



RATING AND FORECAST REPORT

EPR PROPERTIES

Ticker: EPR

May. 23, 2014

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ValuEngine's fundamentally-based, quant-derived research is now available to private investors. ValuEngine's research will enhance your ability to evaluate individual stocks, manage your portfolio, and allocate capital for maximum returns.

ValuEngine currently covers @5500 US equities as well as @500 ADRs and foreign stocks that trade on US markets. In addition, the firm covers most major Canadian stocks and can provide coverage of Tokyo markets on an as needed basis.

VALUENGINE RECOMMENDATION & BASIC INFORMATION

RECOMMENDATION		
NEGATIVE	NEUTRAL	POSITIVE
underperform	match	outperform

VALUENGINE RATING

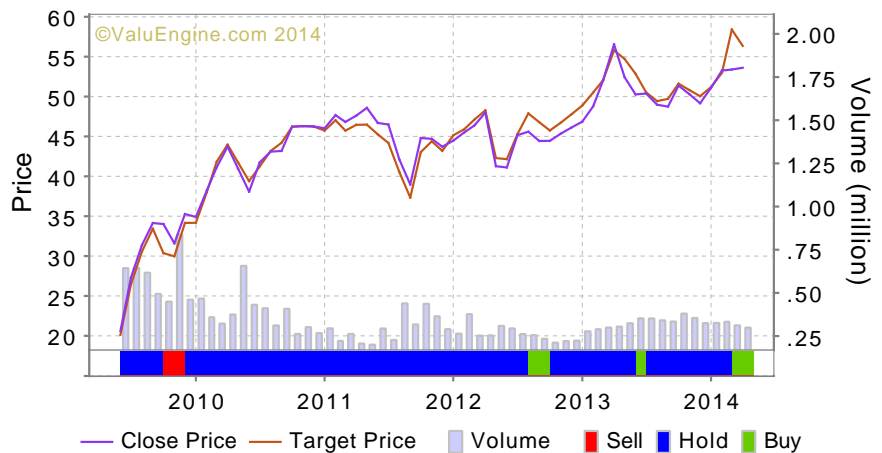
RECOMMENDATION FACTORS		
	Value	Rank
Overall Rank		top 28%
1Yr Target Price	\$55.99	top 17%
P/E Ratio	13.4	top 16%
Last 1-Y Return	-9.71%	btm 26%
Market Cap(bil)	\$2.80	top 22%

FORECAST ANALYSIS		
	Target Price	Exp. Return
1-Month	\$53.19	0.48%
3-Month	\$53.14	0.39%
6-Month	\$52.43	-0.94%
1-Year	\$55.99	5.79%
2-Year	\$48.02	-9.28%
3-Year	\$46.25	-12.62%

BASIC INFORMATION	
Last Trade	\$52.93
Trade Date	05/22/14
Market Cap(bil)	\$2.80158
Trailing P/E	13.4
Forward P/E	12.60
PEG Ratio	2.12
P/S Ratio	7.99
M/B Ratio	1.59
Sharpe Ratio	0.71
5-Y Avg Ann Return	16.83%
Volatility	23.55%
EPS Growth	6.33%
Annual Dividend	\$3.42
Dividend Yield	6.46%
LT Debt/Equity	0.84
Beta	0.89

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VALUENGINE RECOMMENDATION

ValuEngine continues its BUY recommendation on EPR PROPERTIES for May. 23, 2014. Based on the information we have gathered and our resulting research, we feel that EPR PROPERTIES has the probability to OUTPERFORM average market performance for the next year. The company exhibits ATTRACTIVE P/E ratio, risk and company size.

RECOMMENDATION OVERVIEW

ValuEngine's stock recommendations are based on the proprietary ValuEngine one-year forecast return (1YFR) model output for each individual equity. A stock is rated Strong Buy, Buy, Hold, Sell, Strong Sell based on the Forecast One Year Return. The breakdown for each rating is as follows:

- Strong Buy: More than +12% 1YFR
- Buy: Between +5% and +12% 1YFR
- Hold: Between -5% and +5% 1YFR
- Sell: Between -12% and -5% 1YFR
- Strong Sell: Less than -12% 1YFR

There is an additional buffer for stock upgrades or stock downgrades to eliminate stocks moving back and forth quickly between ratings. ValuEngine's Strong Buy-rated stocks have an averaged annual return of 24% since 2001. For more details on the ValuEngine One Year Forecast Target price and its components, please go [HERE](#).

FORECASTED TARGET PRICES

The predictive variables used in Valuengine's forecast target price models include both proprietary and well-established forecasting variables derived from credible financial research studies and publications. Our forecasting models capture, among other things, several important tendencies that stock prices consistently exhibit: Short-term price reversals, Intermediate-term momentum continuation, and Long-term price reversals. We use a distinct forecasting model for each time horizon and for every industry. We then apply the most advanced statistical/econometric techniques to ensure that our stock return forecasts are as reliable as possible. For more details on ValuEngine's Forecast Model, please click [HERE](#).

EPR PROPERTIES(EPR)
BUSINESS SUMMARY, DATA SUMMARY & MARKET RATIO BASED VALUATION
BUSINESS SUMMARY

EPR Properties is specialty real estate investment trust that invests in three primary segments: Entertainment, Recreation and Education. Its properties include megaplex theatres, entertainment retail centers, and destination recreational and specialty properties. EPR Properties is based in Kansas City, Missouri.

EVALUATION & RANKINGS

	Value	Rank
Valuation	3.47%	65
12-Month Return	-9.71%	26
5-Y Avg Ann Rtn	16.83%	76
Volatility	23.55%	77
EPS Growth	6.33%	28
Market Cap(bill)	2.8	79
Sharpe Ratio	0.71	83
P/S Ratio	7.99	14
M/B Ratio	1.59	62
P/E Ratio	13.4	85

EVALUATION & RANKINGS SUMMARY

Just as important as the percentages shown for our ten predictive variables for each stock is the way they are ranked against the 7000 plus stocks in our database. This is sometimes confusing to newcomers to ValuEngine. Each of these quantitative measurements is ranked on a scale of 1 to 100. Generally the higher the ranking, the more positive the influence each measurement has on the overall attractiveness of the stock. In other words a high rank is always better. Let's take them one by one:

- Valuation rank 65: 35% of stocks are more undervalued
- Momentum rank 26: 74% of stocks have higher momentum
- Sharpe Ratio rank 83: 17% of stocks have a higher Sharpe Ratio
- 5-Year Average Annual Return 76: 24% of stocks have higher average annual return
- Volatility rank 77: 23% of stocks have less volatility
- EPS growth rank 28: 72% of stocks have greater projected EPS growth
- Size rank 79: 21% of companies have higher market capitalization
- P/E rank 85: 15% of stocks have lower P/E ratios
- Price/Sales rank 14: 86% of stocks have lower price/sales ratios
- Market/Book rank 62: 38% of stocks have lower market/book value ratios

MARKET RATIO BASED VALUATION

Portfolio managers and professionals traditionally rely on market ratios to gauge whether a stock is fair valued or overvalued. On this page, we present such a valuation based on one of three market ratios: PEG (price to trailing 4 quarter earnings ratio, divided by the consensus analyst forecasted next year EPS growth), P/E (price to forward 4 quarter earnings ratio), and P/S ratio (price to trailing 4 quarter sales). Among the three, PEG is the most informative as it reflects both the price/earnings ratio and expected future EPS growth, while P/E is better than P/S. For each given stock, we apply the PEG to give a fair value assessment if both its trailing 4 quarter EPS and forecasted EPS growth rate are positive. If its forecasted EPS growth is negative but its forward 4 quarter EPS is positive, we apply the P/E to give a fair value for the stock as of today. Otherwise, we resort to the P/S to assess its fair value.

To establish a valuation standard, we use both (i) the average historical market ratio of the stock over the past 10 years (or however long there is data available for the stock), and (ii) the average market ratio today of five comparable stocks in the same sector and from companies of similar size. These two alternative perspectives should give you a good idea about where this stock's valuation stands today.

1. Valuation Based on EPR's Past PEG

Over the past 10 years, EPR's average PEG is 2.91. EPR earned \$3.95 per share in its recent 4 quarters. The analyst consensus estimate is \$4.20 for its 4 quarter forward EPS. EPR's current price sales ratio is 7.99. The following assessment is based on multiplying the historical PEG with recent 4 quarter EPS and the forecasted EPS growth rate over the next 4 quarters for EPR.

Fair Value	
Historical Average PEG	2.91
PEG-Based Fair Value	\$72.86

2. Valuation Based on Comparables' PEG

EPR's comparables are CBL, EQY, RPAI, SKT and WRI. The current PEG average of these comparables is 5.4. EPR earned \$3.95 per share in its recent 4 quarters. The analyst consensus estimate is \$4.20 for its 4-quarter-forward EPS. EPR's current price sales ratio is 7.99. The following assessment is based on multiplying comparable stocks' average PEG today with EPR's recent 4 quarter EPS and the forecasted EPS growth rate over the next 4 quarters.

Comparables' PEG




Comparables	Current PEG
CBL	9.38
EQY	5.2
RPAI	n/a
SKT	2.77
WRI	4.26





Fair Value	
Comparable Stocks' Avg PEG	5.4
Comparable PEG-Based Fair Value	\$135.04





EPR PROPERTIES(EPR)





VALUENGINE RANKINGS




Just as important as the percentages shown for our ten predictive variables for each stock is the way they are ranked against the 7000 plus stocks in our database. Each of these quantitative measurements is ranked on a scale of 1 to 100. Generally the higher the ranking, the more positive the influence each measurement has on the overall attractiveness of the stock. In other words a high rank is always better. The below data points show how the rank for each data point for EPR relates to the overall industry, sector, and S&P 500 averages.





Valuation		Rank	The ValuEngine Valuation Rank measures the relationship between a company's stock price and its Fair Value. The higher the Valuation rank, the more undervalued the stock. With a Valuation Rank of 65, EPR is slightly higher than the average of its industry group, which carries a Valuation Rank of 52.
EPR	3.47%	 65	
Industry	9.19%	 52	
Sector	10.93%	 52	
S&P 500	n/a	n/a	





12-Month Return		Rank	The ValuEngine 12-Month Return Rank reflects the relative stock performance of a stock over the recent 12 months. On a scale of 1 to 100, a higher 12-Month Return rank indicates a stronger performance. With a 12-Month Return Rank of 26, EPR is in line with the industry's rank score of 27.
EPR	-9.71%	 26	
Industry	-10.73%	 27	
Sector	8.06%	 48	
S&P 500	14.33%	 62	




5-Y Avg Ann Rtn		Rank	The ValuEngine 5-Years Average Return Rank reflects a stock's average annual return over the last 5 years, in comparison with the coverage universe. A higher rank indicates a better return performance. With a rank of 76, EPR is in line with the industry, which has a rank of 66.
EPR	16.83%	 76	
Industry	14.58%	 66	
Sector	5.73%	 55	
S&P 500	3.05%	 66	




Volatility		Rank	The ValuEngine Volatility Rank reflects the volatility associated with the stock. A higher Volatility Rank indicates a lower volatile percentile of stocks. EPR has a Volatility Rank of 77, which is in line with the industry Rank of 76.
EPR	23.55%	 77	
Industry	24.82%	 76	
Sector	28.55%	 74	
S&P 500	19.24%	 90	




EPS Growth		Rank	The ValuEngine EPS Growth Rank indicates a stock's expected EPS growth rate. A high rank indicates a high growth rate expectation. EPR has an EPS Growth Rank of 28. This is the same as the industry rank of 28.
EPR	6.33%	 28	
Industry	5.67%	 28	
Sector	30.46%	 39	
S&P 500	n/a	n/a	

Market Cap(bill)		Rank	The ValuEngine Size rank signifies the company's size in terms of market capitalization. A higher rank denotes a larger market capitalization within ValuEngine's stock universe. With a Size rank of 79, EPR is in line with the industry, which has a rank of 73.
EPR	2.8	 79	
Industry	4.9	 73	
Sector	3.55	 47	
S&P 500	9,850.64	 100	

Sharpe Ratio		Rank	The ValuEngine Sharpe Ratio Rank measures the risk return tradeoff offered by a stock. Sharpe ratio is the stock's average annual return (over the last five years) divided by its annualized volatility over the same 5 years. With a rank of 83, EPR is in line with the industry, which has a rank of 73.
EPR	0.71	 83	
Industry	0.6	 73	
Sector	0.35	 60	
S&P 500	0.16	 73	

P/S Ratio		Rank	The ValuEngine Price/Sales rank signifies the relative position of the company based on its P/S ratio. Stocks with the lowest P/S ratio are assigned a rank of 100 while stocks with the highest P/S ratio are ranked 1. At a Price/Sales rank of 14, EPR is in line with the industry rank of 18.
EPR	7.99	 14	
Industry	6.93	 18	
Sector	5.53	 40	
S&P 500	n/a	n/a	

M/B Ratio		Rank	The Market/Book Rank is a measure of a stock's market to book ratio relative to the stock universe. A higher rank corresponds to a lower market book value. EPR has a Market/Book rank of 62, which is in line with the industry rank of 55.
EPR	1.59	 62	
Industry	2.51	 55	
Sector	2.42	 65	
S&P 500	n/a	n/a	

P/E Ratio		Rank	The ValuEngine P/E Rank signifies the relative standing of a company on its P/E ratio, relative to the universe. Stocks in the top P/E percentile are each assigned a rank of 1 (highest P/E stocks) while those in the bottom P/E percentile are assigned a rank of 100 (traditional value stocks). With a P/E rank of 85, EPR is in line with the industry P/E rank of 75.
EPR	13.4	 85	
Industry	15.6	 75	
Sector	17.72	 71	
S&P 500	n/a	n/a	

