,964</u>	<u>\$ 49,581</u>	<u>\$ 49,599</u>	<u>\$ 48,156</u>	<u>\$ 46,351</u>	<u>\$ 44,093</u>
FFO per common share attributable to EPR Properties:						
Basic	\$ 0.94	\$ 1.00	\$ 1.25	\$ 1.01	\$ 0.85	\$ 1.03
Diluted	0.94	1.00	1.23	1.00	0.85	1.03
FFO as adjusted per common share attributable to EPR Properties:						
Basic	\$ 0.97	\$ 0.94	\$ 0.98	\$ 1.02	\$ 0.98	\$ 0.94
Diluted	0.97	0.94	0.97	1.01	0.98	0.94
Shares used for computation (in thousands):						
Basic	53,458	52,541	50,792	47,349	47,081	46,854
Diluted	53,654	52,719	52,933	47,524	47,294	47,047
Weighted average shares outstanding-diluted EPS	53,654	52,719	50,959	47,524	47,294	47,047
Effect of dilutive Series C preferred shares	—	—	1,974	—	—	—
Adjusted weighted-average shares outstanding-diluted	<u>53,654</u>	<u>52,719</u>	<u>52,933</u>	<u>47,524</u>	<u>47,294</u>	<u>47,047</u>

(1) See pages 31 through 32 for definitions.

EPR Properties
Adjusted Funds From Operations
(Unaudited, dollars in thousands except per share information)

	<u>2nd Quarter 2014</u>	<u>1st Quarter 2014</u>	<u>4th Quarter 2013</u>	<u>3rd Quarter 2013</u>	<u>2nd Quarter 2013</u>	<u>1st Quarter 2013</u>
<u>Adjusted Funds from Operations ("AFFO") (1):</u>						
FFO available to common shareholders of EPR Properties	\$ 50,366	\$ 52,684	\$ 63,290	\$ 47,616	\$ 40,184	\$ 48,314
Adjustments:						
Amortization of above market leases, net	48	48	48	—	—	—
Transaction costs (benefit)	756	(3,180)	1,096	317	224	318
Non-real estate depreciation and amortization	276	278	278	277	277	277
Deferred financing fees amortization	1,061	1,015	1,044	1,010	988	999
Costs associated with loan refinancing or payoff	—	—	—	223	5,943	—
Share-based compensation expense to management and trustees	2,343	2,328	1,690	1,659	1,618	1,548
Maintenance capital expenditures (2)	(3,026)	(1,154)	(2,627)	(619)	(279)	(525)
Straight-lined rental revenue	(1,107)	(1,111)	(1,575)	(1,350)	(707)	(1,214)
Non-cash portion of mortgage and other financing income	(1,239)	(1,286)	(1,288)	(1,329)	(1,393)	(1,265)
Gain on early extinguishment of debt	—	—	—	—	—	(4,539)
Gain on sale of land	—	(330)	—	—	—	—
Deferred income tax expense (benefit)	842	407	(14,787)	—	—	—
AFFO available to common shareholders of EPR Properties	<u>\$ 50,320</u>	<u>\$ 49,699</u>	<u>\$ 47,169</u>	<u>\$ 47,804</u>	<u>\$ 46,855</u>	<u>\$ 43,913</u>
Weighted average diluted shares outstanding (in thousands)	53,654	52,719	50,959	47,524	47,294	47,047
AFFO per diluted common share	\$ 0.94	\$ 0.94	\$ 0.93	\$ 1.01	\$ 0.99	\$ 0.93
Dividends declared per common share	\$ 0.86	\$ 0.86	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79
AFFO payout ratio (3)	91%	91%	85%	78%	80%	85%

(1) See pages 31 through 32 for definitions.

(2) Includes maintenance capital expenditures and certain second generation tenant improvements and leasing commissions.

(3) AFFO payout ratio is calculated by dividing dividends declared per common share by AFFO per diluted common share.

EPR Properties
Capital Structure at June 30, 2014
(Unaudited, dollars in thousands)

Consolidated Debt

Principal Payments Due on Debt:

Year	Mortgages		Bonds/Term Loan/Other (1)	Unsecured Credit Facility (2)	Unsecured Senior Notes	Total	Weighted Avg Interest Rate
	Amortization	Maturities					
2014	\$ 7,277	\$ —	\$ —	\$ —	\$ —	\$ 7,277	4.60%
2015	14,584	95,497	—	—	—	110,081	5.54%
2016	11,754	96,144	1,850	—	—	109,748	5.70%
2017	7,118	158,201	—	79,000	—	244,319	2.36%
2018	919	12,462	275,000	—	—	288,381	2.60%
2019	—	—	—	—	—	—	—%
2020	—	—	—	—	250,000	250,000	7.75%
2021	—	—	—	—	—	—	—%
2022	—	—	—	—	350,000	350,000	5.75%
2023	—	—	—	—	275,000	275,000	5.25%
2024	—	—	—	—	—	—	—%
Thereafter	—	—	24,995	—	—	24,995	0.07%
	<u>\$ 41,652</u>	<u>\$ 362,304</u>	<u>\$ 301,845</u>	<u>\$ 79,000</u>	<u>\$ 875,000</u>	<u>\$ 1,659,801</u>	<u>5.05%</u>

	Balance	Weighted Avg Interest Rate	Weighted Avg Maturity
Fixed rate secured debt	\$ 403,956	5.45%	2.32
Fixed rate unsecured debt (1)	1,116,850	5.37%	7.00
Variable rate secured debt	24,995	0.07%	23.25
Variable rate unsecured debt	114,000	1.61%	2.25
Total	<u>\$ 1,659,801</u>	<u>5.05%</u>	<u>5.86</u>

(1) Includes \$240 million of term loan that has been fixed through interest rate swaps through July 5, 2017.

(2) Unsecured Credit Facility Summary:

Commitment	Balance at 6/30/2014	Maturity	Rate at 6/30/2014
\$ 535,000	\$ 79,000	July 23, 2017	1.55%

Note: This facility has a one year extension available at the Company's option and includes an accordion feature in which the facility can be increased to up to \$600 million, in each case, subject to certain terms and conditions.

