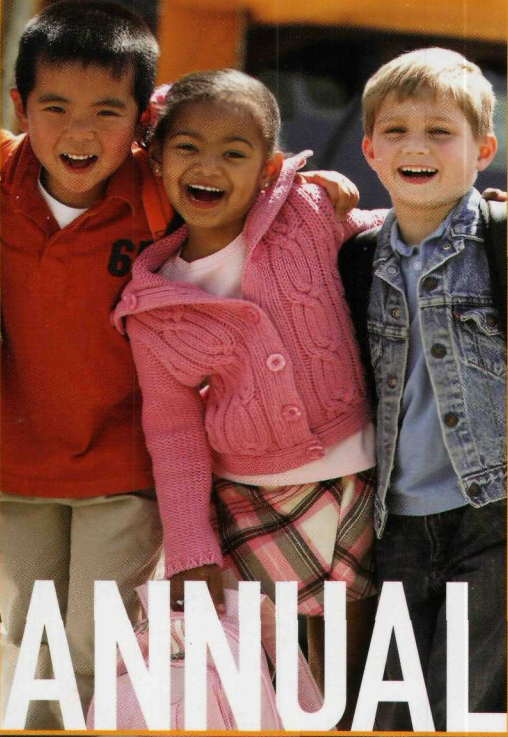


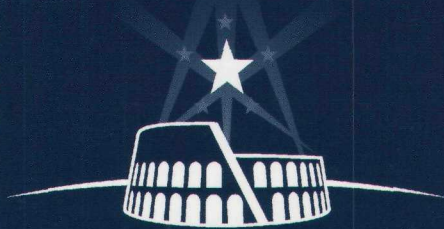
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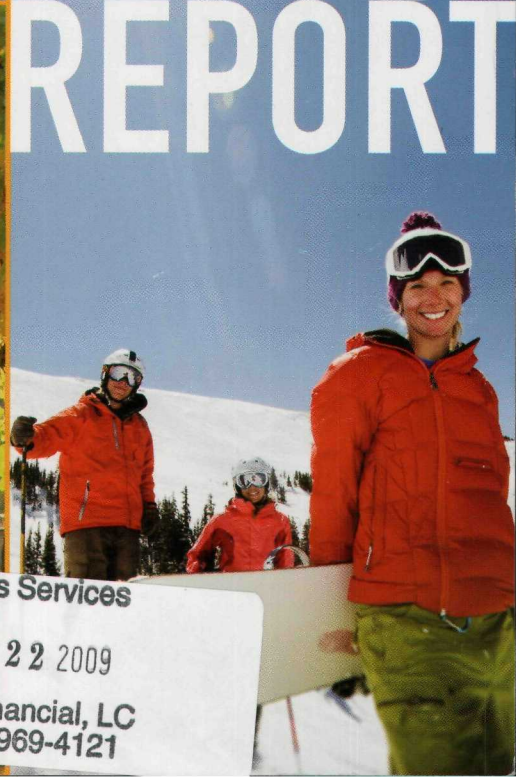
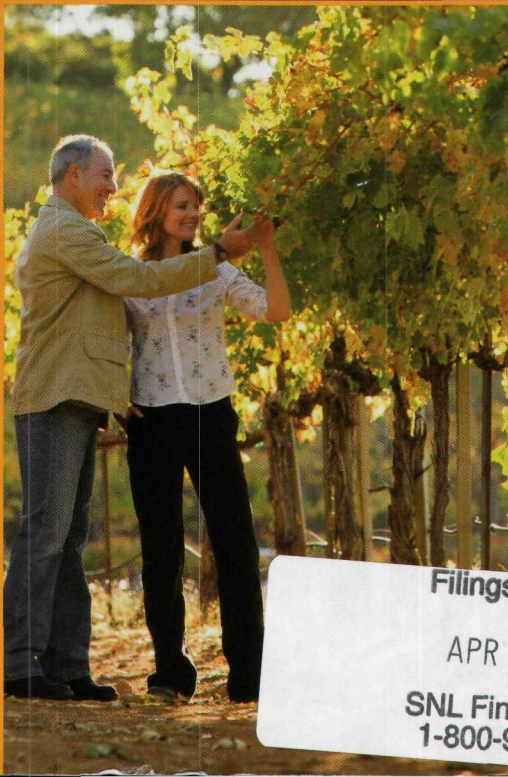


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ENTERTAINMENT
PROPERTIES TRUST
FIVE STAR PROPERTIES

08



REPORT

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BOARD OF TRUSTEES

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Chairman of the Board of Trustees

James A. Olson

Trustee

Morgan G. Earnest II

Trustee

Barrett Brady

Trustee

David M. Brain

Trustee

*President and Chief Executive Officer
Entertainment Properties Trust*

EXECUTIVE OFFICERS

David M. Brain

President & Chief Executive Officer

Gregory K. Silvers

*Vice President & Chief Operating
Officer*

Mark A. Peterson

*Vice President & Chief Financial
Officer*

Michael L. Hiron

Vice President Finance

ANNUAL SHAREHOLDERS MEETING

The annual meeting of shareholders will be held at 10:00 A.M. Central Time, May 13, 2009 in the Leawood Town Center 20 Theatre, 11701 Nall, Leawood, KS. 66211.