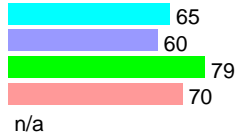
EPR PROPERTIES(EPR)

COMPARISON OF SIMILAR STOCKS* & RISK ASSESSMENT

Valuation

EPR	3.47%
EQY	5.37%
CBL	-4.06%
SKT	1.38%
RPAI	n/a

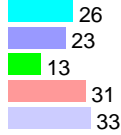
Rank



12-Month Return

EPR	-9.71%
EQY	-12.68%
CBL	-27.98%
SKT	-6.02%
RPAI	-4.11%

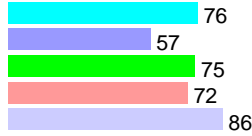
Rank



5-Y Avg Ann Rtn

EPR	16.83%
EQY	8.30%
CBL	16.56%
SKT	15.23%
RPAI	22.94%

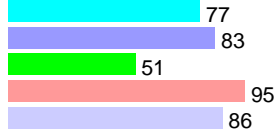
Rank



Volatility

EPR	23.55%
EQY	20.59%
CBL	40.74%
SKT	13.06%
RPAI	18.75%

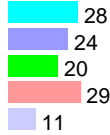
Rank



EPS Growth

EPR	0.06
EQY	0.04
CBL	0.01
SKT	0.07
RPAI	-0.11

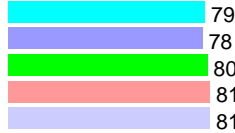
Rank



Market Cap(bill)

EPR	2.8
EQY	2.69
CBL	3.19
SKT	3.35
RPAI	3.48

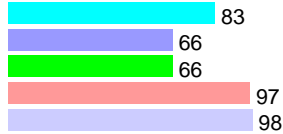
Rank



Sharpe Ratio

EPR	0.71
EQY	0.4
CBL	0.41
SKT	1.17
RPAI	1.22

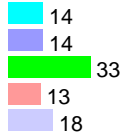
Rank



P/S Ratio

EPR	7.99
EQY	7.73
CBL	3
SKT	8.4
RPAI	5.97

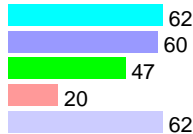
Rank



M/B Ratio

EPR	1.59
EQY	1.68
CBL	2.4
SKT	6.07
RPAI	1.61

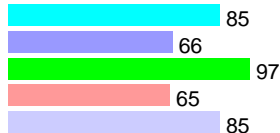
Rank



P/E Ratio

EPR	13.4
EQY	18.21
CBL	8.48
SKT	18.48
RPAI	13.41

Rank



FORECAST COMPARISONS

RETURN FORECAST: EXPECTED RETURN

	CBL	EPR	EQY	RPAI	SKT
One-Month	0.83%	0.48%	0.10%	0.31%	0.35%
Three-Month	0.80%	0.39%	-0.45%	0.16%	0.24%
Six-Month	-1.05%	-0.94%	-1.83%	-1.02%	-0.59%
One-Year	10.00%	5.79%	1.16%	3.68%	4.14%
Two-Year	-12.64%	-9.28%	-9.89%	-10.21%	-3.92%
Three-Year	-18.54%	-12.62%	0.20%	-14.04%	-2.37%

RISK ASSESSMENT: CHANCE OF GAIN

	CBL	EPR	EQY	RPAI	SKT
One-Month	52.83%	52.83%	50.65%	52.26%	53.65%
Three-Month	51.56%	51.32%	48.26%	50.69%	51.49%
Six-Month	48.55%	47.75%	44.99%	46.92%	47.45%
One-Year	59.70%	59.71%	52.24%	57.78%	62.44%
Two-Year	41.31%	39.02%	36.71%	35.01%	41.60%
Three-Year	39.64%	37.85%	50.22%	33.27%	45.83%

RISK ASSESSMENT: CHANCE OF LOSS

	CBL	EPR	EQY	RPAI	SKT
One-Month	47.17%	47.17%	49.35%	47.74%	46.35%
Three-Month	48.44%	48.68%	51.74%	49.31%	48.51%
Six-Month	51.45%	52.25%	55.01%	53.08%	52.55%
One-Year	40.30%	40.29%	47.76%	42.22%	37.56%
Two-Year	58.69%	60.98%	63.29%	64.99%	58.40%
Three-Year	60.36%	62.15%	49.78%	66.73%	54.17%

* Comparables are companies in the same Sector and Industry and of approximately similar market capitalization value.

ValuEngine™ RATING AND FORECAST REPORT
EPR PROPERTIES(EPR)

ANNUAL FINANCIALS (All items in Millions)

BALANCE SHEET	201312	201212	201112	201012	200912	200812	200712	200612
Cash	17.7	34.7	33.9	28	36	60.5	28	16.8
Marketable Securities	0	0	0	0	0	0	0	0
Receivables	528.9	494.5	360.1	345.2	556.2	581.8	61.2	30
Inventory	0	0	0	0	0	0	0	0
Raw Materials	--	--	--	--	--	--	--	--
Work in Progress	--	--	--	--	--	--	--	--
Finished Goods	--	--	--	--	--	--	--	--
Notes Receivable	0	0	5	5.1	7.2	0	325.4	76.1
Other Current Assets	0	0	0	0	0	0	0	0
Total Current Assets	546.5	529.1	399	378.4	599.4	642.3	414.6	122.9
Property, Plant & Equipment	--	--	--	--	--	--	--	--
Accumulated Depreciation	--	--	--	--	--	--	--	--
Net Property, Plant & Equipment	0	0	0	0	0	0	0	0
Investment & Advances	2109.4	1897.1	1844.2	2048.6	1858.7	1738.1	1715.6	1417.3
Other non-current Assets	0	0	0	0	0	0	0	0
Deferred Charges	23.3	19.7	18.5	20.4	12.1	10.7	10.4	10.5
Intangibles	0	0	4.5	35.6	6.7	12.4	16.5	9.4
Deposits & other assets	593	500.8	467.7	440.4	203.8	230.4	14.5	11.1
TOTAL ASSETS	3272.3	2946.7	2734	2923.4	2680.7	2633.9	2171.6	1571.3
Notes Payable	0	0	0	0	0	0	0	0
Accounts Payable	72.3	65.5	36	56.5	28.4	35.7	26.6	16.5
Current Portion of Long-term Debt	0	0	0	0	0	0	0	0
Current Portion of Capital Leases	0	0	0	0	0	0	0	0
Accrued Expenses	0	0	0	0	0	0	0	0
Income Taxes Payable	0	0	0	0	0	0	0	0
Other Current Liabilities	0	0	0	0	0	0	37.7	22.3
Total Current Liabilities	72.3	65.5	36	56.5	28.4	35.7	64.3	38.8
Mortgages	0	0	0	0	0	0	0	0
Deferred Charges (taxes/income)	0	0	0	0	0	0	0	0
Convertible Debt	0	0	0	0	0	0	0	0
Long Term Debt	1475.3	1368.8	1154.3	1191.2	1141.4	1262.4	1081.3	675.3
Non-Current Capital Leases	0	0	0	0	0	0	0	0
Other Long-Term Liabilities	36.6	52.5	45.6	44.5	42.9	43.2	0	0
Minority Interest (liabilities)	0	0	0	0	0	15.2	18.1	4.5
Total Liabilities	1584.3	1486.8	1235.9	1292.2	1212.8	1356.5	1163.7	718.6
Preferred Stock	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.1
Common Stock, Net	0.5	0.5	0.5	0.5	0.4	0.3	0.3	0.3
Capital Surplus	2003.9	1769.2	1719.1	1785.4	1633.1	1339.8	1023.6	883.6
Retained Earnings	0	0	0	0	0	0	-25.7	-24.8
Treasury Stock	62.2	55.3	44.8	39.8	30	26.4	22.9	15.5
Other Equity	-254.3	-254.6	-176.7	-115	-135.8	-36.5	32.5	9
Total Shareholders' Equity	1688	1459.9	1498.1	1631.2	1467.9	1277.4	1007.9	852.7
Total Liabilities & Shareholders Equity	3272.3	2946.7	2734	2923.4	2680.7	2633.9	2171.6	1571.3

ANNUAL FINANCIALS (All items in Millions)

INCOME STATEMENT	201312	201212	201112	201012	200912	200812	200712	200612
Net Sales or Revenues	343.1	321.8	301.6	313.1	270.8	286.1	235.7	195.5
Cost of Goods Sold	26	25.3	23.5	35.8	28.8	26.8	23.1	19
Gross Profit	317	296.5	278.1	277.2	242	259.4	212.6	176.4
Research & Development Expense	0	0	0	0	0	0	0	0
Selling, General & Admin. Expense	34.4	36.8	58.8	43.7	134.3	16.9	13	16
Income Before Depr., Depl., Amort.	282.6	259.8	219.3	233.5	107.6	242.4	199.6	160.4
Depreciation, Depletion, Amort.	53.9	50.2	47.9	52.1	47.7	43.8	37.4	31.1
Non-Operating Income	13.8	1	2.8	0	0	-2.1	-2.5	-0.7
Interest Expense	81.1	76.7	71.7	74.8	72.7	70.9	60.5	47.4
Pretax Income	161.5	133.9	102.6	106.6	-12.8	125.6	99.2	81.2
Provision for Income Taxes	-14.2	0	0	0	0	0	0	0
Minority Interest	0	-0.1	0	-1.8	-19.9	-2.3	-1.4	0
Investment Gains (Losses)	0	0	0	9	0	0	0	0.3
Other Income	0	0	0	2.1	0.9	2	0	0.8
Income Before Extraordinaries & Disc	175.6	133.9	102.6	117.8	-11.9	129.9	100.6	82.3
Extraordinary Items & Discontinued	4.6	-12.2	12.7	-4.7	0	0.1	4	0
Net Income	180.2	121.8	115.2	114.9	8	130	104.7	82.3
Average Shares used for Diluted EPS	48.2	47	46.9	45.6	36.1	31	27.2	26.6
Average Shares used for Basic EPS	48	46.8	46.6	45.2	36.1	30.6	26.7	26.1
Income Before Non-Recurring Items	175.6	133.8	120.2	126.3	124.5	129.9	100.7	82.3
Income From Non-Recurring Items	0	0	-17.6	-6.7	-116.5	0	0	0
EPS - Basic, net	3.3	2	1.8	1.9	-0.6	3.3	3	2.7
EPS - Diluted, net	3.2	2	1.8	1.9	-0.6	3.3	3	2.7
EPS - Diluted, before non-recurring	3.2	2.2	1.9	2.1	2.6	3.3	2.8	2.7
Preferred Dividends - Acc & Pd	23.6	28.6	30.8	30.3	30	28.3	23.5	11.9
Dividends (common)	163.2	140.5	130.8	121	109.2	110.4	85.4	72.8
Dividend per share (common)	3.2	3	2.8	2.6	2.6	3.4	3	2.8

CASH FLOW STATEMENT

Net Income (Cash Flow)	180.2	121.7	115.3	113.1	-11.9	130	104.7	82.3
Depreciation, Depletion, Amortization-CF	58	54.5	51.7	57.1	51.4	47.1	40.3	33.9
Net Increase(decrease) in	12.7	-5.4	-1.5	1.9	-8.3	-32.6	-11.6	-15
Cash from(used in) Discontinued Oper.	-1.9	19.3	-4.2	5.2	0	-0.1	0.8	0
Other Adjustments - Net	-14.9	17.2	34.5	3.2	117.6	1.9	-2.7	4.4
Net Cash from (used by) Operating Act.	234.1	207.2	195.8	180.4	148.8	146.2	131.6	105.6
Increase/Decrease in Prop, Plant, & Equ.	0	0	0	0	0	0	0	0
Acquisition/Disposition of Subsidiaries	47.3	42.1	224.9	7.4	0	1	0	0
Increase (decrease) in Investments	-324.8	-184.1	-115.5	-315.6	-156.5	-302	-427.6	-161.1
Other Cash inflow from Investment Act.	-58.9	-113.8	-19.7	-12.1	-35.5	-190.9	7	0
Net Cash from (used by) Investment Act.	-336.5	-255.8	89.7	-320.3	-192	-492	-420.6	-161.1
Issuance (purchase) of Equity Shares	217.5	2.5	-82.8	138.9	283.8	306.9	125.9	177
Issuance (repayment) of Debt Securities	93.5	212.4	-38.8	155.4	-135.2	202.3	269	-32.7
Increase (decrease) in Bank & Other	0	0	0	0	0	0	0	0
Payment of Dividends & Other Cash	-197.9	-162.8	-157.8	-146.3	-127.1	-125.6	-97.8	-82
Other Cash from (used by) Financing	-13	-7.8	-2.8	-20	-5.8	-2.4	-2.7	-3.7
Net Cash from (used by) Financing Act.	100.2	44.4	-282.3	127.9	15.6	381.2	294.3	58.6
Net Change in Cash & Cash Equivalents	-2.7	-4	2.8	-11.4	-26.9	34.9	5.8	2.9

QUARTERLY FINANCIALS (All items in Millions)

