



NEWS RELEASE

For Immediate Release

June 30, 2003

**Contact: Charles A. Post
Senior Vice President,
Corporate Strategy and Capital Markets
(703) 273-7500**

SUNRISE CLOSES 23-PROPERTY, \$311 MILLION SALE/LONG-TERM MANAGE BACK TRANSACTION; FIRST PHASE OF PREVIOUSLY ANNOUNCED TRANSACTION

Re-Affirms Earnings Guidance, Net Cash Proceeds to Fund Balance of \$150 Million Repurchase Program

McLean, Va. – Sunrise Senior Living, Inc. (NYSE: SRZ), has completed a 23-property, \$311 million sale/long-term manage back transaction with investment entities advised by Macquarie Capital Partners, LLC (“Macquarie”), a global real estate investment banking company. The closings, which occurred in two separate transactions, included the sale/long-term manage back of 12 consolidated senior living communities for \$167 million and the sale of 11 Sunrise joint venture communities valued at \$144 million. The investor group acquired a 90 percent interest in the venture and Sunrise has a 10 percent interest and will continue to operate all 23 communities under long-term management agreements.

In May 2003, Sunrise announced an agreement for a 44-property, \$564 million sale/long-term manage back transaction, which was expected to close in the second quarter of 2003. The 23 communities involved in today’s announcement are part of Sunrise’s previously announced agreement. The sale of five additional consolidated communities valued at \$93 million is expected to close in the third quarter of 2003 with the Macquarie-advised investors. Sunrise now expects, based on current negotiations, 11 consolidated communities, valued at \$88 million, which were originally part of the Macquarie transaction, to close in the fourth quarter of 2003 with another buyer. The remaining five Sunrise joint venture communities associated with the original announcement are now expected to be sold in 2004, also to another buyer.

Upon closing of all of these 2003 transactions and related debt financings, Sunrise expects to reduce debt by approximately \$165 million (\$73 million from today’s closing and \$92 million from the third and fourth-quarter 2003 closings) and generate pre-tax proceeds of approximately \$193 million (\$116 million from today’s closing and \$77 million from the third and fourth-quarter 2003 closings). Sunrise expects to recognize income of approximately \$55 million (\$30 million from today’s closing and \$25 million from the third and fourth-quarter 2003 closings), which is consistent with Sunrise’s previous guidance. Since Sunrise retained its minority interest, there is no gain or loss to Sunrise associated with the sale of the 11 joint-venture communities.

Subject to meeting certain operating and financing contingencies, Sunrise expects to recognize approximately \$11 million of income from property sales over each of the next five quarters starting in the second quarter of 2003, which is consistent with Sunrise’s previous guidance.

Sunrise reaffirms its previous EPS guidance for the second quarter and full-year 2003. For the second quarter of 2003, Sunrise expects earnings per share of \$0.62 to \$0.65 per share. For 2003, Sunrise expects earnings per share of \$2.57 to \$2.65 per share. As previously stated, for 2003 Sunrise expects to recognize income from property sale/long-term manage back transactions similar to 2002 results of \$74 million, including \$41 million of income in 2003 from previously completed transactions.

-more-

Net cash proceeds from the transactions will be used to fund Sunrise’s \$150 million repurchase program. The Company has completed approximately \$34 million of its repurchase program (1.4 million

shares at an average price of \$24.56), leaving an additional \$116 million of availability. The repurchase program is effective until May 2004 and can be used for the repurchase of Sunrise's common stock or its 5.25 percent convertible subordinated notes due in 2009.

Sunrise Senior Living is the nation's largest provider of senior living services. The McLean, Va.-based Company, which employs more than 30,000 people, operates over 360 senior living communities either open or under construction in the United States, United Kingdom and Canada with a combined resident capacity of more than 40,000. Sunrise communities offer a full range of personalized senior living services, from independent living, to assisted living, to care for individuals with Alzheimer's and other forms of memory loss and nursing and rehabilitative care. Sunrise's senior living services are delivered by staff trained to encourage the independence, preserve the dignity, enable freedom of choice and protect the privacy of residents.

Estimates of future earnings are by definition, and certain other matters discussed in this press release may be, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Although Sunrise believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, there can be no assurances that its expectations will be realized. Sunrise's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to, development and construction risks, acquisition risks, licensing risks, business conditions, competition, changes in interest rates, the Company's ability to execute on its sale/manage back program, market factors that could affect the value of the Company's properties, the risks of downturns in economic conditions generally, success in integrating Marriott Senior Living Services operations, satisfaction of closing conditions and availability of financing for development and acquisitions. These and other risks are detailed in the Company's annual report on Form 10-K filed with the Securities and Exchange Commission. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

For general media calls, please contact Sarah Evers, vice president, External Communications at (703) 744-1620.