STOCK MARKET INFORMATION

The Company's common shares of beneficial interest are traded on the New York Stock Exchange under the symbol EPR.

INVESTOR RELATIONS

For further information regarding Entertainment Properties Trust, you are invited to inquire: Entertainment Properties Trust Investor Relations Department 30 West Pershing Road, Suite 201 Kansas City, MO. 64108 info@eprkc.com



For access to additional financial information visit our website at www.eprkc.com.

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company, N.A.
P.O. Box 43078
Providence, RI. 02940-3078

INDEPENDENT AUDITORS

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Kansas City, MO. 64106



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Toll Free: 888-EPR-REIT
Fax: 816-472-5794
www.eprkc.com

Dear Shareholder,

The year 2008 was the most successful in the 12 year history of Entertainment Properties Trust [EPR or the Company] in terms of investment growth, shareholder earnings, cash flow [FFO] and dividends. The year also recorded the greatest loss in share value in our history. All that was achieved for you, our shareholder, was swept away by the greatest economic and market collapse of at least the last half century.

This tragic and monumental economic collapse was, I believe, largely the result of a more than decade-long shift in financial products in which we did not participate but nonetheless were injured as a result of its breadth, depth and ramifications in all credit markets. The practice was a shift from long term ownership of investments that an institution originated to an origination and sale model. Simply put, lenders and investors ceased being owners and became traders.

For an owner an asset is worth what it will earn you. For a trader an asset is worth what someone will pay you for it.

With the shift from owners to traders, institutions became less concerned about underwriting and long-term asset quality and more focused on origination volume in product areas of active trading. Independent thinking was replaced by herd mentality. Internal compasses of value were abandoned by product originators as fee income was aggressively sought. Buyers made investments in products with little knowledge or due diligence with high reliance on credit wrap/swap derivatives and the promised shield of diversification despite the high market correlation of the packaged assets.

INDEPENDENT THINKING

EPR has been out of sync for a long time – and that is a good thing.

To be in alignment with the main thrust of any market often means moving farther, faster or wholly in a direction than thoughtful deliberation might take you. EPR has demonstrated independent thinking consistently throughout its history. The current economic stress demonstrates the benefits of such.

While easy and low cost leverage poured out of every facet of the financial market during 2006, 2007 and early 2008, EPR maintained its historically steady and modest leverage position of 45-50% on a book basis, averaging 49% in 2008.

Throughout the recent period of tempting low cost, short-term variable interest rates, EPR maintained its policy of long-term fixed rate financing. During 2008 EPR maintained over 80% of its total borrowings on a long-term fixed rate basis. This has resulted in EPR having no debt maturities in 2009. In 2010, after extensions, only our revolving line of credit [a \$235 million facility with \$93 million drawn as of last quarter end] is due, along with a single lender, single asset \$56 million first mortgage; about 10% of our total debt obligations. Further the only loan due in 2011 is extendable at our option. We believe we have near-term liquid capital resources in excess of comparable requirements of approximately \$100 million.

Most importantly, while a “trader” mentality swept through all facets of the financial product markets, we remained committed to orientation as an “owner.” While the majority seem to abandon concerns about underwriting and asset quality, throwing out convictions and benchmarks of value to originate investments products to be sold to the someone “down the line” for fee income or trading profits, EPR maintained its long-term ownership orientation. EPR did not chase property opportunities, even in our traditional market niches, down the yield curve with the idea of flipping such properties at an even lower cap rate in the near future. Consistent with prior years, EPR earned 99% of its shareholder FFO returns as a product of long-term property investments.

APPLICATION THROUGH INVESTMENT

EPR continued to demonstrate its independent thinking in terms of investment-quality property types in 2008. We extended our ownership position in megaplex movie theatres and their co-located tenancies at entertainment retail centers [ERCs] where attractive rates of return could be achieved, with just over \$40 million of total investments. This class of investment property, the megaplex movie theatre, is the perfect example of our independent investment thinking and the rewards of it.

As EPR was formed around the megaplex emergence opportunity in 1997, many doubted and discounted it as an appropriate type of investment property. Worries abounded about its steady performance or durability of use. History has proven the case in its and our favor with 100% occupancy record and a rising financial performance for more than 10 years. This favorable experience and the insights it has provided us, has given rise to our Five Star Investment Principles [see below]. These Principles have been implemented to extend our investment opportunities and shareholder returns.

FIVE STAR INVESTMENT PRINCIPLES

Inflection Opportunity: a generational renewal or restructuring change in an industry's properties that creates an opportunity for insightful capital.

Enduring Value: investments in real estate devoted to and improving upon long-lived activities.

Excellent Execution: premium locations and investment executions that lead to market dominant performance and create credit beyond the particular tenant.