BALANCE SHEET	201312	201309	201306	201303	201212	201209	201206	201203
Cash	17.7	42.2	37.1	44.4	34.7	51.1	31.9	36.4
Marketable Securities	0	0	0	0	0	0	0	0
Receivables	528.9	554.4	521.6	506.8	494.5	447.5	436.8	400
Inventory	0	0	0	0	0	0	0	0
Raw Materials	--	--	--	--	--	--	--	--
Work in Progress	--	--	--	--	--	--	--	--
Finished Goods	--	--	--	--	--	--	--	--
Notes Receivable	0	0	0	0	0	4.9	5	5
Other Current Assets	0	0	0	0	0	0	0	0
Total Current Assets	546.5	596.6	558.7	551.2	529.1	503.5	473.7	441.4
Property, Plant & Equipment	--	--	--	--	--	--	--	--
Accumulated Depreciation	--	--	--	--	--	--	--	--
Net Property, Plant & Equipment	0	0	0	0	0	0	0	0
Investment & Advances	2109.4	1947.5	1873.6	1870.5	1897.1	1903.6	1844.5	1841
Other non-current Assets	0	0	0	0	0	0	0	0
Deferred Charges	23.3	24.3	21.2	18.7	19.7	20.7	18.5	19.3
Intangibles	0	0	0	0	0	3.7	3.9	4.2
Deposits & other assets	593	566.8	562.8	511.4	500.8	483.9	493.2	484.8
TOTAL ASSETS	3272.3	3135.3	3016.3	2951.8	2946.7	2915.4	2833.7	2790.8
Notes Payable	0	0	0	0	0	0	0	0
Accounts Payable	72.3	58.3	51.7	47.8	65.5	54.1	37.5	30.6
Current Portion of Long-term Debt	0	0	0	0	0	0	0	0
Current Portion of Capital Leases	0	0	0	0	0	0	0	0
Accrued Expenses	0	0	0	0	0	0	0	0
Income Taxes Payable	0	0	0	0	0	0	0	0
Other Current Liabilities	0	0	0	0	0	0	0	0
Total Current Liabilities	72.3	58.3	51.7	47.8	65.5	54.1	37.5	30.6
Mortgages	0	0	0	0	0	0	0	0
Deferred Charges (taxes/income)	0	0	0	0	0	0	0	0
Convertible Debt	0	0	0	0	0	0	0	0
Long Term Debt	1475.3	1546	1474.7	1383.4	1368.8	1339.1	1270.6	1224.8
Non-Current Capital Leases	0	0	0	0	0	0	0	0
Other Long-Term Liabilities	36.6	37.6	35.2	63.1	52.5	55.3	53.1	57.5
Minority Interest (liabilities)	0	0	0	0	0	0	0	0
Total Liabilities	1584.3	1641.8	1561.6	1494.3	1486.8	1448.5	1361.2	1312.9
Preferred Stock	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Common Stock, Net	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Capital Surplus	2003.9	1825.3	1783.6	1775.2	1769.2	1754.3	1752.8	1722.9
Retained Earnings	0	0	0	0	0	0	0	0
Treasury Stock	62.2	62.2	62.2	61.2	55.3	49.7	49.5	49.5
Other Equity	-254.3	-270.3	-267.5	-257.1	-254.6	-238.4	-231.4	-196.2
Total Shareholders' Equity	1688	1493.5	1454.6	1457.5	1459.9	1466.8	1472.5	1477.9
Total Liabilities & Shareholders Equity	3272.3	3135.3	3016.3	2951.8	2946.7	2915.4	2833.7	2790.8


ValuEngine™ RATING AND FORECAST REPORT
EPR PROPERTIES(EPR)
QUARTERLY FINANCIALS (All items in Millions)

INCOME STATEMENT	201312	201309	201306	201303	201212	201209	201206	201203
Net Sales or Revenues	89.3	87.8	83.6	83.3	83.4	82.8	78.9	77.9
Cost of Goods Sold	6.4	6.6	6	7	7.9	5.9	5.2	6.2
Gross Profit	81.9	81.3	77.6	76.3	74.2	76.9	73.7	71.7
Research & Development Expense	0	0	0	0	0	0	0	0
Selling, General & Admin. Expense	7.3	7.5	12.5	7.2	1.5	9.8	6.3	19.2
Income Before Depr., Depl., Amort.	74.6	73.8	65.1	69.2	72.7	67.1	67.4	52.5
Depreciation, Depletion, Amort.	13.6	13.1	13.8	13.4	11.7	13.3	12.8	12.4
Non-Operating Income	9.3	0	0	4.5	1	0	0	0
Interest Expense	20.6	20.4	20	20	20.1	20	18.5	18.1
Pretax Income	49.7	40.2	31.3	40.3	48.5	33.9	36.2	15.4
Provision for Income Taxes	-14.2	0	0	0	0	0	0	0
Minority Interest	0	0	0	0	-0.1	0	0	0
Investment Gains (Losses)	0	0	0	0	0	0	0	0
Other Income	-1.2	0.3	0.5	0.3	-0.6	0.3	0.3	0
Income Before Extraordinaries & Disc	62.4	46.5	31.8	40.6	30.6	34.2	36.4	21.9
Extraordinary Items & Discontinued	0.7	-3	0.7	0.6	-1.4	0	0.4	-0.6
Net Income	63	43.5	32.5	41.2	29.2	34.2	36.8	21.4
Average Shares used for Diluted EPS	51	47.5	47.3	47	47.1	47.1	47.1	46.9
Average Shares used for Basic EPS	50.8	47.3	47.1	46.9	46.8	46.8	46.8	46.7
Income Before Non-Recurring Items	62.4	46.5	31.8	40.6	30.6	34.2	36.4	21.9
Income From Non-Recurring Items	0	0	0	0	0	0	0	0
EPS - Basic, net	1.1	0.8	0.6	0.8	0.4	0.6	0.7	0.3
EPS - Diluted, net	1.1	0.8	0.6	0.8	0.4	0.6	0.6	0.3
EPS - Diluted, before non-recurring	1.1	0.9	0.6	0.7	0.4	0.6	0.6	0.3
Preferred Dividends - Acc & Pd	6.2	6.1	6.1	6.1	10.5	6.1	5.9	6
Dividends (common)	40.8	37.3	37.2	37	35.1	35.1	35.1	35
Dividend per share (common)	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8

CASH FLOW STATEMENT

Net Income (Cash Flow)	180.2	117.2	73.7	41.2	121.7	92.4	58.2	21.4
Depreciation, Depletion, Amortization-CF	58	42.1	29.2	14.4	54.5	41.6	27.2	13.5
Net Increase(decrease) in	12.7	-5.2	5.4	-13.1	-5.4	-11.1	0.1	-7.5
Cash from(used in) Discontinued Oper.	-1.9	-1.7	0.2	0.8	19.3	6.2	6.4	0.7
Other Adjustments - Net	-14.9	5.9	4.2	-3.1	17.2	16.3	11.5	13.8
Net Cash from (used by) Operating Act.	234.1	158.4	112.7	40.2	207.2	145.4	103.4	42
Increase/Decrease in Prop, Plant, & Equ.	0	0	0	0	0	0	0	0
Acquisition/Disposition of Subsidiaries	47.3	46.5	24.1	24.1	42.1	13	13	0.3
Increase (decrease) in Investments	-324.8	-175.2	-94.3	-26.3	-184.1	-127.7	-84.7	-45.6
Other Cash inflow from Investment Act.	-58.9	-55.3	-28.1	-12.8	-113.8	-71.9	-64.6	-24.5
Net Cash from (used by) Investment Act.	-336.5	-184	-98.3	-14.9	-255.8	-186.6	-136.3	-69.8
Issuance (purchase) of Equity Shares	217.5	40.4	1.9	-3.2	2.5	-3	-3.1	-3.2
Issuance (repayment) of Debt Securities	93.5	164.2	112.6	21	212.4	181.6	116.3	68.7
Increase (decrease) in Bank & Other	0	0	0	0	0	0	0	0
Payment of Dividends & Other Cash	-197.9	-152.2	-109	-41.1	-162.8	-120.8	-79.8	-38.7
Other Cash from (used by) Financing	-13	-12.9	-10.2	-0.8	-7.8	-6.3	-2.6	-2.3
Net Cash from (used by) Financing Act.	100.2	39.4	-4.7	-24	44.4	51.4	30.9	24.5
Net Change in Cash & Cash Equivalents	-2.7	13.5	9.4	1.1	-4	10.4	-1.9	-3.2

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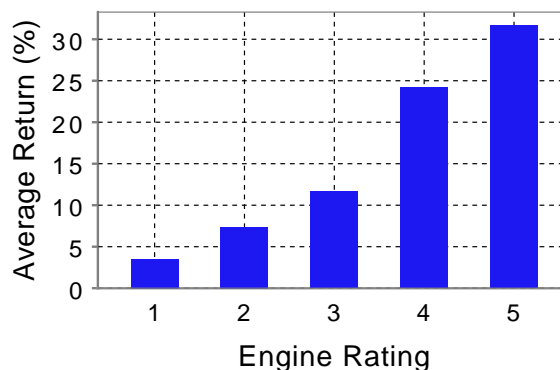
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Entertainment Properties Trust

Puts up a Solid 3Q; Ups '12 Guidance, Good '13 Guidance

EPR reported normalized 3Q FFO after the close that was ahead of our estimate and Bloomberg consensus. The beat was largely driven by higher mortgage and other financing income than we modeled and lower interest expense. EPR narrowed and increased guidance at the midpoint to \$3.64-\$3.69, narrowed its 2012 investment spending towards the top end, and introduced 2013 guidance of \$3.77-\$3.92 versus our estimate of \$3.81 and Bloomberg consensus of \$3.85. The core theater business remains solid as theater companies look to expand their portfolios and EPR appears on track to hit its new investment targets for the year. In addition, subsequent to the quarter's end, EPR made more progress toward disposing of its vineyard/winery business. On the negative side, however, Imagine Schools, EPR's largest charter school operator, is still a focal point on the conference call despite the fact that Imagine remains current on its rental payments. Other items that will need to be watched in the coming quarters are the fact that EPR still has to exit the vineyard business, and the casino land in NY remains unresolved (though EPR expects to provide an update on the situation by year end), and theater expirations should be watched as some will require downsizing of the space. Nonetheless, 3Q was the second quarter in a row of a beat/raise, which combined with the company's approximately 7% dividend yield should result in the stock performing well in the near term.

- The numbers.** EPR reported 3Q normalized FFO of \$0.96, which was \$0.04 above our estimate and \$0.05 above Bloomberg consensus. 3Q normalized FFO excludes \$477k in costs associated with loan refinancing (~\$0.01) and \$184k in transaction costs (less than a penny/share). Including these items, EPR's reported FFO was \$0.95/share. Relative to our model, the beat was driven by nearly \$0.04 from higher mortgage and other financing income, which includes \$800k in participating interest income from a strong summer experienced by the Schlitterbahn water parks, and less than a penny from lower interest expense. The rest of the major line items were largely in-line.

Neutral

EPR, EPR US

Price: \$43.20

▲ **Price Target: \$49.00**

Previous: \$48.00

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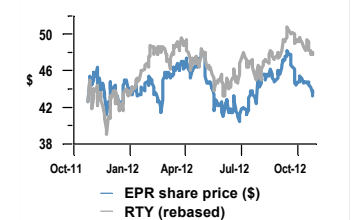
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Price Performance



Entertainment Properties Trust (EPR;EPR US)

FYE Dec	2011A	2012E (Prev)	2012E (Curr)	2013E
FFO Per Share (\$)				
Q1 (Mar)	0.83	0.86A	0.86A	0.93
Q2 (Jun)	0.83	0.92A	0.92A	0.96
Q3 (Sep)	0.86	0.92	0.96A	0.94
Q4 (Dec)	0.90	0.95	0.95	0.98
FY	3.43	3.65	3.65	3.81
Bloomberg FFOPS FY (\$)	2.72	-	3.63	3.85
AFFO Per Share FY (\$)	3.21	3.54	3.54	3.61

Source: Company data, Bloomberg, J.P. Morgan estimates. Bloomberg' above denotes Bloomberg consensus estimates.

Company Data

Price (\$)	43.20
Date Of Price	26 Oct 12
52-week Range (\$)	48.92 - 40.04
Mkt Cap (\$ mn)	2,033.21
Fiscal Year End	Dec
Shares O/S (mn)	47
Price Target (\$)	49.00
Price Target End Date	31 Dec 13

See page 6 for analyst certification and important disclosures, including non-US analyst disclosures.

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- **2012 guidance increased at the midpoint and 2013 guidance introduced.** EPR increased and narrowed its 2012 normalized FFO to \$3.64-\$3.69 (midpoint of \$3.665) from \$3.57-\$3.67 (midpoint of \$3.62). Our current estimate is \$3.65 and the Bloomberg consensus is \$3.63. However, our estimate does not include the recent preferred issuance and redemption, which we estimate will reduce our 2012 FFO by approximately \$0.01 due to the month of carrying both preferred shares. Therefore, our 2012 FFO on an apple-to-apples basis sits at the low end of the new guidance range. The company also narrowed its 2012 investment spending guidance towards the higher end of the range, to \$275-\$300 million from \$250-\$300 million. EPR's 3Q investment spending totaled \$54.3 million (\$224 million YTD) and the company is on track to meet its investment spending guidance for the year. In addition, EPR introduced 2013 FFO guidance of \$3.77-\$3.92 (midpoint of \$3.845). Included in the guidance is an investment spending assumption of \$275-\$325 million. Our current estimate of \$3.81/share sits \$0.035 below the midpoint, though we assume \$200 million in investment spending for 2013, which will account for part of the delta.
- **Investment spending totaled \$54.3 million, taking YTD to \$224 million.** EPR's deal flow in 3Q was spread across all three primary operating segments. Charter school investments totaled \$27.5 million, theater investments totaled \$14.6 million, and there was \$9.6 million related primarily to a BTS construction of a Top Golf development. Subsequent to the quarter's end, EPR closed on \$22 million investment financing related to a live performance anchored entertainment retail center in Charlotte, NC. The center is known as the North Carolina Music Factory, is 183k sf, and is anchored by two live performance venues. Finally, EPR noted on the conference call that it expects to allocate 40% of 2013 investment spending towards entertainment and 30% towards both education and recreation.
- **Theater BTS pipeline increased.** EPR commented during its conference call that the theater build-to-suit pipeline remains robust and management is encouraged by theater companies looking to expand again. The company increased its guidance for BTS starts during the year to 12-14 starts, up from the previous guidance of 8-10 starts. Part of the increase relates to the company strengthening its relationship with Carmike Theaters through entering two new BTS projects. Finally, EPR reported that the box office revenues are up 4.0-4.5% YTD and management anticipates that revenues will end the year up 5.0%.
- **Imagine situation update; company focuses on reducing exposure.** EPR noted that it finally received lender approval to proceed with the next round of \$15 million of substitutions. After these substitutions are finalized, EPR will have dealt with approximately \$55 million of the \$72 million of assets, and the company expects it will be able to deal with the remaining assets during the 2012/13 school year. In addition, EPR sold an Imagine school asset for \$4.5 million to reduce its exposure to Imagine, though it is not connected to the Imagine schools that lost their charters. During the conference call, the charter school investment plan and the company's exposure to Imagine remained a dark cloud over the quarter's earnings despite the fact that Imagine is 100% current on its rental payments.