EPR Properties
Capital Structure at June 30, 2014 and December 31, 2013
(Unaudited, dollars in thousands)

Consolidated Debt (continued)

Summary of Debt:

	<u>June 30, 2014</u>	<u>December 31, 2013</u>
Mortgage note payable, 5.56%, due June 5, 2015	\$ 30,875	\$ 31,235
Mortgage note payable, 5.39%, due November 1, 2015	5,119	5,274
Mortgage notes payable, 5.77%, due November 6, 2015	63,967	65,070
Mortgage notes payable, 5.84%, due March 6, 2016	36,125	36,724
Note payable, 2.50%, due April 21, 2016	1,850	—
Mortgage notes payable, 6.37%, due June 30, 2016	26,010	26,406
Mortgage notes payable, 6.10%, due October 1, 2016	23,363	23,719
Mortgage notes payable, 6.02%, due October 6, 2016	17,596	17,866
Mortgage note payable, 6.06%, due March 1, 2017	9,841	9,986
Mortgage note payable, 6.07%, due April 6, 2017	10,136	10,284
Mortgage notes payable, 5.73%-5.95%, due May 1, 2017	33,166	33,660
Mortgage note payable, 4.00%, due July 6, 2017	99,012	—
Mortgage note payable, 5.29%, due July 8, 2017	3,675	3,746
Unsecured revolving variable rate credit facility, LIBOR + 1.40%, due July 23, 2017	79,000	—
Mortgage notes payable, 5.86% due August 1, 2017	24,037	24,387
Mortgage note payable, 6.19%, due February 1, 2018	14,171	14,486
Mortgage note payable, 7.37%, due July 15, 2018	6,863	7,498
Unsecured term loan payable, LIBOR + 1.60%, fixed through interest rate swaps at 2.51% through January 5, 2016 and 2.38% from January 5, 2016 to July 5, 2017, due July 23, 2018	275,000	265,000
Senior unsecured notes payable, 7.75%, due July 15, 2020	250,000	250,000
Senior unsecured notes payable, 5.75%, due August 15, 2022	350,000	350,000
Senior unsecured notes payable, 5.25%, due July 15, 2023	275,000	275,000
Bonds payable, variable rate, due October 1, 2037	24,995	24,995
Total	<u>\$ 1,659,801</u>	<u>\$ 1,475,336</u>

EPR Properties
Capital Structure
Senior Notes

Senior Debt Ratings as of June 30, 2014

Moody's	Baa2 (stable)
Fitch	BBB- (stable)
Standard and Poor's	BB+ (positive) (1)

(1) Subsequent to quarter end, on July 8, 2014, Standard and Poor's raised the Company's senior debt rating to BBB- (stable).

Summary of Covenants

The Company's outstanding senior unsecured notes have fixed interest rates of 5.25%, 5.75% and 7.75%. Interest on the senior unsecured notes is paid semiannually. The senior unsecured notes contain various covenants, including: (i) a limitation on incurrence of any debt that would cause the Company's debt to adjusted total assets ratio to exceed 60%; (ii) a limitation on incurrence of any secured debt which would cause the Company's secured debt to adjusted total assets ratio to exceed 40%; (iii) a limitation on incurrence of any debt which would cause the Company's debt service coverage ratio to be less than 1.5 times; and (iv) the maintenance at all times of total unencumbered assets not less than 150% of the Company's outstanding unsecured debt.

The following is a summary of the key financial covenants for the Company's 5.25%, 5.75% and 7.75% senior unsecured notes, as defined and calculated per the terms of the notes. These calculations, which are not based on U.S. generally accepted accounting principles, or GAAP, measurements, are presented to investors to show the Company's ability to incur additional debt under the terms of the senior unsecured notes only and are not measures of the Company's liquidity or performance. The actual amounts as of June 30, 2014 and March 31, 2014 are:

Note Covenants	Required	Actual 2nd Quarter 2014 (1)	Actual 1st Quarter 2014
Limitation on incurrence of total debt (Total Debt/Total Assets)	≤ 60%	43%	40%
Limitation on incurrence of secured debt (Secured Debt/Total Assets)	≤ 40%	11%	9%
Debt service coverage (Consolidated Income Available for Debt Service/Annual Debt Service)	≥ 1.5 x	3.7x	3.7x
Maintenance of total unencumbered assets (Unencumbered Assets/Unsecured Debt)	≥ 150% of unsecured debt	254%	265%

(1) See page 14 for detailed calculations.

EPR Properties
Capital Structure
Senior Notes
(Unaudited, dollars in thousands)

Covenant Calculations

Total Assets:	June 30, 2014		Total Debt:	June 30, 2014	
Total Assets	\$ 3,532,852		Secured debt obligations	\$ 428,951	
Add: accumulated depreciation	439,242		Unsecured debt obligations:		
Less: intangible assets	(9,345)		Unsecured debt	1,230,850	
Total Assets	\$ 3,962,749		Outstanding letters of credit	—	
			Guarantees	20,430	
			Derivatives at fair market value, net, if liability	6,450	
			Total unsecured debt obligations:	1,257,730	
Total Unencumbered Assets:	June 30, 2014		Total Debt	\$ 1,686,681	
Unencumbered real estate assets, gross	\$ 2,793,324				
Cash and cash equivalents	13,589				
Land held for development	203,443				
Property under development	182,897				
Total Unencumbered Assets	\$ 3,193,253				
Consolidated Income Available for Debt Service:	2nd Quarter 2014	1st Quarter 2014	4th Quarter 2013	3rd Quarter 2013	Trailing Twelve Months
Adjusted EBITDA	\$ 78,950	\$ 75,848	\$ 76,643	\$ 74,294	\$ 305,735
Add: Adjusted EBITDA of discontinued operations	(4)	15	135	10	156
Less: straight-line rental revenue	(1,107)	(1,111)	(1,575)	(1,350)	(5,143)
Consolidated Income Available for Debt Service	\$ 77,839	\$ 74,752	\$ 75,203	\$ 72,954	\$ 300,748
Annual Debt Service:					
Interest expense, gross	\$ 22,174	\$ 21,190	\$ 21,416	\$ 21,460	\$ 86,240
Less: deferred financing fees amortization	(1,061)	(1,015)	(1,044)	(1,010)	(4,130)
Annual Debt Service	\$ 21,113	\$ 20,175	\$ 20,372	\$ 20,450	\$ 82,110
Debt Service Coverage	3.7	3.7	3.7	3.6	3.7

EPR Properties
Capital Structure at June 30, 2014
(Unaudited, dollars in thousands except share information)

Equity

Security	Shares Issued and Outstanding	Price per share at June 30, 2014	Liquidation Preference	Dividend Rate	Convertible
Common shares	53,470,853	\$ 55.87	N/A	(1)	N/A
Series C	5,400,000	\$ 22.98	\$ 135,000	5.750%	Y
Series E	3,450,000	\$ 31.52	\$ 86,250	9.000%	Y
Series F	5,000,000	\$ 24.46	\$ 125,000	6.625%	N

Calculation of Total Market Capitalization:

Common shares outstanding at June 30, 2014 multiplied by closing price at June 30, 2014	\$ 2,987,417
Aggregate liquidation value of Series C preferred shares (2)	135,000
Aggregate liquidation value of Series E preferred shares (2)	86,250
Aggregate liquidation value of Series F preferred shares (2)	125,000
Total debt at June 30, 2014	1,659,801
Total consolidated market capitalization	<u>\$ 4,993,468</u>

(1) Total monthly dividends declared in the second quarter of 2014 were \$0.855 per share.