Attractive Economics: accretive initial returns along with growth in yield over the life of our investments in categories of meaningful size.

Advantageous position: sustainable competitive advantages based on knowledge, relationships or access to key investment elements.

2008 saw the extension of our independent thinking by means of our 5-Star Principles with significant investments in several niche property types that we believe hold the promise of significant growth and investment returns. Notably during the year we invested approximately an additional \$140 million in California and Washington vineyard and winery assets and \$124 million in Charter Public School real estate.

SPECIFIC SHARHOLDER RESULTS ACHIEVED

For the year ended December 31, 2008, total revenue increased 21% over 2007 to \$286.1 million and net income increased 25% to \$101.7 million. FFO increased 25% to \$142.6 million. Net income per diluted common share increased 10% to \$3.28 and FFO per share increased

9% to \$4.57. The regular dividends declared for all of 2008 of \$3.36 per common share represented an 11% increase compared to 2007.

THE ECONOMY'S IMPACT ON FUTURE RESULTS

Hard to take; that such record achievement could be negated by the collapse of markets due to the ill-premised behavior of others. The adverse impact of the economy has implications for 2009 as well.

Consistent with our planning for growth and yield, EPR has regularly had about 10-15% of its total assets invested in development projects. This was true for year-end 2008. All development-phase projects have and will continue to suffer mightily as a result of the credit market dislocation and heightened aversion to any uncertainty or risk.

EPR's development investments involve three projects ladderred in terms of their size and stage of completion. Consistent with historical practice to achieve appropriate security and income recognition, these investments are in the form of loans during construction that convert to asset ownership at completion.

This first project is a retail, office and billboard advertising platform project that is located in downtown Toronto, Canada. The project is a version of our Entertainment Retail Centers [ERC's] anchored by an AMC 24 screen megaplex. The project was completed in the fourth quarter of 2008 and had approximately 87% occupancy of its retail and office space at healthy market rates. Uncertainty about values in the market generally and the billboard advertising portion of the property's income, is frustrating normal orderly replacement of its construction loan at less than 50% of value.

In fact, a potential pay-down requirement in such loan replacement that cannot be met by our Canadian pension fund and development partners, that we have ample liquidity to meet, may result in a foreclosure and vacating their substantial investment interests that are subordinate to ours. During such process we will likely be unable to recognize income due to specific accounting rules, nor will we be able to access project cash flow. This is an astounding example of a good project derailed by dysfunctional capital markets. It is an example of how our near term shareholder results will be negatively impacted but, we believe, asset and ultimate share value will be sustained.

Our other development project investments include first mortgage interests in 368 acres of land and improvements at the intersection of two interstate highways in the western Kansas City market and in 1,500 acres in the Catskills Mountains surrounding the site of the former well-known Concord resort hotel in New York. Both of these projects were supported by and underwritten based on hundreds of millions of dollars of public sector incentives and advantageous bond program allocations. Due to the most adverse financing and leasing market conditions imaginable, the bond financings cannot be reasonably sold and the projects will be phased and down-sized, at least initially.

The Kansas City project called Schlitterbahn Vacation Village is planned to feature a world-class waterpark designed, built and operated by the global leader in such facilities. Ultimately expected to contain not only a year-round waterpark attraction but also up to a million square feet of retail space and 600 hotel rooms, the project will open for the summer of 2009 with a seasonal waterpark attraction only. The project is co-located with substantial other recent development including a highly successful NASCAR racetrack. We have added security in unpledged assets successfully operated by our development partner in this project.

The third development, referred to as the Concord project, is entitled for up to 8 million square feet of retail, hospitality, leisure/recreation and residential development anchored by a horse racetrack and casino facility that will be distinctly advantaged by signed legislation enabling the lowest gaming tax in the state by a substantial margin. This project is in the earliest stage of development of the three and thus faces the largest challenges. Originally planned to open with more than a billion dollars of initial investment it may open heavily casino focused at nearly half that investment value, or alternatively, if federal government economic stimulus financing for planned hotel, convention and parking facilities can be secured, close to the original value. We have removed any income or cash flow from this investment from our budgeting and guidance for 2009 out of caution and concerns about delays.

We believe all of these projects are all well-conceived with key anchors committed and will ultimately result in attractive investments and returns as a long-term owner. It will be a tougher and slower course of progress than initially planned, but we expect they will turn out positively, as they were undertaken based on asset, developer,

location, use and tenant knowledge and underwriting consistent with ownership expectations.

THE ROAD AHEAD

We expect to deal successfully with the challenges the capital market dislocation has presented us and although suffer some diminution in short term results, preserve our investments and generate attractive yields in the long-run. We manage our capital structure to provide us with the ability to endure considerable disruption and delays and patiently await better results in a more orderly market.

We are also committed to adherence to our expressed Five Star Principles as set forth above and expect to continue our course of independent thinking and our orientation as a long-term owner. We believe these traits have and will continue to serve us well.

We are grateful for the opportunity to serve your interests and look forward to prosperity ahead.



David M. Brain

David M. Brain

President and Chief Executive Officer