- **Continuing to make progress on monetizing vineyard/winery assets.** While the company did not dispose of any winery assets during the quarter, during September and October EPR entered into non-binding agreements with two separate buyers to sell the remaining assets of one of its unleased vineyard and winery properties. The company expects these transactions to close in 4Q and as a result, EPR recorded an impairment charge of \$3.1 million during 3Q. This should be seen as a net-positive for EPR as the company will be able to redeploy this capital toward investments with higher returns. After these dispositions, the carrying value of the remaining winery/vineyard assets will be \$75 million (from \$100 million).
- **Financing activity.** As previously disclosed, EPR issued \$350 million of 5.75% senior unsecured notes. EPR used the proceeds to prepay \$167.6 million in mortgage loans with a weighted average interest rate of 6.25% as well as the outstanding balance on the LOC at the time of issuance. In addition, subsequent to the quarter's end, EPR issued \$125 million of 6.625% preferred stock. The company intends to use the proceeds to redeem the \$115 million of 7.375% preferred stock on November 5. As a result of the redemption, EPR will recognize a preferred redemption charge of \$3.9 million in 4Q. The preferred issuance and redemption are not currently included in our model, which we estimate has a negative \$0.01 impact.

Investment Thesis

We rate shares of EPR Neutral, as the company's investment volumes were lackluster in 2011 and we worry that they will be touch-and-go in 2012. In addition, we think investors will want further comfort on the underlying merits of its charter school investments, more clarity on how the vineyard investments are unwound, and additional color on its Concord deal. Positive earnings and dividend growth may not be strong enough to offset these aforementioned items and keep EPR in show-me mode for investors. All this said, for those investors focused on income, the name still stands out as being attractive.

Valuation

We calculate that EPR trades at 11.3 times our 2013 FFO estimate, which puts EPR below the triple net lease group average of 12.2 times. On an adjusted FFO basis (AFFO), EPR trades at 12.0 times our 2013 estimate versus its peers at 13.0 times. We calculate that EPR trades at 11.2 times EV/EBITDA (based on in-place EBITDA), a discount to its peer average of 13.9 times.

We are establishing our December 2013 target price of \$49 (our YE 2012 price target was \$48). For "cash flow," we utilize the stock's estimated dividend based on an 80% long-run payout of our adjusted funds from operations (AFFO) estimates, assuming 2.5% long-term AFFO growth beyond 2015. Our 2.5% long-term growth estimate is based on a combination of about 1.5% NOI growth, leveraged to about 2% bottom-line growth, and about 1% assumed growth from investment activity. We assume a 9.25% discount rate, which is within the range of our average assumption for the REIT group (range of 7.75-10%).

Risks to Rating and Price Target

We rate EPR Neutral. Risks to our rating and price target are items that could cause the stock to outperform or underperform. We think better-than-expected deal volume, higher yields on investments, or a rotation into defensive yield-oriented names could help drive outperformance. On the flip side, weaker box office trends, tenant issues, fewer acquisitions, or rotation into more economically sensitive property types and RIETs could lead to underperformance.

Entertainment Properties Trust: Summary of Financials

Income Statement - Annual	FY10A	FY11A	FY12E	FY13E	Income Statement - Quarterly	1Q12A	2Q12A	3Q12A	4Q12E
Rental revenues	263	244	260	278	Rental revenues	63A	64A	66A	68
Property operating expenses	38	24	23	23	Property operating expenses	6A	5A	6A	6
Net operating income	224	220	237	254	Net operating income	57A	58A	60A	62
G&A expense	18	20	23	24	G&A expense	6A	6A	6A	6
Interest expense	77	72	76	80	Interest expense	18A	18A	20A	20
Other expenses	1	4	14	2	Other expenses	13A	0A	1A	1
Other income	55	61	61	62	Other income	15A	16A	15A	15
Funds from operations (FFO)	153	161	172	185	Funds from operations (FFO)	40A	43A	44A	45
Adjusted funds from operations (AFFO)	144	156	167	176	Adjusted funds from operations (AFFO)	38A	40A	41A	43
Weighted average diluted shares	46	47	47	49	Weighted average diluted shares	47A	47A	48A	48
FFO per share	3.36	3.43	3.65	3.81	FFO per share	0.86A	0.92A	0.96A	0.95
AFFO per share	3.16	3.21	3.54	3.61	AFFO per share	0.82A	0.86A	0.86A	0.90
Dividend per share	2.60	2.80	3.00	3.12	Dividend per share	0.75A	0.75A	0.75A	0.75
Balance Sheet and Cash Flow Data	FY10A	FY11A	FY12E	FY13E	Ratio Analysis	FY10A	FY11A	FY12E	FY13E
Real estate assets	-	-	-	-	NOI margin	85.4%	90.2%	91.2%	91.6%
Accumulated depreciation	-	-	-	-	FFO growth	0.1%	2.1%	6.4%	4.4%
Net real estate assets	2,033	1,847	1,973	2,019	P / FFO	12.9	12.6	11.8	11.3
Cash and cash equivalents	12	15	9	5	AFFO growth	(3.2%)	1.9%	10.1%	2.0%
Other assets	879	873	942	944	P / AFFO	13.7	13.4	12.2	12.0
Total assets	2,923	2,734	2,924	2,968	FFO payout	77.5%	81.7%	82.2%	81.9%
Total debt	1,191	1,154	1,370	1,360	AFFO payout	82.4%	87.1%	84.7%	86.4%
Total liabilities	1,292	1,236	1,460	1,450	Enterprise value / EBITDA	-	-	-	-
Shareholders' equity	1,603	1,470	1,463	1,518	Total debt / total market cap.	-	-	-	-
Recurring capex	7,235	3,881	3,420	8,000	Leverage / total market cap.	-	-	-	-
					NAV	-	-	-	-
					Premium / (discount) to NAV	-	-	-	-
					Dividend yield	6.0%	6.5%	6.9%	7.2%

Source: Company reports and JPMorgan estimates.

Note: \$ in millions millions (except per-share data).Fiscal year ends Dec

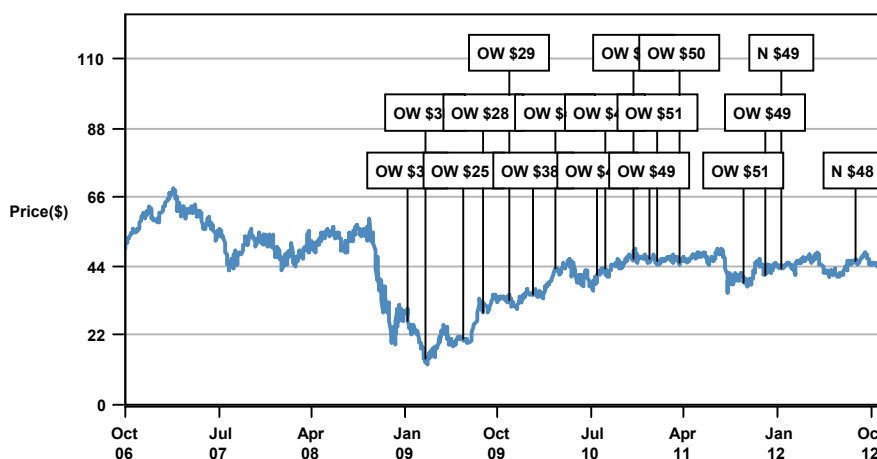
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Entertainment Properties Trust (EPR, EPR US) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
09-Jan-09	OW	26.54	37.00
26-Feb-09	OW	14.78	30.00
19-Jun-09	OW	21.26	25.00
18-Aug-09	OW	29.11	28.00
05-Nov-09	OW	33.22	29.00
12-Jan-10	OW	35.03	38.00
17-Mar-10	OW	42.99	41.00
22-Jul-10	OW	41.34	40.00
09-Aug-10	OW	43.14	43.00
02-Nov-10	OW	46.63	45.00
21-Dec-10	OW	46.25	49.00
14-Jan-11	OW	45.73	51.00
16-Mar-11	OW	44.92	50.00
21-Sep-11	OW	38.57	51.00
23-Nov-11	OW	41.50	49.00
12-Jan-12	N	43.22	49.00
15-Aug-12	N	45.67	48.00

Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends. Initiated coverage Jan 09, 2009.

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IB clients*	52%	46%	34%
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IB clients*	69%	61%	53%

*Percentage of investment banking clients in each rating category.

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COMPANY UPDATE | COMMENT

OCTOBER 30, 2012

**Entertainment Properties Trust (NYSE: EPR)
Meets Our Number On Solid 3Q12; 2012 Guidance
Increased; New 2013 Guidance In Line**

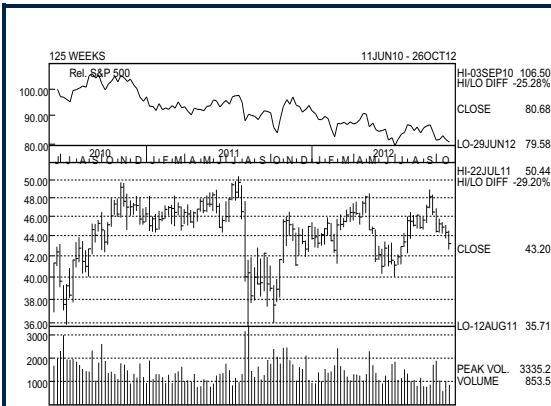
**Outperform
Above Average Risk**

Price:	43.20	Price Target:	51.00
Shares O/S (MM):	46.8	Implied All-In Return:	25%
Dividend:	3.00	Market Cap (MM):	2,022
NAVPS:	50.75	Yield:	6.9%
Float (MM):	45.6	P/NAVPS:	0.9x
Debt to Cap:	36%	Avg. Daily Volume (MM):	0.30

First look at 3Q12 earnings. Pre-conference call earnings update.

Investment Opinion

- EPR's broadening business platform continued to gain momentum in 3Q12 as EBITDA contributions from all of the companies major businesses increased.
- For the quarter, the company posted FFO/share of \$0.94 which met our estimate and beat consensus by \$0.03.
- Details of the quarter are provided below along with a complete analysis of income statement line items that differed materially from our expectations.
- We note that the company beat us by a penny on the key NOI line due entirely to better than expected rental revenue. Offsetting that penny of outperformance was a penny of higher than expected cost associated with a loan refinancing.
- The company's operating margin dipped slightly from its record level of 92.8% to close the quarter at 92.2%, still well above the year ago level of 91.3%. NOI yield on gross book value remained at a peak level of 10.6%.
- Rental revenue hit yet another quarterly high at 61.0 million while mortgage financing interest likewise reached a level not seen since 4Q08 at \$17.0 million.
- Investment spending in 3Q12 totaled \$54.3 million with investments that included \$14.6 million in theaters, \$27.5 million in charter schools and \$9.6 million in the golf complex. Post quarter end the company invested \$22.0 million in a Live Nation anchored music venue in Charlotte.
- As a result of the increased investment activity, management bumped the low end of investment guidance for the year by \$25 million to a new range of \$275-\$300 million.
- Balance sheet metrics remain very healthy with fixed charges coverage of 2.8x and a debt/EBITDA of only 4.5x.
- Management raised its guidance for 2012 FFO/share substantially to \$3.64-\$3.69 from \$3.57-\$3.67 previously and introduced 2013 guidance of \$3.77-\$3.92 vs. our estimate of \$3.96 and consensus of \$3.85.
- EPR remains rated Outperform. We'll have additional comments as well as revised estimates following the conference call with management today at 5:00 EST.



RBC Capital Markets, LLC

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FY Dec	2011A	2012E	2013E	
FFO - FD	3.20	3.67	3.96	
P/FFO	13.5x	11.8x	10.9x	
AFFO - FD	3.36	3.62	3.91	
P/AFFO	12.9x	11.9x	11.0x	
FFO - FD	Q1	Q2	Q3	Q4
2011	0.67A	0.82A	0.80A	0.91A
2012	0.86A	0.92A	0.94A	0.95E
2013	0.95E	0.98E	1.01E	1.02E
AFFO - FD				
2011	0.81A	0.83A	0.85A	0.89A
2012	0.87A	0.91A	0.92A	0.93E
2013	0.93E	0.96E	1.01E	1.03E

All values in USD unless otherwise noted.

Priced as of prior trading day's market close, EST (unless otherwise noted).

For Required Conflicts Disclosures, see Page 6.

Details

Strength In 3Q12 Drives Guidance Increase For The Year

As often happens with EPR, an issue that arises regarding one of its property types overshadows the strength of the rest of the portfolio for a short period of time. Once the issue is addressed, the strength of the company's broader platform becomes apparent. So it was in 3Q12 where the recent charter school issues seem to have subsided, and once again the strength of this portfolio is apparent. For the quarter, the company posted FFO/share of \$0.94 which met our estimate and beat consensus by \$0.03, as detailed in Exhibit 1 below. Income statement line items that differed materially from our expectations are detailed in Exhibit 2. We note that the company beat us by a penny on the key NOI line due entirely to better than expected rental revenue. Offsetting that penny of outperformance was a penny of higher than expected cost associated with the expensing of unamortized loan fees on \$168 million of prepaid mortgage notes. The company's operating margin dipped slightly from its record level of 92.8% to close the quarter at 92.2%, still well above the year ago level of 91.3%, as detailed in Exhibit 3. NOI yield on gross book value remained at a peak level of 10.6%, also as detailed in that Exhibit. Rental revenue hit yet another quarterly high at 61.0 million while mortgage financing interest likewise reached a level not seen since 4Q08 at \$17.0 million, as detailed in Exhibit 4. Management raised its guidance for 2012 FFO/share substantially to \$3.64-\$3.69 from \$3.57-\$3.67 previously and introduced 2013 guidance of \$3.77-\$3.92 vs. our estimate of \$3.96 and consensus of \$3.85.