(2) Excludes accrued unpaid dividends at June 30, 2014

**EPR Properties
Summary of Ratios
(Unaudited)**

	2nd Quarter 2014	1st Quarter 2014	4th Quarter 2013	3rd Quarter 2013	2nd Quarter 2013	1st Quarter 2013
Debt to total assets (book value)	47%	44%	45%	49%	49%	47%
Debt to total market capitalization	33%	32%	34%	37%	35%	33%
Debt to gross assets	42%	39%	40%	44%	43%	41%
Debt/Adjusted EBITDA - continuing operations (1)	5.26	4.89	4.81	5.20	5.21	5.00
Debt/Adjusted EBITDA - continuing and discontinued operations (1)	5.26	4.89	4.80	5.20	5.13	4.95
Secured debt to secured assets	69%	66%	67%	63%	65%	55%
Unencumbered real estate assets to total real estate assets (2)	82%	84%	84%	83%	83%	71%
Interest coverage ratio (3)	3.6	3.6	3.6	3.5	3.6	3.5
Fixed charge coverage ratio (3)	2.8	2.8	2.8	2.7	2.8	2.7
Debt service coverage ratio (3)	3.1	3.2	3.2	3.1	3.0	2.9
FFO payout ratio (4)	91%	86%	64%	79%	93%	77%
FFO as adjusted payout ratio (5)	88%	91%	81%	78%	81%	84%
AFFO payout ratio (6)	91%	91%	85%	78%	80%	85%

(1) Adjusted EBITDA is for the quarter annualized. See pages 31 through 32 for definitions.

(2) Total real estate assets includes rental properties, gross, direct financing lease, net and mortgage notes receivable; excludes property under development and land held for development.

(3) See page 17 for detailed calculation.

(4) FFO payout ratio is calculated by dividing dividends declared per common share by FFO per diluted common share.

(5) FFO as adjusted payout ratio is calculated by dividing dividends declared per common share by FFO as adjusted per diluted common share.

(6) AFFO payout ratio is calculated by dividing dividends declared per common share by AFFO per diluted common share.

EPR Properties
Calculation of Interest, Fixed Charge and Debt Service Coverage Ratios
(Unaudited, dollars in thousands)

	<u>2nd Quarter 2014</u>	<u>1st Quarter 2014</u>	<u>4th Quarter 2013</u>	<u>3rd Quarter 2013</u>	<u>2nd Quarter 2013</u>	<u>1st Quarter 2013</u>
<u>Interest Coverage Ratio (1):</u>						
Net income	\$ 40,760	\$ 43,533	\$ 63,042	\$ 43,502	\$ 32,476	\$ 41,206
Transaction costs (benefit)	756	(3,180)	1,096	317	224	318
Interest expense, gross	22,174	21,190	21,416	21,460	20,632	20,335
Depreciation and amortization	16,002	15,327	14,807	13,346	13,776	13,745
Share-based compensation expense to management and trustees	2,343	2,328	1,690	1,659	1,618	1,548
Costs associated with loan refinancing or payoff	—	—	—	223	5,943	—
Interest cost capitalized	(1,610)	(1,287)	(779)	(1,014)	(626)	(344)
Straight-line rental revenue	(1,107)	(1,111)	(1,575)	(1,350)	(707)	(1,214)
Gain on early extinguishment of debt	—	—	—	—	—	(4,539)
Gain on sale of real estate	—	(330)	(3,540)	(3,168)	—	(565)
Gain on sale of investment in a direct financing lease	(220)	—	—	—	—	—
Gain on previously held equity interest	—	—	(4,853)	—	—	—
Deferred income tax expense (benefit)	842	407	(14,787)	—	—	—
Interest coverage amount	<u>\$ 79,940</u>	<u>\$ 76,877</u>	<u>\$ 76,517</u>	<u>\$ 74,975</u>	<u>\$ 73,336</u>	<u>\$ 70,490</u>
Interest expense, net	\$ 20,555	\$ 19,899	\$ 20,632	\$ 20,435	\$ 19,972	\$ 19,989
Interest income	9	4	5	11	34	2
Interest cost capitalized	1,610	1,287	779	1,014	626	344
Interest expense, gross	<u>\$ 22,174</u>	<u>\$ 21,190</u>	<u>\$ 21,416</u>	<u>\$ 21,460</u>	<u>\$ 20,632</u>	<u>\$ 20,335</u>
Interest coverage ratio	<u>3.6</u>	<u>3.6</u>	<u>3.6</u>	<u>3.5</u>	<u>3.6</u>	<u>3.5</u>
<u>Fixed Charge Coverage Ratio (1):</u>						
Interest coverage amount	\$ 79,940	\$ 76,877	\$ 76,517	\$ 74,975	\$ 73,336	\$ 70,490
Interest expense, gross	\$ 22,174	\$ 21,190	\$ 21,416	\$ 21,460	\$ 20,632	\$ 20,335
Preferred share dividends	5,952	5,952	5,951	5,951	5,952	5,952
Fixed charges	<u>\$ 28,126</u>	<u>\$ 27,142</u>	<u>\$ 27,367</u>	<u>\$ 27,411</u>	<u>\$ 26,584</u>	<u>\$ 26,287</u>
Fixed charge coverage ratio	<u>2.8</u>	<u>2.8</u>	<u>2.8</u>	<u>2.7</u>	<u>2.8</u>	<u>2.7</u>
<u>Debt Service Coverage Ratio (1):</u>						
Interest coverage amount	\$ 79,940	\$ 76,877	\$ 76,517	\$ 74,975	\$ 73,336	\$ 70,490
Interest expense, gross	\$ 22,174	\$ 21,190	\$ 21,416	\$ 21,460	\$ 20,632	\$ 20,335
Recurring principal payments	3,249	2,728	2,637	2,472	4,141	4,303
Debt service	<u>\$ 25,423</u>	<u>\$ 23,918</u>	<u>\$ 24,053</u>	<u>\$ 23,932</u>	<u>\$ 24,773</u>	<u>\$ 24,638</u>
Debt service coverage ratio	<u>3.1</u>	<u>3.2</u>	<u>3.2</u>	<u>3.1</u>	<u>3.0</u>	<u>2.9</u>

(1) See pages 31 through 32 for definitions. Amounts above include the impact of discontinued operations, which is separately classified in the income statement.

EPR Properties
Reconciliation of Interest Coverage Amount to Net Cash Provided by Operating Activities
(Unaudited, dollars in thousands)

The interest coverage amount per the table on the previous page is a non-GAAP financial measure and should not be considered an alternative to any GAAP liquidity measures. It is most directly comparable to the GAAP liquidity measure, “Net cash provided by operating activities,” and is not directly comparable to the GAAP liquidity measures, “Net cash used in investing activities” and “Net cash provided by financing activities.” The interest coverage amount can be reconciled to “Net cash provided by operating activities” per the consolidated statements of cash flows as follows:

	<u>2nd Quarter 2014</u>	<u>1st Quarter 2014</u>	<u>4th Quarter 2013</u>	<u>3rd Quarter 2013</u>	<u>2nd Quarter 2013</u>	<u>1st Quarter 2013</u>
Net cash provided by operating activities	\$ 72,824	\$ 41,530	\$ 75,745	\$ 45,649	\$ 72,554	\$ 40,172
Equity in income from joint ventures	267	311	230	351	466	351
Distributions from joint ventures	—	—	(355)	(216)	(191)	(223)
Amortization of deferred financing costs	(1,061)	(1,015)	(1,044)	(1,010)	(988)	(999)
Amortization of above market leases, net	(48)	(48)	(48)	—	—	—
Increase (decrease) in mortgage notes and related accrued interest receivable	129	107	(783)	2,868	(1,664)	36
Increase (decrease) in restricted cash	(754)	3,425	135	(565)	(10,234)	(2,946)
Increase (decrease) in accounts receivable, net	883	(543)	2,540	1,539	1,480	339
Increase in direct financing lease receivable	988	694	1,222	1,186	1,240	1,212
Increase (decrease) in other assets	1,353	2,039	(1,172)	(2,842)	1,810	(139)
Decrease (increase) in accounts payable and accrued liabilities	(14,688)	18,151	(17,159)	9,066	(8,493)	10,520
Decrease (increase) in unearned rents	(1,008)	(3,793)	(2,952)	(464)	(2,167)	3,072
Straight-line rental revenue	(1,107)	(1,111)	(1,575)	(1,350)	(707)	(1,214)
Interest expense, gross	22,174	21,190	21,416	21,460	20,632	20,335
Interest cost capitalized	(1,610)	(1,287)	(779)	(1,014)	(626)	(344)
Transaction costs (benefit)	756	(3,180)	1,096	317	224	318
Deferred income tax expense	842	407	—	—	—	—
Interest coverage amount (1)	<u>\$ 79,940</u>	<u>\$ 76,877</u>	<u>\$ 76,517</u>	<u>\$ 74,975</u>	<u>\$ 73,336</u>	<u>\$ 70,490</u>

(1) See pages 31 through 32 for definitions. Amounts above include the impact of discontinued operations, which is separately classified in the income statement.

EPR Properties
Capital Spending and Disposition Summaries
(Unaudited, dollars in thousands)

2014 Capital Spending:

Description	Location	Operating Segment	Capital Spending Three Months Ended June 30, 2014	Capital Spending Six Months Ended June 30, 2014
Development of megaplex theatres	various	Entertainment	\$ 4,491	\$ 12,941
Acquisition of megaplex theatres	various	Entertainment	126,960	126,960
Development of other entertainment and retail projects	various	Entertainment	228	585
Investment in note receivable secured by partnership interest in theatre operations	China	Entertainment	—	1,486
Investment in note receivable	Kenner, LA	Entertainment	1,750	1,750
Investment in mortgage notes receivable for public charter schools	various	Education	4,975	9,470
Acquisition and development of early childhood education centers	various	Education	8,423	23,620
Development of public charter school properties	various	Education	30,969	37,204
Acquisition and development of private schools	various	Education	21,321	31,653
Improvements at ski resorts	various	Recreation	40	839
Development of TopGolf golf entertainment facilities	various	Recreation	38,563	58,459
Acquisition and development of Camelback Mountain Resort	Tannersville, PA	Recreation	12,662	12,662
Investment in casino and resort project	Sullivan County, NY	Other	891	2,100
Total investment spending			\$ 251,273	\$ 319,729
Other capital acquisitions, net	various		2,537	3,645
Total capital spending			\$ 253,810	\$ 323,374

2014 Dispositions:

Description	Location	Date of Disposition	Net Sales Proceeds
Sale of land adjacent to a public charter school investment	Queen Creek, AZ	January 2014	\$ 915
Sale of four public charter school properties	various	April 2014	46,092
Sale of land held for development	Savannah, GA	May 2014	2,378

EPR Properties
Property Under Development - Investment Spending Estimates at June 30, 2014 (1)
(Unaudited, dollars in thousands)

	<u>June 30, 2014</u>		<u>Owned Build-to-Suit Spending Estimates</u>					Total Expected Cost (2)	% Leased
	Property Under Development	# of Projects	3rd Quarter 2014	4th Quarter 2014	1st Quarter 2015	2nd Quarter 2015	Remainder 2015		
Entertainment	\$ 13,927	5	\$ 5,700	\$ 3,700	\$ 7,887	\$ 5,120	\$ 16,445	\$ 52,779	100%
Education	125,119	22	47,016	45,429	33,943	15,104	28,198	294,809	100%
Recreation	28,662	7	20,515	27,490	5,230	36,573	—	118,470	100%
Total Build-to-Suit	167,708	34	<u>\$ 73,231</u>	<u>\$ 76,619</u>	<u>\$ 47,060</u>	<u>\$ 56,797</u>	<u>\$ 44,643</u>	<u>\$ 466,058</u>	
Non Build-to-Suit Development	15,189								
Total Property Under Development	<u>\$ 182,897</u>								

	<u>June 30, 2014</u>		<u>Owned Build-to-Suit In-Service Estimates</u>					Total In- Service (2)
	# of Projects		3rd Quarter 2014	4th Quarter 2014	1st Quarter 2015	2nd Quarter 2015	Remainder 2015	
Entertainment	5		\$ —	\$ 19,279	\$ 7,500	\$ —	\$ 26,000	\$ 52,779
Education	22		77,354	131,875	10,270	12,300	63,010	294,809
Recreation	7		—	—	33,870	84,600	—	118,470
Total Build-to-Suit	34		<u>\$ 77,354</u>	<u>\$ 151,154</u>	<u>\$ 51,640</u>	<u>\$ 96,900</u>	<u>\$ 89,010</u>	<u>\$ 466,058</u>

	<u>June 30, 2014</u>		<u>Mortgage Build-to-Suit Spending Estimates</u>					Total Expected Cost (2)
	Mortgage Notes Receivable	# of Projects	3rd Quarter 2014	4th Quarter 2014	1st Quarter 2015	2nd Quarter 2015	Remainder 2015	
Entertainment	\$ —	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Education	11,849	2	5,331	2,539	—	—	—	19,719
Recreation (3)	13,904	1	19,000	33,500	20,838	15,000	8,508	110,750
Total Build-to-Suit Mortgage Notes	25,753	3	<u>\$ 24,331</u>	<u>\$ 36,039</u>	<u>\$ 20,838</u>	<u>\$ 15,000</u>	<u>\$ 8,508</u>	<u>\$ 130,469</u>
Non Build-to-Suit Mortgage Notes	482,936							
Total Mortgage Notes Receivable	<u>\$ 508,689</u>							

(1) This schedule includes only those properties for which the Company has closed on a contract (lease or mortgage) and commenced construction as of June 30, 2014.