Investment Spending Remains Robust

During the quarter, the company spent \$54.3 million in its three primary operating segments including \$14.6 million related to the construction of 11 theater and nine entertainment properties, \$27.5 million related to the construction of 12 charter schools, and \$9.6 million related to the construction of the company's golf/entertainment complex. At quarter end, the company had six projects under construction including four megaplex theaters, one charter school and one recreation property. Post quarter end, the company closed on \$22 million of financing for a live-performance anchored center in Charlotte. YTD, the company has invested \$224.3 million prompting management to raise its investment guidance to \$275-\$300 million from \$250-\$300 million previously. During the quarter and post quarter end, the company entered into non-binding agreements with two buyers to sell the remaining assets at one unleased vineyard/winery property. The carrying value of that asset is now \$20.8 million following a \$3.1 million impairment charge. We'll look for more color on the remainder of the company's dwindling wine assets on the call later today. Balance sheet metrics remain very healthy with fixed charges coverage of 2.8x and debt/EBITDA of only 4.5x, as detailed in Exhibit 5. The company's \$400 million line of credit is completely clear, and the company has \$25.0 million of unrestricted cash on the balance sheet. In addition, the company has no maturing debt until 2014, and we expect remaining secured debt to be slowly usurped by additional bond offerings. EPR remains rated Outperform. We'll have additional comments as well as revised 2012 and 2013 estimates and our new 2014 estimates following the conference call with management today at 5:00 EST.

Exhibit 1: EPR Met Our Estimate And Beat Consensus By \$0.03 in 3Q12

	3Q	3Q	Change	RBC	Consensus
Reported FFO/Share	\$0.94	\$0.80	17.6%	\$0.94	\$0.91
Operating FFO/Share	\$0.96	\$0.86	10.8%	\$0.94	
FAD/Share	\$0.92	\$0.85	9.1%	\$0.92	

Source: Company documents, ThomsonOne and RBC Capital Markets estimates

Exhibit 2: Income Statement Line Items That Differed Materially From Our Expectations

	Earnings Comparisons (\$M)				
	3Q11	2Q12	3Q12A	3Q12E	FFO/Share
Beat our estimate					
Net operating income (NOI)	54.7	57.9	59.2	58.6	\$0.01
TOTAL					\$0.01
Missed our estimate					
Cost associated with loan refinance	0.0	0.0	0.5	0.0	(\$0.01)
TOTAL					(\$0.01)
NET IMPACT					\$0.00

Source: Company documents and RBC Capital Markets estimates

Exhibit 3: Operating Metrics Were Strong Again In 3Q12

	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12
Operating Margin	90.6%	90.5%	91.0%	90.1%	91.3%	91.0%	91.4%	92.8%	92.2%
NOI Yield on Gross Book	9.4%	9.4%	9.8%	9.9%	10.3%	10.3%	10.4%	10.6%	10.6%

Source: Company documents and RBC Capital Markets estimates

Exhibit 4: Key Revenue Sources Hit Yet Another Record

	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12
Rental Revenue	56.8	56.6	55.4	56.0	56.8	57.8	58.3	59.2	61.0
Mortgage Financing Interest	13.3	13.4	13.6	13.8	14.6	14.0	14.7	15.3	17.0

Source: Company documents and RBC Capital Markets estimates

Exhibit 5: Balance Sheet Metrics Are Strong, Near Term Maturities Non-Existent

	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12
EBITDA interest coverage	3.5x	3.5x	3.5x	3.8x	3.8x	3.9x	3.8x	3.9x	3.7x
EBITDA/fixed charges coverage (x)	2.5x	2.5x	2.4x	2.6x	2.7x	2.9x	2.8x	2.9x	2.8x
Debt/Total market capitalization (%)	33.1	31.7	28.8	28.8	34.5	32.7	32.8	36.0	35.6

Source: Company documents and RBC Capital Markets estimates

Source: RBC Capital Markets and Company documents

Exhibit 6: Comparable Valuation Metrics For EPR

	P/FFO 2012E	P/FFO 2013E	P/FAD 2012E	P/FAD 2013E	YE13 NAV/Share	Implied Cap Rate	Price/ Book
EPR	11.8x	10.9x	11.9x	11.0x	\$50.75	8.43%	1.1x
Net Lease (Median)	12.7x	11.3x	13.5x	12.6x	NA	NA	1.1x

	EV/ EBITDA	FFO Growth 2012E	FFO Growth 2013E	Dividend Yield	FAD Payout Ratio 2012E	Debt / EBITDA	Fixed Charge Coverage
EPR	13.7x	7%	15%	6.9%	83%	4.8x	2.7x
Net Lease (Median)	13.0x	-1.0%	7.9%	5.5%	83%	4.9x	2.7x

Source: SNL Financial and RBC research estimates

Note: The attached model has not been updated to reflect 3Q12 financials and 3Q11 revisions.

Valuation

FFO Multiple. Based on our 2012 FFO estimate of \$3.67/share, EPR currently trades at a multiple of 11.8x, which is below the net lease group median.

Net Asset Value. We estimate EPR's YE12 NAV to be \$50.75/share using a 7.5% economic cap rate on 12-month forward NOI. EPR's shares currently trade at an 8.43% implied cap.

Price Target Justification. Our price target of \$51.00/share is derived from our YE12 NAV/share estimate of \$50.75.

Price Target Impediment

The greatest risks to our estimates, recommendation and price target relate to general economic trends including, but not limited to, job growth, international trade, business and consumer spending, new office and industrial supply and access to capital. Higher raw material and labor costs related to development or redevelopment activities could also negatively impact investment. Additional risks, including the threat of terrorism, weather and key personnel changes, are outlined in the Company's filings with the Securities and Exchange Commission.

Company Description

Entertainment Properties Trust (NYSE-EPR) is a fully integrated self-administered, self-managed, real estate investment trust (REIT) engaged exclusively in the ownership, acquisition and development of destination entertainment, recreational and entertainment-related properties throughout the United States and Canada. The Company's portfolio currently comprises 113 megaplex theaters, 38 charter schools, 10 metropolitan ski areas, five vineyards, eight wineries, and three waterparks spread across 33 States, Washington, D.C. and Canada. These properties are generally leased through long-term leases triple-net lease, which provide a steady stream of cash flow over the duration of the lease. Additionally, the Company has recently established a mortgage investment portfolio that allows EPR the ability to further expand its portfolio, both internationally and with regards to property type, while at the same time generating attractive yields for investors. As a REIT, EPR is generally exempt from federal and state income taxes. The company's Web site is at www.eprkc.com.

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Conflicts Disclosures

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RBC Capital Markets is currently providing Entertainment Properties Trust with non-securities services.

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Outperform (O): Expected to materially outperform sector average over 12 months.

Sector Perform (SP): Returns expected to be in line with sector average over 12 months.

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Above Average Risk (AA): Volatility and risk expected to be above sector; below average revenue and earnings predictability; may not be suitable for a significant class of individual equity investors; may have negative cash flow; low market cap or float.

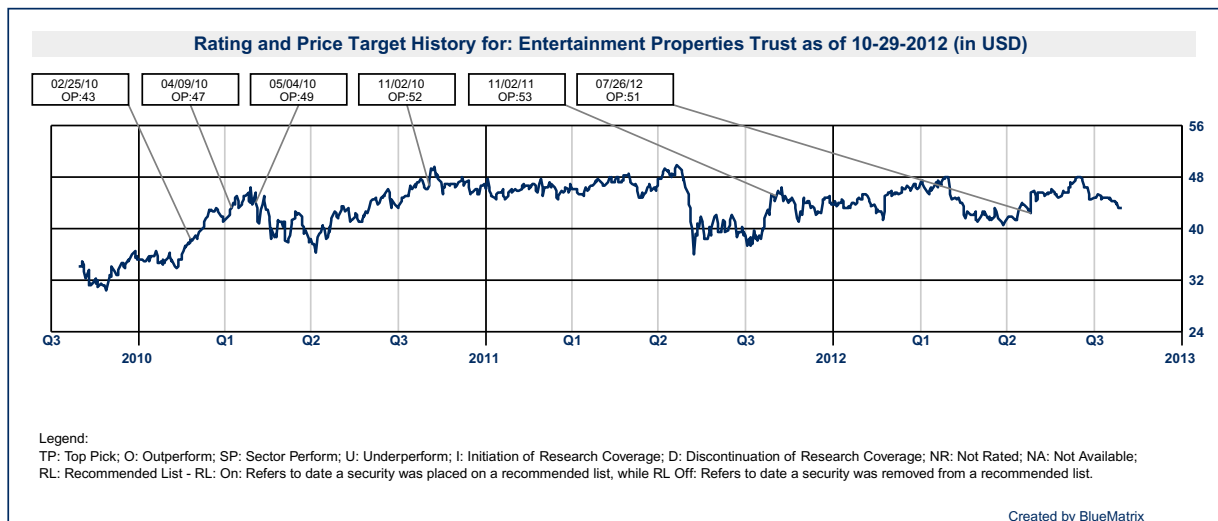
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			Count	Percent
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HOLD[SP]	687	44.70	176	25.62
SELL[U]	79	5.14	8	10.13



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EPR Properties - Financial Analysis Review

Publication Date: 29-Nov-2013

Reference Code: GDCON29129FA

Company Snapshot

Key Information

EPR Properties, Key Information	
Web Address	www.eprkc.com
Financial year-end	December
Number of Employees	31
NYSE	EPR
Source : GlobalData	

Company Overview

EPR Properties (EPR) is a specialty real estate investment trust. The company develops, owns, leases, and finances entertainment and related properties in the US and Canada. Its property portfolio includes megaplex theatres, entertainment retail centers, and destination recreational and specialty properties. EPR invests in three primary segments such as, Entertainment, Recreation and Education. The Company has 180 properties across 37 states in the US, the District of Columbia and in the Canadian province of Ontario.

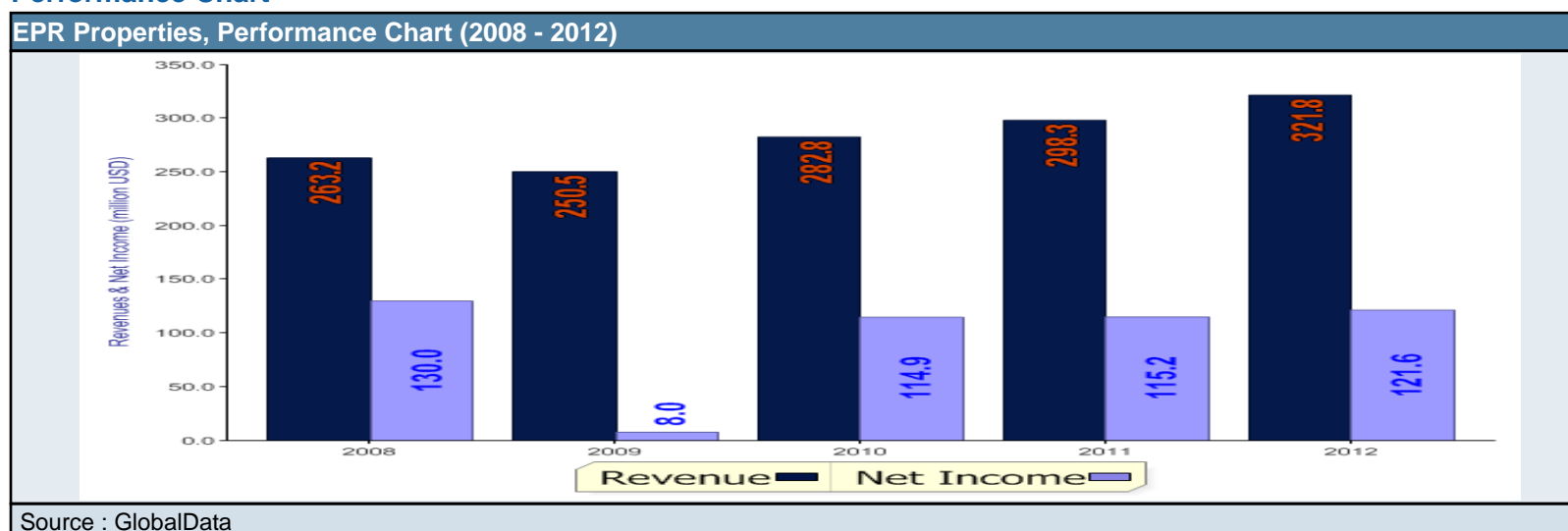
Key Ratios

EPR Properties, Key Ratios	
P/E	22.90
Return on Equity (%)	8.33
Debt/Equity (%)	93.79
Operating profit margin (%)	41.28
Dividend Yield	NA
Note: Above ratios are based on share price as of 27-Nov-2013	
Source : GlobalData	

Share Data

EPR Properties, Share Data	
Share Price (USD) as on 27-Nov-2013	51.29
EPS (USD)	2.24
Market Cap (million USD)	2,649
Enterprise Value (million USD)	4,172
Shares Outstanding (million)	52
Source : GlobalData	

Performance Chart



Financial Performance

The company reported revenues of (U.S. Dollars) USD 321.79 million during the fiscal year ended December 2012, an increase of 7.88% over 2011. The operating profit of the company was USD 209.50 million during the fiscal year 2012, an increase of 15.06% over 2011. The net profit of the company was USD 121.56 million during the fiscal year 2012, an increase of 5.49% over 2011.

EPR Properties - Key Facts

EPR Properties, Key Facts			
Corporate Address	909 Walnut Street, Suite 200, Kansas City, MO, 64106, United States	Ticker Symbol, Stock Exchange	EPR [New York Stock Exchange]
Telephone	+1 816 4721700	No. of Employees	31 (<i>Estimated</i>)
Fax		Fiscal Year End	December
URL	www.eprkc.com	Revenue (in USD Million)	321.79
Industry	Construction & Real Estate		
Locations	United States		
Source : GlobalData			

EPR Properties - Business Description

EPR Properties (EPR) is a specialty real estate investment trust. The company develops, owns, leases, and finances entertainment and related properties. Its real estate properties portfolio includes theatres, wineries, EPR corporate office, ski properties, entertainment retail centres, development-water park/concord resort and public charter schools. EPR has presence in 180 locations in 37 states the US and Canada.

The company operates through its four reportable operating segments, namely, Entertainment, Education, Recreation and Other.

Its Entertainment segment invests in megaplex theatres, entertainment retail centres, family entertainment centres and other retail parcels. The company owns 113 megaplex theatre properties located in 32 states and Ontario, Canada. It has eight entertainment retail centres in Westminster, Colorado; New Rochelle, New York; Burbank, California; Suffolk, Virginia; and Ontario, Canada. EPR has five family entertainment centres located in Illinois, Indiana, Florida and Texas. The company has leased land parcels to restaurant and retail operators. For the fiscal year ended December 2012, the company's Entertainment segment reported revenue of USD 244m, reflecting an increase of 4% over the year 2011. The segment contributed 76% of the total revenue.

EPR's Education segment invests in public charter schools. The company has 12 public charter school properties located in four states. It has leased 26 public charter school properties, under a master lease to Imagine Schools, Inc. The company's public charter schools are owned by its 17 different operators. For the fiscal year ended December 2012, the company's Entertainment segment reported revenue of USD 38.8m, reflecting an increase of 29% over the year 2011. The segment contributed 12% of the total revenue.

The company's Recreation segment invests in metro ski parks, water-parks and golf entertainment complexes. Its recreation properties include water-park anchored entertainment village in Kansas; two other water-parks in Texas; 11 metro ski parks and development land located in New Hampshire, Vermont, Missouri, Indiana, Ohio and Pennsylvania; 3 metro ski parks in Ohio and Maryland; and 3 golf entertainment complexes in Texas. For the fiscal year ended December 2012, the company's Entertainment segment reported revenue of USD 33.1m, reflecting an increase of 19% over the year 2011. The segment contributed 10% of the total revenue.

Its other segment invests in vineyards and wineries and land held for development. EPR owns six wineries and four vineyards located in California and Washington. For the fiscal year ended December 2012, the company's Entertainment segment reported revenue of USD 5.9m, reflecting a decrease of 5% over the year 2011. The segment contributed 2% of the total revenue.

EPR Properties - Major Products and Services

EPR Properties develops, owns, leases and finances properties for consumer preferred businesses. The company's key services include the following:

EPR Properties, Major Products and Services
Service:
Megaplex Theatres
Entertainment Retail Centers
Recreational and specialty properties
Source : GlobalData

EPR Properties - History

EPR Properties, History		
2013	Corporate Awards	The company received Small Business Awards.
2011	Acquisitions/Mergers/Takeovers	EPR Properties completed the acquisition of four stadium theatre properties for a total investment of \$36.8 m
2011	Contracts/Agreements	Empire Resorts, Inc extended the agreement with EPR Properties and MSEG LLC for the joint development of the companies' respective properties located in Sullivan County, New York
2011	Litigation	Artisan Gateway, Ltd. filed a case against EPR Properties for fraud and breach of contract, along with requests for an accounting and declaratory relief
2010	Acquisitions/Mergers/Takeovers	EPR Properties completed the acquisition of the real estate and improvements associated with twelve theatres for a purchase price of approximately \$124m
2010	Acquisitions/Mergers/Takeovers	EPR Properties completed the acquisition of the Toronto Dundas Square project by paying off senior debt of approximately CAD120m
2009	Acquisitions/Mergers/Takeovers	EPR Properties completed the acquisition of the real estate and improvements associated with fifteen theatres for a purchase price of approximately \$121m
2008	Acquisitions/Mergers/Takeovers	EPR Properties acquired two vineyards and four wineries associated with five wine brands: Geyser Peak, Buena Vista, and Gary Farrell in Sonoma County, California and Covey Run and Columbia in Yakima County, Washington through its VinREIT subsidiary. The total purchase price was approximately \$115m
2007	Acquisitions/Mergers/Takeovers	The company acquired 67% of the voting interests in White Plains Retail and White Plains Recreational.
2006	Acquisitions/Mergers/Takeovers	The company acquired White Oak Village Cinema.
2005	Acquisitions/Mergers/Takeovers	Burbank Entertainment Village was acquired.
2005	Acquisitions/Mergers/Takeovers	East Ridge was acquired by the company.
2004	Acquisitions/Mergers/Takeovers	The company acquired Mississauga.
2004	Acquisitions/Mergers/Takeovers	The four Canadian entertainment retail centers were acquired.
2003	Acquisitions/Mergers/Takeovers	AmStar Cinema was acquired.
2003	Acquisitions/Mergers/Takeovers	Consolidated Columbian Grande 14 screen megaplex theatre was acquired.
2002	Acquisitions/Mergers/Takeovers	The company acquired Elmwood Palace.
2000	Acquisitions/Mergers/Takeovers	Tampa Starlight was acquired.
1999	Acquisitions/Mergers/Takeovers	The Loews Woodridge theatre located in Woodridge, Illinois was acquired.
1998	Acquisitions/Mergers/Takeovers	South Barrington was acquired by the company.
1997	Acquisitions/Mergers/Takeovers	West Olive was acquired.
1997	Incorporation/Establishment	EPR Properties was established.

Source : GlobalData		

EPR Properties - Key Competitors

EPR Properties, Key Competitors	
Name	Headquarters
Agree Realty Corporation	United States
DDR Corp.	United States
Equity One, Inc.	United States
Ramco-Gershenson Properties Trust	United States
Simon Property Group, Inc.	United States
GlobalData	

EPR Properties - Key Employees

EPR Properties, Key Employees				
Name	Job Title	Board Level	Since	Age
Robert J. Druten	Chairman	Non Executive Board	2003	65
Brian Moriarty	Vice President, Corporate Communications	Senior Management		
David M. Brain	Chief Executive Officer, President	Senior Management	1999	
Greg Silvers	Chief Operating Officer, Executive Vice President	Senior Management	2012	48
James Lee	Vice President, Finance	Senior Management		
Jerry Earnest	Chief Investment Officer, Senior Vice President	Senior Management	2012	56
Mark Peterson	Chief Financial Officer, Senior Vice President, Treasurer	Senior Management	2012	48
Mike Hirons	Vice President, Strategic Planning	Senior Management	2012	
Neil Sprague	General Counsel, Senior Vice President	Senior Management		
Robert Drumm	Associate General Counsel, Vice President, Transactions	Senior Management		
Tom Hudak	Vice President, Theatre and Retail Investments	Senior Management		
Tonya Mater	Controller, Vice President	Senior Management		

Source : GlobalData

EPR Properties - Key Employee Biographies

EPR Properties, Key Employee Biographies	
<p>Robert J. Druten Job Title: Chairman Board Level: Non Executive Board Since: 2003 Age: 65</p>	<p>Mr. Druten, is chairman of board of Trustees of the company since 2003. In August 2006, he retired as executive vice president and chief financial officer and a corporate officer of Hallmark Cards Incorporated. Mr. Druten serves on the boards of directors of Alliance GP, LLC, the managing general partner of Alliance Holdings GP, L.P., a NASDAQ-listed company indirectly engaged in the production and marketing of coal to utilities and industrial users, and Kansas city Southern, a NYSE-listed transportation company. Mr. Druten also serves on the nominating committee and as chairman of each of the audit committee and finance committee of Kansas City Southern, and he serves on the audit and conflicts committees of Alliance GP, LLC. Mr. Druten previously served on the board of directors of American Italian Pasta Company, from 2007 until it was acquired by Ralcorp Holdings, Inc. in July 2010, where he was the chairman of the audit committee and also served on the compensation committee.</p>
<p>David M. Brain Job Title: Chief Executive Officer, President Board Level: Senior Management Since: 1999</p>	<p>Mr. Brain is the president and the chief executive officer of Entertainment Properties Trust. He served as chief financial officer from 1997 to 1999 and as chief operating officer from 1998 to 1999. Mr. Brain acted as a consultant to AMC Entertainment, Inc. in the formation of the company in 1997. From 1996 until that time he was a senior vice president in the investment banking and corporate finance department of George K. Baum & Company, an investment banking firm headquartered in Kansas City, Missouri. Before joining George K. Baum & Company, Mr. Brain was managing director of the corporate finance Group of KPMG LLP, a practice unit he organized and managed for over 12 years.</p>
<p>Greg Silvers Job Title: Chief Operating Officer, Executive Vice President Board Level: Senior Management Since: 2012 Age: 48</p>	<p>Mr. Silvers is chief operating officer and executive vice president of Entertainment Properties Trust. He was appointed executive vice president in February 2012. From 1998 until this appointment, he served as vice president. Mr. Silvers has also served as chief operating officer since 2006, chief development officer since 2001 and secretary and general counsel since 1998. From 1994 to 1998, he practiced with the law firm of Stinson Morrison Hecker LLP specializing in real estate law.</p>
<p>Jerry Earnest Job Title: Chief Investment Officer, Senior Vice President Board Level: Senior Management Since: 2012 Age: 56</p>	<p>Mr. Earnest is the chief investment officer and the senior vice president of the company since 2012. Prior to joining the Company, he was an executive vice-president of Capmark Financial Group, Inc. ("Capmark," formerly GMAC Commercial Mortgage Corporation, or "GMACCM") and was responsible for the co-management of Lending and Originations for both North America and Europe. On October 25, 2009, Capmark filed for bankruptcy. Formerly, Mr. Earnest was responsible for the GMACCM's Specialty Lending Groups, which consisted of the Healthcare, Hospitality and Construction Lending Divisions. Prior to joining GMACCM, Mr. Earnest was a principal of Lexington Mortgage Company which was acquired by GMACCM in March 1996.</p>
<p>Mark Peterson Job Title: Chief Financial Officer, Senior Vice President, Treasurer Board Level: Senior Management Since: 2012 Age: 48</p>	<p>Mr. Peterson is chief financial officer, senior vice president, treasurer of Entertainment Properties Trust. He was appointed senior vice president in February 2012. From 2004 until this appointment, he served as vice president. Mr. Peterson has also served as chief financial officer and treasurer since 2006. From 1998 to 2004, Mr. Peterson was with American Italian Pasta Company ("AIPC"), a publicly traded manufacturing company, most recently serving as vice president-accounting and finance. Mr. Peterson was chief financial officer of J.C. Nichols Company, a real estate company headquartered in Kansas City, Missouri, from 1995 until its acquisition by Highwoods Properties, Inc. in 1998.</p>
Source : GlobalData	

EPR Properties - Company Statement

The statement from "EPR Properties" management discussion and analysis section is given below. The statement has been taken from company's 2012 10-k report:

Overview

Business

Our principal business objective is to enhance shareholder value by achieving predictable and increasing 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. Our investment portfolio includes ownership of and long-term mortgages on entertainment, education and recreation properties. Substantially all of our owned single-tenant properties are leased pursuant to long-term, triple-net leases, under which the tenants typically pay all operating expenses of the property. Tenants at our owned multi-tenant properties are typically required to pay common area maintenance charges to reimburse us for their pro-rata portion of these costs.

It has been our strategy to structure leases and financings to ensure a positive spread between our cost of capital and the rentals or interest paid by our tenants. We have primarily acquired or developed new properties that are pre-leased to a single tenant or multi-tenant properties that have a high occupancy rate. We have also entered into certain joint ventures and we have provided mortgage note financing. We intend to continue entering into some or all of these types of arrangements in the foreseeable future.

Historically, our primary challenges have been locating suitable properties, negotiating favorable lease or financing terms (on new or existing properties), and managing our portfolio as we have continued to grow. We believe our management's knowledge and industry relationships have facilitated opportunities for us to acquire, finance and lease properties. Our business is subject to a number of risks and uncertainties, including those described in "Risk Factors" in Item 1A of this report.

As of December 31, 2012, our total assets exceeded \$2.9 billion (after accumulated depreciation of approximately \$0.4 billion) which included investments in 113 megaplex theatre properties (including two joint venture properties), 38 public charter school properties and various other entertainment and recreation properties located in 36 states, the District of Columbia and Ontario, Canada. The combined owned portfolio consisted of 13.9 million square feet and was 98% leased. As of December 31, 2012, we had invested approximately \$225.6 million in development land and property under development and approximately \$455.8 million in mortgage financing for entertainment, education and recreation properties.

Investment Spending Overview

During 2012, our total investment spending of \$298.1 million was an increase of 116% over our investment spending in 2011. Our investment spending in 2011 was lower than it had been historically because of the financial and economic environment at that time.

During 2012, our investment spending in our entertainment segment was \$121.5 million. As box office performance improved over the latter part of 2011 and 2012, we were able to find more build-to-suit opportunities available for megaplex theatres at attractive terms with both existing and new tenants. Additionally, many megaplex theatre operators are expanding their food and beverage options and are now including in-theatre dining options and alcohol availability. This trend has provided more build-to-suit opportunities for us as well. Also, we expanded our investment spending in the family entertainment center category.