(2) "Total Expected Cost" and "Total In-Service" each reflect the total capital costs expected to be funded by the Company through completion (including capitalized interest or accrued interest as applicable).

(3) Certain of these mortgage agreements contain provisions that allow for a conversion to a lease structure.

Note: This schedule includes future estimates for which the Company can give no assurance as to timing or amounts. Development projects have risks. See Item 1A - "Risk Factors" in the Company's most recent Annual Report on Form 10-K and, to the extent applicable, the Company's Quarterly Reports on Form 10-Q.

EPR Properties
Financial Information by Asset Type
For the Three Months Ended June 30, 2014
(Unaudited, dollars in thousands)

	Entertainment	Education	Recreation	Other	Subtotal	Corporate/ Unallocated	Consolidated
Rental revenue	\$ 59,502	\$ 5,519	\$ 4,612	\$ 285	\$ 69,918	\$ —	\$ 69,918
Tenant reimbursements	4,281	—	—	—	4,281	—	4,281
Other income	(12)	—	—	92	80	107	187
Mortgage and other financing income	1,768	7,440	8,096	97	17,401	—	17,401
Total revenue	<u>65,539</u>	<u>12,959</u>	<u>12,708</u>	<u>474</u>	<u>91,680</u>	<u>107</u>	<u>91,787</u>
Property operating expense	5,381	—	—	158	5,539	—	5,539
Other expense	—	—	—	219	219	—	219
Total investment expenses	<u>5,381</u>	<u>—</u>	<u>—</u>	<u>377</u>	<u>5,758</u>	<u>—</u>	<u>5,758</u>
General and administrative expense	—	—	—	—	—	7,079	7,079
Transaction costs	—	—	—	—	—	756	756
EBITDA - continuing operations	<u>\$ 60,158</u>	<u>\$ 12,959</u>	<u>\$ 12,708</u>	<u>\$ 97</u>	<u>\$ 85,922</u>	<u>\$ (7,728)</u>	<u>\$ 78,194</u>
	70%	15%	15%	—%	100%		
Add: transaction costs						756	756
Adjusted EBITDA - continuing operations							<u>78,950</u>
Reconciliation to Consolidated							
Interest expense, net						(20,555)	(20,555)
Transaction costs						(756)	(756)
Depreciation and amortization						(16,002)	(16,002)
Equity in income from joint ventures						267	267
Gain on sale of investment in a direct financing lease						220	220
Income tax expense						(1,360)	(1,360)
Discontinued operations:							
Loss from discontinued operations						(4)	(4)
Net income attributable to EPR Properties							<u>40,760</u>
Preferred dividend requirements						(5,952)	(5,952)
Net income available to common shareholders of EPR Properties							<u><u>\$ 34,808</u></u>

EPR Properties
Financial Information by Asset Type
For the Six Months Ended June 30, 2014
(Unaudited, dollars in thousands)

	Entertainment	Education	Recreation	Other	Subtotal	Corporate/ Unallocated	Consolidated
Rental revenue	\$ 116,324	\$ 10,996	\$ 8,459	\$ 570	\$ 136,349	\$ —	\$ 136,349
Tenant reimbursements	8,869	—	—	—	8,869	—	8,869
Other income (loss)	(12)	—	—	93	81	280	361
Mortgage and other financing income	3,490	16,218	16,162	194	36,064	—	36,064
Total revenue	<u>128,671</u>	<u>27,214</u>	<u>24,621</u>	<u>857</u>	<u>181,363</u>	<u>280</u>	<u>181,643</u>
Property operating expense	11,654	—	—	334	11,988	—	11,988
Other expense	—	—	—	318	318	—	318
Total investment expenses	<u>11,654</u>	<u>—</u>	<u>—</u>	<u>652</u>	<u>12,306</u>	<u>—</u>	<u>12,306</u>
General and administrative expense	—	—	—	—	—	14,541	14,541
Transaction costs	—	—	—	—	—	952	952
EBITDA - continuing operations	<u>\$ 117,017</u>	<u>\$ 27,214</u>	<u>\$ 24,621</u>	<u>\$ 205</u>	<u>\$ 169,057</u>	<u>\$ (15,213)</u>	<u>\$ 153,844</u>
	69%	16%	15%	—%	100%		
Add: transaction costs						952	952
Adjusted EBITDA - continuing operations							<u>154,796</u>
Reconciliation to Consolidated Statements of Income:							
Interest expense, net						(40,453)	(40,453)
Transaction costs						(952)	(952)
Depreciation and amortization						(31,329)	(31,329)
Equity in income from joint ventures						578	578
Gain on sale of land						330	330
Gain on sale of investment in a direct financing lease						220	220
Income tax expense						(2,285)	(2,285)
Discontinued operations:							
Income from discontinued operations						11	11
Transaction (costs) benefit						3,376	3,376
Net income attributable to EPR Properties							<u>84,292</u>
Preferred dividend requirements						(11,904)	(11,904)
Net income available to common shareholders of EPR Properties							<u><u>\$ 72,388</u></u>

EPR Properties
Financial Information by Asset Type
For the Three Months Ended June 30, 2013
(Unaudited, dollars in thousands)

	Entertainment	Education	Recreation	Other	Subtotal	Corporate/ Unallocated	Consolidated
Rental revenue	\$ 54,522	\$ 3,152	\$ 1,782	\$ 704	\$ 60,160	\$ —	\$ 60,160
Tenant reimbursements	4,452	—	—	—	4,452	—	4,452
Other income	24	—	—	77	101	3	104
Mortgage and other financing income	2,223	8,145	7,789	79	18,236	—	18,236
Total revenue	<u>61,221</u>	<u>11,297</u>	<u>9,571</u>	<u>860</u>	<u>82,949</u>	<u>3</u>	<u>82,952</u>
Property operating expense	5,840	—	—	150	5,990	—	5,990
Other expense	—	—	—	208	208	(21)	187
Total investment expenses	<u>5,840</u>	<u>—</u>	<u>—</u>	<u>358</u>	<u>6,198</u>	<u>(21)</u>	<u>6,177</u>
General and administrative expense	—	—	—	—	—	6,051	6,051
Transaction costs	—	—	—	—	—	224	224
EBITDA - continuing operations	<u>\$ 55,381</u>	<u>\$ 11,297</u>	<u>\$ 9,571</u>	<u>\$ 502</u>	<u>\$ 76,751</u>	<u>\$ (6,251)</u>	<u>\$ 70,500</u>
	72%	15%	12%	1%	100%		
Add: transaction costs						224	<u>224</u>
Adjusted EBITDA - continuing operations							70,724
Reconciliation to Consolidated Statements of Income:							
Costs associated with loan refinancing or payoff						(5,943)	(5,943)
Interest expense, net						(20,000)	(20,000)
Transaction costs						(224)	(224)
Depreciation and amortization						(13,176)	(13,176)
Equity in income from joint ventures						466	466
Discontinued operations:							
Income from discontinued operations						629	<u>629</u>
Net income attributable to EPR Properties							32,476
Preferred dividend requirements						(5,952)	<u>(5,952)</u>
Net income available to common shareholders of EPR Properties							<u>\$ 26,524</u>