During 2012, our investment spending in our education segment was \$81.4 million and consisted of build-to-suit public charter schools. We continued to establish our position as a leading owner of public charter school real estate and expect this momentum to continue into 2013. We continued to diversify our tenant base, and as of year-end we have 17 different public charter school operators and we expect to continue to expand this number in 2013. As discussed below under "Recent Developments," certain of our public charter school properties which were operated by our largest tenant in this area, Imagine, had their charters revoked and/or were closed; however these events are not expected to impact our ability to collect payments from Imagine under their master lease with us.

During 2012, our investment spending in our recreation segment was \$83.6 million and related primarily to metro ski areas and golf entertainment complexes. We plan to continue to seek attractive investments in this segment in 2013. During the 2011-2012 season, our ski parks experienced unseasonably warm temperatures. While attendance and revenues decreased at our ski parks during the 2011-2012 season, our operator was able to fully fund the off-season reserve for interest payments and continues to perform under the terms of our mortgage note and lease agreements.

During 2012, our investment spending in our other segment was \$11.6 million and related to our land held for development in Sullivan County, New York. As further discussed below under "Recent Developments," the most recent economic downturn significantly impacted both the planned casino and resort development in Sullivan County, New York as well as the performance of our vineyard and winery tenants. While the Sullivan County project is subject to an ongoing lawsuit for which we believe we have meritorious defenses, progress is being made with respect to the development of this property. Furthermore, progress is also being made in selling our vineyard and winery properties as we sold four such investments in 2011 and 2012. As of December 31, 2012, the remaining carrying value of vineyard and winery assets was \$55.3 million. We expect to continue to pursue sales of additional vineyard and winery assets in 2013.

Capitalization Strategies

Our property acquisitions and financing commitments are financed by cash from operations, borrowings under our revolving credit

facility and term loan, long-term mortgage debt, and the sale of debt and equity securities. During the past three years, we have taken significant steps to implement our strategy of migrating to an unsecured debt structure and maintaining significant liquidity by issuing \$600.0 million of unsecured notes, entering into a new \$400.0 million unsecured revolving credit facility and \$240.0 million unsecured term loan and we paid off \$171.6 million in secured debt. Having enhanced our liquidity position, strengthened our balance sheet and obtained access to the unsecured debt markets, we believe we are better positioned to aggressively pursue investments, acquisitions and financing opportunities that may become available to us from time to time.

Throughout the remainder of 2013, we expect to maintain our debt to total gross assets ratio between 35% and 45%. Depending on our capital needs, we will seek both debt and equity capital and will consider issuing additional shares under the direct share purchase component of our DSP Plan. While equity issuances and maintaining lower leverage mitigate the growth in per share results, we believe lower leverage and an emphasis on liquidity are prudent during the current economic environment.

Recent Developments

Debt Financing

On January 5, 2012, we entered into a new \$240.0 million five-year unsecured term loan facility. The loan matures on January 5, 2017. The facility is priced based on a grid related to our senior unsecured credit ratings, with pricing at closing of LIBOR plus 175 basis points. We also entered into interest rate swaps that effectively mitigate our risk to variable interest rates and provide a fixed interest stream (when cash flows from the debt and interest rate swaps are combined) at 2.66% for 4 years. The new facility also contains an "accordion" feature allowing it to be increased by up to an additional \$110.0 million upon satisfaction of certain conditions. The net proceeds from this new unsecured term loan facility were primarily utilized to reduce the outstanding balance of our unsecured revolving credit facility to zero at closing.

On August 8, 2012, we issued \$350.0 million in senior notes due on August 15, 2022. The notes bear interest at 5.75%. Interest is payable on February 15 and August 15 of each year beginning on February 15, 2013 until the stated maturity date of August 15, 2022. The notes are unsecured and guaranteed by certain of our subsidiaries.

During the year ended December 31, 2012, we prepaid in full our mortgage notes payable totaling \$171.6 million, which were secured by sixteen theatre properties and two entertainment retail centers. In connection with the payment in full of the mortgage notes, \$439 thousand of deferred financing costs (net of accumulated amortization) were written off and \$188 thousand of additional costs associated with loan refinancing or payoff were incurred.

Issuance of Series F Preferred Shares

On October 12, 2012, we issued 5.0 million shares of 6.625% Series F cumulative redeemable preferred shares ("Series F preferred shares") in a registered public offering at a purchase price of \$25.00 per share resulting in net proceeds of approximately \$120.6 million, after underwriting discounts and expenses. We will pay cumulative dividends on the Series F preferred shares from the date of original issuance in the amount of \$1.65625 per share each year, which is equivalent to 6.625% of the \$25.00 liquidation preference per share. See Note 15 to the consolidated financial statements in this Annual Report on Form 10-K for further details.

Redemption of Series D Preferred Shares

On November 5, 2012, we redeemed all of our 4.6 million outstanding 7.375% Series D preferred shares. The shares were redeemed at a redemption price of \$25.18 per share (\$25.00 per share liquidation preference plus accrued dividends through the redemption date) for a total aggregate redemption price of approximately \$115.8 million. In conjunction with the redemption, we recognized a charge representing the original issuance costs that were paid in 2007 and other redemption related expenses. The aggregate reduction to net income available to common shareholders was approximately \$3.9 million.

Investment Spending

Our investment spending during the year ended December 31, 2012 totaled approximately \$298.1 million, and included investments in each of our four operating segments.

Entertainment investment spending during the year ended December 31, 2012 totaled \$121.5 million, and related to investments in eight build-to-suit construction and one acquisition of megaplex theatres, and other entertainment properties including four family entertainment centers that are subject to long-term triple net leases or long-term mortgage agreements.

Education investment spending during the year ended December 31, 2012 totaled \$81.4 million, and related primarily to investments in build-to-suit construction of ten public charter schools that are subject to long-term triple net leases or long-term mortgage agreements. On August 15, 2012, we also completed a sale of a public charter school property for \$4.5 million that was leased to Imagine. There was no gain or loss on this sale.

Recreation investment spending during the year ended December 31, 2012 totaled \$83.6 million, and related to our acquisition of the Wisp Resort in McHenry, Maryland, build-to-suit construction of five golf entertainment complexes and fundings under our mortgage notes with Peak related to additional improvements at existing properties and Peak's acquisition of a metropolitan ski resort in Ohio.

Other investment spending during the year ended December 31, 2012 totaled \$11.6 million and primarily related to the land held for development in Sullivan County, New York.

Results of Operations

Year ended December 31, 2012 compared to year ended December 31, 2011

Rental revenue was \$238.4 million for the year ended December 31, 2012 compared to \$224.3 million for the year ended December 31,

2011. Rental revenue increased \$14.1 million from the prior period, of which \$12.6 million was related to acquisitions completed in 2012 and 2011, and \$1.5 million was related to net rent increases on existing properties. Percentage rents of \$1.8 million and \$1.2 million were recognized during the years ended December 31, 2012 and 2011, respectively. Straight-line rents of \$4.6 million and \$0.7 million were recognized during the years ended December 31, 2012 and 2011, respectively.

During the year ended December 31, 2012, we experienced a decrease of approximately 7.7% in rental rates on approximately 720,000 square feet with respect to significant lease renewals and new leases on existing properties. Additionally, we have funded or have agreed to fund a weighted average of \$12.24 per square foot in tenant improvements and a weighted average of \$0.43 per square foot in leasing commissions.

Tenant reimbursements totaled \$18.6 million for the year ended December 31, 2012 compared to \$18.0 million for the year ended December 31, 2011. These tenant reimbursements arise from the operations of our entertainment retail centers. The \$0.6 million increase is primarily due as an increase in tenant reimbursements at our retail centers in Ontario, Canada.

Other income was \$0.8 million for the year ended December 31, 2012 compared to \$0.4 million for the year ended December 31, 2011. The \$0.4 million increase is primarily due to a court settlement payment related to a vineyard property.

Mortgage and other financing income for the year ended December 31, 2012 was \$64.0 million compared to \$55.6 million for the year ended year ended December 31, 2011. The \$8.4 million increase is primarily due to increased real estate lending activities related to our mortgage loan agreements. We also recognized participating interest income of \$0.9 million and \$0.5 million from SVVI related to our water-park interests for the years ended December 31, 2012 and 2011, respectively.

Our property operating expense totaled \$25.3 million for the year ended December 31, 2012 compared to \$24.2 million for the year ended December 31, 2011. These property operating expenses arise from the operations of our retail centers and other specialty properties. The \$1.1 million increase resulted primarily due to increased bad debt expense at multi-tenant properties during 2012, less collections of previously reserved vineyard and winery tenant receivables, and increases in property operating expenses at our retail centers in Ontario, Canada.

Our general and administrative expense totaled \$23.2 million for the year ended December 31, 2012 compared to \$20.2 million for the year ended December 31, 2011. The increase of \$3.0 million is primarily due to an increase in payroll related expenses, travel costs, professional fees, insurance costs and franchise taxes.

Costs associated with loan refinancing or payoff, net were \$0.6 million for the year ended December 31, 2012 and related to the prepayment of our mortgage notes payable totaling \$171.6 million. Costs associated with loan refinancing or payoff, net were \$3.7 million for the year ended December 31, 2011 and related to the termination of our eight term loans outstanding under the vineyard and winery facility. In connection with the payment in full of these term loans, the related interest rate swaps were terminated at a cost of \$4.6 million (including \$2.3 million which is classified within discontinued operations) and deferred financing costs, net of accumulated amortization, of \$1.8 million were written off. These costs were partially offset by a gain of \$0.4 million on the settlement of a capital lease obligation related to the planned casino and resort development in Sullivan County, New York.

Our net interest expense increased by \$5.2 million to \$76.7 million for the year ended December 31, 2012 from \$71.5 million for the year ended December 31, 2011. This increase resulted primarily from an increase in average borrowings and was partially offset by a decrease in the weighted average interest rate used to finance our real estate acquisitions and fund our mortgage notes receivable.

Transaction costs totaled \$0.4 million for the year ended December 31, 2012 compared to \$1.7 million for the year ended December 31, 2011. The decrease of \$1.3 million is due to less write off of costs associated with terminated transactions.

Impairment charges for the year ended December 31, 2012 were \$10.9 million compared to \$18.7 million for the year ended December 31, 2011 and related to certain of our vineyard and winery properties.

Depreciation and amortization expense totaled \$50.3 million for the year ended December 31, 2012 compared to \$45.8 million for the year ended December 31, 2011. The \$4.5 million increase resulted primarily from asset acquisitions completed in 2012 and 2011.

Equity in income from joint ventures totaled \$1.0 million for the year ended December 31, 2012 compared to \$2.8 million for the year ended December 31, 2011. The \$1.8 million decrease is primarily due to the January 1, 2012 conversion of \$14.9 million of equity in Atlantic-EPR I, which earned a preferred return of 15%, into a loan from us at a rate of 9.5%. Additionally, the decrease resulted from a lease amendment on the underlying theatre property held by Atlantic-EPR I, which reduced the theatre square footage and annual rent. This decrease was partially offset by an increase in income of \$0.4 million from our joint venture projects located in China.

Loss from discontinued operations totaled \$12.2 million for the year ended December 31, 2012 and included the operations of Pope Valley which was held for sale at December 31, 2012 (including \$1.9 million in impairment charges) as well as the operations of the Buena Vista winery and vineyards (including \$11.1 million in impairment charges) and the Carneros custom crush facility, which were sold during 2012. Loss from discontinued operations totaled \$17.7 million for the year ended December 31, 2011 related to the operations of the prior mentioned properties (including impairment charges of \$8.4 million related to Buena Vista and \$1.8 million related to Pope Valley and costs associated with loan refinancing of \$2.1 million related to Buena Vista) as well as the operations of the Toronto Dundas Square property which was sold on March 29, 2011, the operations of the Gary Farrell (including a \$1.0 million lease termination fee and \$0.2 million in costs associated with loan refinancing or payoff) and EOS wineries and vineyards (including a \$7.2 million impairment charge) sold during 2011. For further detail, see Note 21 to the consolidated financial statements included in this Annual Report Form 10-K for further details.

Loss on sale or acquisition of real estate from discontinued operations was \$0.01 million for the year ended December 31, 2012 and was due to the sale of our Buena Vista winery and vineyards and the Carneros custom crush facility for a total net loss of \$0.3 million, which was partially offset by the settlement of certain reserves established with the March 29, 2011 sale of Toronto Dundas Square. Gain on sale or acquisition of real estate from discontinued operations for the year ended December 31, 2011 was due to a \$19.5 million gain on sale of Toronto Dundas Square as well a \$0.02 million gain on the sale of the EOS wineries and vineyards. For further detail, see Note 3 to the consolidated financial statements included in this Annual Report on Form 10-K for further details.

Preferred dividend requirements for the year ended December 31, 2012 were \$24.5 million compared to \$28.1 million for the year ended December 31, 2011. The \$3.6 million decrease is due to a decrease of \$4.1 million as a result of the redemption of 3.2 million Series B preferred shares on August 31, 2011, a decrease of \$1.3 million as a result of the redemption of 4.6 million Series D preferred shares on November 5, 2012, offset by an increase of \$1.8 million due to the issuance of 5.0 million Series F preferred shares issued on October 12, 2012.

Preferred share redemption costs of \$3.9 million for the year ended December 31, 2012 were due to the redemption of all of the Series D preferred shares on November 5, 2012. Preferred share redemption costs of \$2.8 million for the year ended December 31, 2011 were due to the redemption of all of the Series B preferred shares on August 31, 2011. These costs consist of the original issuance costs and other redemption related expenses.