EPR Properties
Financial Information by Asset Type
For the Six Months Ended June 30, 2013
(Unaudited, dollars in thousands)

	Entertainment	Education	Recreation	Other	Subtotal	Corporate/ Unallocated	Consolidated
Rental revenue	\$ 109,504	\$ 6,310	\$ 3,691	\$ 1,043	\$ 120,548	\$ —	\$ 120,548
Tenant reimbursements	9,196	—	—	—	9,196	—	9,196
Other income	47	—	—	78	125	3	128
Mortgage and other financing income	4,427	16,102	15,344	158	36,031	—	36,031
Total revenue	<u>123,174</u>	<u>22,412</u>	<u>19,035</u>	<u>1,279</u>	<u>165,900</u>	<u>3</u>	<u>165,903</u>
Property operating expense	12,976	—	—	49	13,025	—	13,025
Other expense	—	—	—	305	305	31	336
Total investment expenses	<u>12,976</u>	<u>—</u>	<u>—</u>	<u>354</u>	<u>13,330</u>	<u>31</u>	<u>13,361</u>
General and administrative expense	—	—	—	—	—	12,703	12,703
Transaction costs	—	—	—	—	—	542	542
EBITDA - continuing operations	<u>\$ 110,198</u>	<u>\$ 22,412</u>	<u>\$ 19,035</u>	<u>\$ 925</u>	<u>\$ 152,570</u>	<u>\$ (13,273)</u>	<u>\$ 139,297</u>
	72%	15%	12%	1%	100%		
Add: transaction costs						542	542
Adjusted EBITDA - continuing operations							<u>139,839</u>
Reconciliation to Consolidated Statements of Income:							
Costs associated with loan refinancing or payoff						(5,943)	(5,943)
Gain on early extinguishment of debt						4,539	4,539
Interest expense, net						(39,989)	(39,989)
Transaction costs						(542)	(542)
Depreciation and amortization						(25,998)	(25,998)
Equity in income from joint ventures						817	817
Discontinued operations:							
Income from discontinued operations						394	394
Gain on sale of real estate						565	565
Net income attributable to EPR Properties							<u>73,682</u>
Preferred dividend requirements						(11,904)	(11,904)
Net income available to common shareholders of EPR Properties							<u><u>\$ 61,778</u></u>

EPR Properties
Investment Information by Asset Type
As of June 30, 2014 and December 31, 2013
(Unaudited, dollars in thousands)

	As of June 30, 2014				
	Entertainment	Education	Recreation	Other	Consolidated
Rental properties, net of accumulated depreciation	\$ 1,863,770	\$ 191,975	\$ 210,344	\$ 7,380	\$ 2,273,469
Add back accumulated depreciation on rental properties	420,615	7,605	8,312	2,710	439,242
Land held for development	4,457	—	—	198,986	203,443
Property under development	29,114	125,121	28,662	—	182,897
Mortgage notes and related accrued interest receivable, net	58,220	66,013	379,435	5,021	508,689
Investment in a direct financing lease, net	—	198,020	—	—	198,020
Investment in joint ventures	5,853	—	—	—	5,853
Intangible assets, gross (1)	21,651	—	—	—	21,651
Notes receivable and related accrued interest receivable, net (1)	3,321	3,776	—	—	7,097
Total investments (2)	<u>\$ 2,407,001</u>	<u>\$ 592,510</u>	<u>\$ 626,753</u>	<u>\$ 214,097</u>	<u>\$ 3,840,361</u>
% of total investments	63%	15%	16%	6%	100%

	As of December 31, 2013				
	Entertainment	Education	Recreation	Other	Consolidated
Rental properties, net of accumulated depreciation	\$ 1,755,433	\$ 188,387	\$ 152,694	\$ 7,637	\$ 2,104,151
Add back accumulated depreciation on rental properties	396,705	4,985	5,500	2,453	409,643
Land held for development	4,457	—	—	196,885	201,342
Property under development	23,686	40,821	24,966	—	89,473
Mortgage notes and related accrued interest receivable, net	58,220	56,505	366,580	5,032	486,337
Investment in a direct financing lease, net	—	242,212	—	—	242,212
Investment in joint ventures	5,275	—	—	—	5,275
Intangible assets, gross (1)	18,444	—	—	—	18,444
Notes receivable and related accrued interest receivable, net (1)	—	4,992	—	—	4,992
Total investments (2)	<u>\$ 2,262,220</u>	<u>\$ 537,902</u>	<u>\$ 549,740</u>	<u>\$ 212,007</u>	<u>\$ 3,561,869</u>
% of total investments	64%	15%	15%	6%	100%

(1) Included in other assets in the consolidated balance sheets as of June 30, 2014 and December 31, 2013 in the Company's Quarterly Report on Form 10-Q. Reconciliation is as follows:

	<u>6/30/2014</u>	<u>12/31/2013</u>
Intangible assets, gross	\$ 21,651	\$ 18,444
Less: accumulated amortization on intangible assets	(12,306)	(11,633)
Notes receivable and related accrued interest receivable, net	7,097	4,992
Prepaid expenses and other current assets	48,152	48,129
Total other assets	<u>\$ 64,594</u>	<u>\$ 59,932</u>

(2) See pages 31 and 32 for definitions.

**EPR Properties
Lease Expirations
As of June 30, 2014
(Unaudited, dollars in thousands)**

Year	Megaplex Theatres			Public Charter Schools and Early Education Centers		
	Total Number of Properties	Rental Revenue for the Trailing Twelve Months Ended June 30, 2014 (1)	% of Total Revenue	Total Number of Properties	Financing Income/ Rental Revenue for the Trailing Twelve Months Ended June 30, 2014	% of Total Revenue
2014	—	\$ —	—	—	\$ —	—
2015	3	9,686	3%	—	—	—
2016	4	9,412	3%	—	—	—
2017	4	7,353	2%	1	976	1%
2018	19	31,692	9%	—	—	—
2019	8	23,739	7%	—	—	—
2020	7	9,126	2%	—	—	—
2021	6	10,679	3%	—	—	—
2022	12	22,237	6%	—	—	—
2023	5	10,312	3%	—	—	—
2024	10	17,297	5%	—	—	—
2025	6	12,540	3%	—	—	—
2026	4	5,670	2%	—	—	—
2027	13 (2)	5,619	2%	—	—	—
2028	2	1,771	—%	—	—	—
2029	15 (3)	14,125	4%	—	—	—
2030	—	—	—	—	—	—
2031	4	3,772	1%	10 (5)	8,560	2%
2032	3 (4)	2,039	—%	13 (6)	14,882	4%
2033	6	3,742	1%	17 (7)	15,311	4%
Thereafter	2	389	—	5	4,286	1%
	<u>133</u>	<u>\$ 201,200</u>	<u>56%</u>	<u>46</u>	<u>\$ 44,015</u>	<u>12%</u>

Note: This schedule relates to consolidated megaplex theatres, public charter schools and early education centers only, which together represent approximately 68% of total revenue for the trailing twelve months ended June 30, 2014. This schedule excludes properties under construction.

(1) Consists of rental revenue and tenant reimbursements.

(2) Eleven of these theatre properties are leased under a master lease.

(3) All of these theatre properties are leased under a master lease.

(4) All of these theatre properties are leased under a master lease.

(5) Four of these public charter school properties are leased under a master lease to Imagine.

(6) Six of these public charter school properties are leased under a master lease to Imagine.

(7) Thirteen of these public charter school properties are leased under a master lease to Imagine.

EPR Properties
Top Ten Customers by Revenue from Continuing Operations
(Unaudited, dollars in thousands)

<u>Customers</u>	<u>Asset Type</u>	<u>Total Revenue For The Three Months Ended June 30, 2014</u>	<u>Percentage of Total Revenue</u>	<u>Total Revenue For The Six Months Ended June 30, 2014</u>	<u>Percentage of Total Revenue</u>
1. American Multi-Cinema, Inc.	Entertainment	\$ 21,811	24%	\$ 43,555	24%
2. Regal Cinemas, Inc.	Entertainment	9,042	10%	15,954	9%
3. Cinemark USA, Inc.	Entertainment	8,113	9%	16,394	9%
4. Imagine Schools, Inc.	Education	5,939	6%	13,241	7%
5. Peak Resorts, Inc.	Recreation	4,679	5%	9,370	5%
6. Carmike Cinemas, Inc.	Entertainment	4,449	5%	8,690	5%
7. SVVI, LLC	Recreation	3,302	4%	6,610	4%
8. Southern Theatres, LLC	Entertainment	3,038	3%	6,052	3%
9. Top Golf USA	Recreation	2,305	2%	3,857	2%
10. Landmark Cinemas	Entertainment	1,922	2%	3,820	2%
Total		<u>\$ 64,600</u>	<u>70%</u>	<u>\$ 127,543</u>	<u>70%</u>

EPR Properties
Summary of Mortgage Notes Receivable
(Unaudited, dollars in thousands)

Summary of Mortgage Notes Receivable

	<u>June 30, 2014</u>	<u>December 31, 2013</u>
Mortgage note, 9.00%, due March 16, 2015	\$ 1,087	\$ —
Mortgage note, 10.00%, due April 1, 2016	42,907	42,907
Mortgage note receivable and related accrued interest receivable, 5.50%, due November 1, 2016	2,500	2,511
Mortgage note and related accrued interest receivable, 10.00%, due November 1, 2017	2,521	2,521
Mortgage notes, 7.00% and 10.00%, due May 1, 2019	183,465	183,465
Mortgage note and related accrued interest receivable, 10.00%, due November 1, 2020	13,904	1,112
Mortgage note, 10.27%, due March 10, 2027	10,972	10,972
Mortgage notes, 10.93%, due April 3, 2027	63,500	63,500
Mortgage note, 9.98%, due October 30, 2027	47,029	47,029
Mortgage note and related accrued interest receivable, 10.65%, due June 28, 2032	36,032	36,032
Mortgage note and related accrued interest receivable, 9.50%, due September 1, 2032	19,726	19,659
Mortgage note and related accrued interest receivable, 10.25%, due October 31, 2032	22,188	22,188
Mortgage note, 10.20%, due December 19, 2032	4,550	4,509
Mortgage note and related accrued interest receivable, 9.00%, due December 31, 2032	5,659	5,717
Mortgage note and related accrued interest receivable, 9.50%, due January 31, 2033	9,931	6,872
Mortgage notes and related accrued interest receivable, 9.50%, due April 30, 2033	24,230	20,802
Mortgage note and related accrued interest receivable, 10.25%, due June 30, 2033	3,463	3,455
Mortgage note, 11.31%, due July 1, 2033	13,108	13,086
Mortgage note, 7.00% during construction, 8.50% upon completion, due June 30, 2034	1,917	—
Total mortgage notes and related accrued interest receivable	<u>\$ 508,689</u>	<u>\$ 486,337</u>

Payments Due on Mortgage Notes Receivable

	<u>As of June 30, 2014</u>
Year:	
2014	\$ 2,214
2015	1,365
2016	46,836
2017	1,751
2018	832
Thereafter	455,691
Total	<u>\$ 508,689</u>

EPR Properties
Summary of Notes Receivable
(Unaudited, dollars in thousands)

Summary of Notes Receivable (1)

	<u>June 30, 2014</u>	<u>December 31, 2013</u>
Note and related accrued interest receivable, 10.00%, paid in full June 13, 2014	\$ —	\$ 1,300
Note and related accrued interest receivable, 9.00%, due July 31, 2014	1,773	—
Note and related accrued interest receivable, 9.23%, due August 31, 2015 (2)	3,776	3,692
Note and related accrued interest receivable, 12.50%, due March 1, 2024	1,548	—
Total notes and related accrued interest receivable	<u>\$ 7,097</u>	<u>\$ 4,992</u>

(1) Included in other assets in the consolidated balance sheets as of June 30, 2014 and December 31, 2013 in the Company's Quarterly Report on Form 10-Q.

(2) Note receivable is impaired as of June 30, 2014. In accordance with the Company's accounting policy, interest income is being recognized on a cash basis.

Payments due on Notes Receivable

	<u>As of June 30, 2014</u>
Year:	
2014	\$ 1,968
2015	3,581
2016	—
2017	—
2018	—
Thereafter	1,548
Total	<u>\$ 7,097</u>

EPR Properties
Definitions-Non-GAAP Financial Measures

EBITDA AND ADJUSTED EBITDA

EBITDA is a widely used financial measure in many industries, including the REIT industry, and is presented to assist investors and analysts in analyzing the performance of the Company. Management uses EBITDA in its analysis of the business and operations of the Company and believes it is useful to investors because it excludes various items included in net income that are not indicative of operating performance, such as gains (or losses) from sales of property and depreciation and amortization and is used in computing various financial ratios as a measure of operational performance. The Company computes EBITDA - continuing operations as the sum of net income plus costs (gain) associated with loan refinancing or payoff, net, interest expense (net), depreciation and amortization, less gain on sale or acquisition of real estate, gain on early extinguishment of debt, equity in income from joint ventures, gain on previously held equity interest, income tax expense or benefit and discontinued operations. EBITDA - discontinued operations is computed in the same manner but only as it relates to discontinued operations. Adjusted EBITDA - continuing operations is presented to also add back the effect of non-cash impairment charges, the provision for loan losses and transaction costs (benefit). Adjusted EBITDA - discontinued operations is computed in the same manner but only as it relates to discontinued operations.

The Company's method of calculating EBITDA and Adjusted EBITDA may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs. EBITDA and Adjusted EBITDA do not represent cash generated from operations as defined by U.S. generally accepted accounting principles ("GAAP") and are not indicative of cash available to fund all cash needs, including distributions. These measures should not be considered as an alternative to net income for the purpose of evaluating the Company's performance or to cash flows as a measure of liquidity.

FUNDS FROM OPERATIONS ("FFO") AND FFO AS ADJUSTED

The National Association of Real Estate Investment Trusts ("NAREIT") developed FFO as a relative non-GAAP financial measure of performance of an equity REIT in order to recognize that income-producing real estate historically has not depreciated on the basis determined under GAAP and management provides FFO herein because it believes this information is useful to investors in this regard. FFO is a widely used measure of the operating performance of real estate companies and is provided here as a supplemental measure to GAAP net income available to common shareholders and earnings per share. Pursuant to the definition of FFO by the Board of Governors of NAREIT, we calculate FFO as net income available to common shareholders, computed in accordance with GAAP, excluding gains and losses from sales or acquisitions of depreciable operating properties and impairment losses of depreciable real estate, plus real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships, joint ventures and other affiliates. Adjustments for unconsolidated partnerships, joint ventures and other affiliates are calculated to reflect FFO on the same basis. We have calculated FFO for all periods presented in accordance with this definition. In addition, we present FFO as adjusted by adding to FFO costs (gains) associated with loan refinancing or payoff, net, transaction costs (benefit), provision for loan losses and preferred share redemption costs and by subtracting gain on early extinguishment of debt, gain (loss) on sale of land and deferred income tax benefit (expense). FFO and FFO as adjusted are a non-GAAP financial measures. FFO and FFO as adjusted do not represent cash flows from operations as defined by GAAP and are not indicative that cash flows are adequate to fund all cash needs and are not to be considered an alternative to net income or any other GAAP measure as a measurement of the results of our operations or our cash flows or liquidity as defined by GAAP. It should also be noted that not all REITs calculate FFO and FFO as adjusted the same way so comparisons with other REITs may not be meaningful.

ADJUSTED FUNDS FROM OPERATIONS ("AFFO")

In addition to FFO, we present AFFO by adding to FFO provision for loan losses, transaction costs (benefit), non-real estate depreciation and amortization, deferred financing fees amortization, costs (gain) associated with loan refinancing or payoff, net, share-based compensation expense to management and trustees, amortization of above market leases, net and preferred share redemption costs; and subtracting maintenance capital expenditures (including second generation tenant improvements and leasing commissions), straight-lined rental revenue, the non-cash portion of mortgage and other financing income and gain on early extinguishment of debt, gain (loss) on sale of land and

deferred income tax benefit (expense). AFFO is a widely used measure of the operating performance of real estate companies and is provided here as a supplemental measure to GAAP net income available to common shareholders and earnings per share and management provides AFFO herein because it believes this information is useful to investors in this regard. AFFO is a non-GAAP financial measure. AFFO does not represent cash flows from operations as defined by GAAP and is not indicative that cash flows are adequate to fund all cash needs and is not to be considered an alternative to net income or any other GAAP measure as a measurement of the results of our operations or our cash flows or liquidity as defined by GAAP. It should also be noted that not all REITs calculate AFFO the same way so comparisons with other REITs may not be meaningful.

INTEREST COVERAGE RATIO

The interest coverage ratio is calculated as the interest coverage amount divided by interest expense, gross. We calculate the interest coverage amount by adding to net income impairment charges, provision for loan losses, transaction costs (benefit), interest expense, gross (including interest expense in discontinued operations), depreciation and amortization, share-based compensation expense to management and trustees and costs (gain) associated with loan refinancing or payoff, net; subtracting interest cost capitalized, straight-line rental revenue, gain on early extinguishment of debt, gain (loss) on sale or acquisition of real estate from continuing and discontinued operations, gain on previously held equity interest and deferred income tax benefit (expense). We calculated interest expense, gross, by adding to interest expense, net, interest income and interest cost capitalized. We consider the interest coverage ratio to be an appropriate supplemental measure of a company's ability to meet its interest expense obligations and management believes it is useful to investors in this regard. Our calculation of the interest coverage ratio may be different from the calculation used by other companies, and therefore, comparability may be limited. This information should not be considered as an alternative to any GAAP liquidity measures.

FIXED CHARGE COVERAGE RATIO

The fixed charge coverage ratio is calculated in exactly the same manner as the interest coverage ratio, except that preferred share dividends are also added to the denominator. We consider the fixed charge coverage ratio to be an appropriate supplemental measure of a company's ability to make its interest and preferred share dividend payments and management believes it is useful to investors in this regard. Our calculation of the fixed charge coverage ratio may be different from the calculation used by other companies and, therefore, comparability may be limited. This information should not be considered as an alternative to any GAAP liquidity measures.

DEBT SERVICE COVERAGE RATIO

The debt service coverage ratio is calculated in exactly the same manner as the interest coverage ratio, except that recurring principal payments are also added to the denominator. We consider the debt service coverage ratio to be an appropriate supplemental measure of a company's ability to make its debt service payments and management believes it is useful to investors in this regard. Our calculation of the debt service coverage ratio may be different from the calculation used by other companies and, therefore, comparability may be limited. This information should not be considered as an alternative to any GAAP liquidity measures.

TOTAL INVESTMENTS

Total investments is a non-GAAP financial measure defined as the sum of the carrying values of rental properties (before accumulated depreciation), rental properties held for sale (before accumulated depreciation), land held for development, property under development, mortgage notes receivable (including related accrued interest receivable), investment in a direct financing lease, net, investment in joint ventures, intangible assets, gross (included in other assets) and notes receivable and related accrued interest receivable, net (included in other assets). Total investments is a useful measure for management and investors as it illustrates across which asset categories the Company's funds have been invested.