EPR Properties - Locations And Subsidiaries

Head Office

EPR Properties
 909 Walnut Street
 Suite 200
 Kansas City
 MO
 ZIP: 64106
 United States
 Tel: +1 816 4721700

Other Locations & Subsidiaries

EPR Properties, Subsidiaries	
EPT Kalamazoo, Inc. Missouri United States	Flik Depositor, Inc. Delaware United States
Megaplex Four, Inc. Missouri United States	Metropolis Entertainment Holdings, Inc. New Brunswick United States
Mississauga Entertainment Holdings, Inc. New Brunswick United States	New Roc Associates, LP New York United States
Oakville Entertainment Holdings, Inc. New Brunswick United States	Suffolk Retail, LLC Delaware United States
Tampa Veterans 24, LP Delaware United States	WestCol Center, LLC Delaware United States
Source : GlobalData	

EPR Properties - Financial Ratios

Financial Ratios - Capital Market Ratios

EPR Properties, Ratios based on current share price	
Key Ratios	27-Nov-2013
P/E (Price/Earnings) Ratio	22.90
EV/EBITDA (Enterprise Value/Earnings Before Interest, Taxes, Depreciation and Amortization)	22.66
Enterprise Value/Sales	12.96
Enterprise Value/Operating Profit	19.91
Enterprise Value/Total Assets	1.42
Note: Above ratios are based on share price as of 27-Nov-2013, the above ratios are absolute numbers	
Source : GlobalData	

Financial Ratios - Annual Ratios

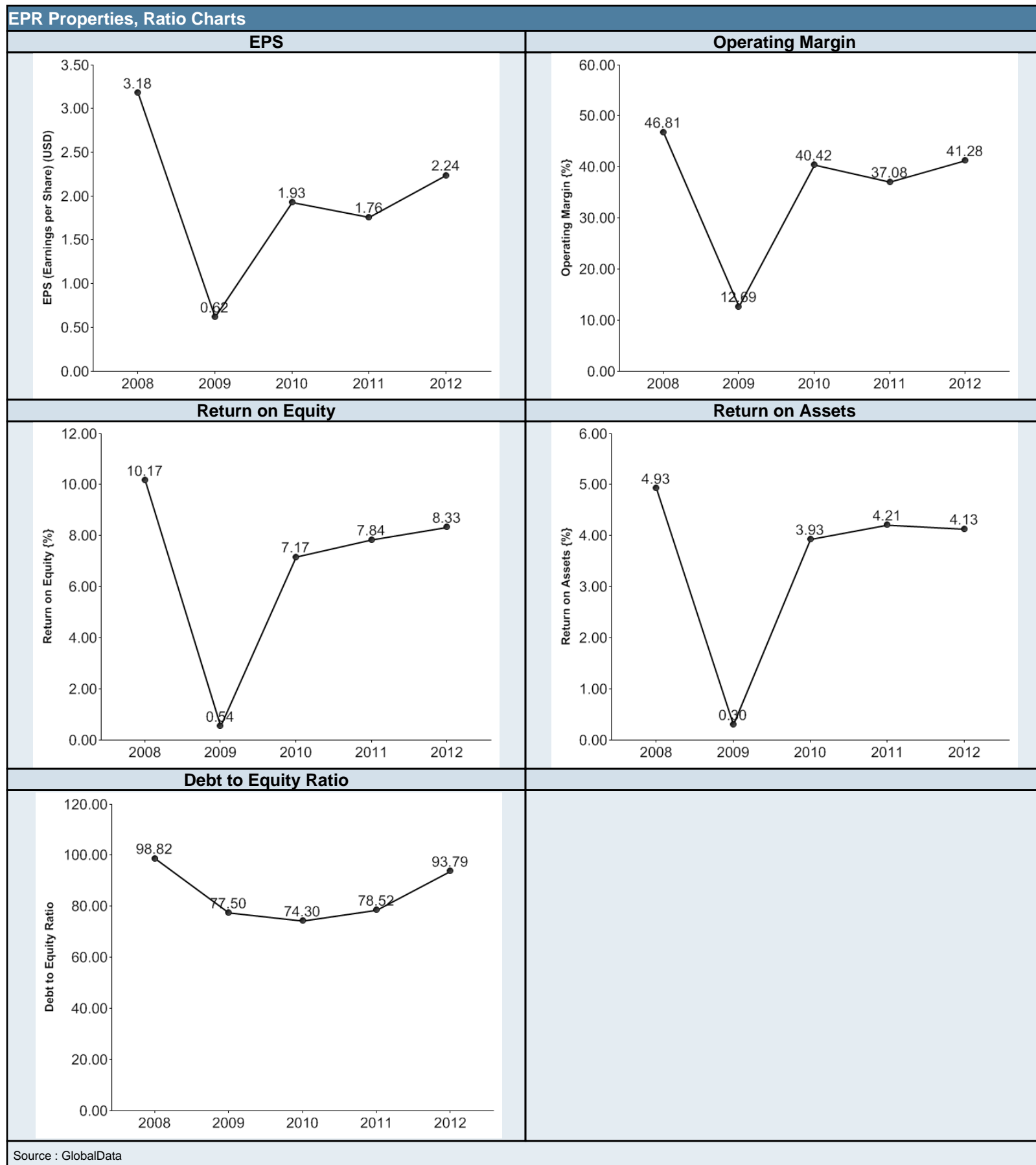
EPR Properties, Annual Ratios						
Key Ratios	Unit/Currency	2008	2009	2010	2011	2012
Equity Ratios						
EPS (Earnings per Share)	USD	3.18	0.62	1.93	1.76	2.24
Dividend per Share	USD	3.36	2.60	2.60	2.80	3.00
Dividend Cover	Absolute	0.95	0.24	0.74	0.63	0.75
Book Value per Share	USD	38.85	34.35	34.44	31.46	31.13
Cash Value per Share	USD	1.52	0.54	0.25	0.31	0.23
Profitability Ratios						
Gross Margin	%	68.39	72.15	73.37	73.09	72.01.00
Operating Margin	%	46.81	12.69	40.42	37.08	41.28
Net Profit Margin	%	49.37	3.20	40.61	38.63	37.78
Profit Markup	%	876.65	824.23	913.47	900.24	916.55
PBIT Margin (Profit Before Interest & Tax)	%			65.40	57.76	
PBT Margin (Profit Before Tax)	%	47.56	13.05	41.18	38.03.00	41.60
Return on Equity	%	10.17	0.54	7.17	7.84	8.33
Return on Capital Employed	%	4.68	1.19	3.91	4.05	4.51
Return on Assets	%	4.93	0.30	3.93	4.21	4.13
Return on Fixed Assets	%	4.68	1.19	3.91	4.05	4.51
Growth Ratios						
Sales Growth	%	4.42	1.06	13.58	5.21	6.11
Operating Income Growth	%	28.06	-74.20	259.58	-3.26	20.11
EBITDA Growth	%	22.87	-55.51	120.99.00	-0.22	15.66
Net Income Growth	%	24.18	-93.84	1,334.67	0.31	5.49
EPS Growth	%	14.75	-78.79	187.69	10.99.00	14.52
Cost Ratios						
Operating Costs (% of Sales)	%	53.19	87.31	59.58	62.92	58.72
Administration Costs (% of Sales)	%	6.43	7.36	6.63	7.34	7.33
Interest Costs (% of Sales)	%			24.95.00	23.76	
Leverage Ratios						
Debt to Equity Ratio	%	98.82	77.50	74.30	78.52	93.79
Net Debt to Equity	Absolute	94.9	75.93	73.56	77.53	93.06
Debt to Capital Ratio	%	0.48	0.43	0.41	0.42	0.46
Interest Coverage Ratio	Absolute			262.12	243.09	
Efficiency Ratios						

Asset Turnover	Absolute	0.1	0.09	0.10	0.11	0.11
Fixed Asset Turnover	Absolute	0.15	0.13	0.13	0.15	0.15
Capital Employed Turnover	Absolute	0.21	0.17	0.18	0.20	0.22
Revenue per Employee	USD					9,519,074
Net Income per Employee	USD					4,502,074
Capex to Sales	%	67.47	61.78	48.08	37.25	58.05
Source : GlobalData						

Financial Ratios - Interim Ratios

EPR Properties, Interim Ratios						
Key Ratios	Unit/Currency	Sep-2012	Dec-2012	Mar-2013	Jun-2013	Sep-2013
Interim EPS (Earnings per Share)	USD	0.64	0.43	0.65	1.81	0.43
Dividend per Share	USD	0.70	0.75	0.75	2.25	0.75
Book Value per Share	USD	31.46	30.96	31.43	31.31	31.13
Gross Margin	%	73.89	73.13	73.89	72.49	70.65
Operating Margin	%	46.84	33.33	45.81	42.99	36.39
Net Profit Margin	%	50.29	27.45	46.62	38.72	35.07
Profit Markup	%	987.21	922.09	1,112.13	940.96	851.71
PBIT Margin (Profit Before Interest & Tax)	%	58.35	31.79	70.19	69.94	51.47
PBT Margin (Profit Before Tax)	%	47.65	33.39	46.16	43.27	36.82
Operating Costs (% of Sales)	%	53.16	66.67	54.19	57.01	63.61
Administration Costs (% of Sales)	%	7.00	8.51	7.41	7.61	6.51
Interest Costs (% of Sales)	%	25.57	23.22	23.57	22.75	23.30
Debt to Equity Ratio	%	78.52	84.48	86.30	91.31	93.79
Net Debt to Equity	Absolute	77.53	83.69	85.44	89.61	93.06
Debt to Capital Ratio	%	42.22	43.89	44.84	45.93	46.45
Interest Coverage Ratio	Absolute	228.21	136.87	297.82	307.40	220.92
Source : GlobalData						

Financial Ratios - Ratio Charts



Appendix

The data and analysis within this report is driven by GlobalData.

GlobalData gives you key information to drive sales, investment and deal making activity in your business.

The key industries include Alternative Energy, Construction, Oil & Gas, Clean Technology, Technology and Telecommunication, Healthcare, Power, Financial Services, Retail & Consumer Packaged Goods and Transport.

Methodology

GlobalData company reports are based on a core set of research techniques which ensure the best possible level of quality and accuracy of data. The key sources used include:

Company Websites

Company Annual Reports

SEC Filings

Press Releases

Proprietary Databases

Currency Codes	
Currency Code	Currency
USD	U.S. Dollars
GlobalData	

Ratio Definitions

Capital Market Ratios	
Capital Market Ratios measure investor response to owning a company's stock and also the cost of issuing stock.	
Price/Earnings Ratio (P/E)	Price/Earnings (P/E) ratio is a measure of the price paid for a share relative to the annual income earned per share. It is a financial ratio used for valuation: a higher P/E ratio means that investors are paying more for each unit of income, so the stock is more expensive compared to one with lower P/E ratio. A high P/E suggests that investors are expecting higher earnings growth in the future compared to companies with a lower P/E. Price per share is as of previous business close, and EPS is from latest annual report. Calculation: Price per Share / Earnings per Share
Enterprise Value/Earnings before Interest, Tax, Depreciation & Amortization (EV/EBITDA)	Enterprise Value/EBITDA (EV/EBITDA) is a valuation multiple that is often used in parallel with, or as an alternative to, the P/E ratio. The main advantage of EV/EBITDA over the PE ratio is that it is unaffected by a company's capital structure. It compares the value of a business, free of debt, to earnings before interest. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: (Market Cap + Debt + Preferred Stock - Cash & Cash Equivalents) / (Net Income + Interest + Tax + Depreciation + Amortization)
Enterprise Value/Sales	Enterprise Value/Sales (EV/Sales) is a ratio that provides an idea of how much it costs to buy the company's sales. EV/Sales is seen as more accurate than Price/Sales because market capitalization does not take into account the amount of debt a company has, which needs to be paid back at some point. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: (Market Cap + Debt + Preferred Stock - Cash & Cash Equivalents) / Sales
Enterprise Value/Operating Profit	Enterprise Value/Operating Profit measures the company's enterprise value to the operating profit. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: (Market Cap + Debt + Preferred Stock - Cash & Cash Equivalents) / Operating Income
Enterprise Value/Total Assets	Enterprise Value/Total Assets measures the company's enterprise value to the total assets. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: (Market Cap + Debt + Preferred Stock - Cash & Cash Equivalents) / Total Assets
Dividend Yield	Dividend Yield shows how much a company pays out in dividends each year relative to its share price. In the absence of any capital gains, the dividend yield is the return on investment for a stock. Calculation: Annual Dividend per Share / Price per Share
GlobalData	

Equity Ratios	
These ratios are based on per share value.	
Earnings per Share (EPS)	Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. EPS serves as an indicator of a company's profitability. Calculation: Net Income / Weighted Average Shares
Dividend per Share	Dividend is the distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders.
Dividend Cover	Dividend cover is the ratio of company's earnings (net income) over the dividend paid to shareholders. Calculation: Earnings per share / Dividend per share
Book Value per Share	Book Value per Share measure used by owners of common shares in a firm to determine the level of safety associated with each individual share after all debts are paid accordingly. Calculation: (Shareholders Equity - Preferred Equity) / Outstanding Shares
Cash Value per Share	Cash Value per Share is a measure of a company's cash (cash & equivalents on the balance sheet) that is determined by dividing cash & equivalents by the total shares outstanding. Calculation: Cash & equivalents / Outstanding Shares
GlobalData	

Profitability Ratios	
Profitability Ratios are used to assess a company's ability to generate earnings, based on revenues generated or resources used. For most of these ratios, having a higher value relative to a competitor's ratio or the same ratio from a previous period is indicative that the company is doing well.	
Gross Margin	Gross margin is the amount of contribution to the business enterprise, after paying for direct-fixed and direct-variable unit costs. Calculation: $\{(Revenue - Cost\ of\ revenue) / Revenue\} * 100$
Operating Margin	Operating Margin is a ratio used to measure a company's pricing strategy and operating efficiency. Calculation: $(Operating\ Income / Revenues) * 100$
Net Profit Margin	Net Profit Margin is the ratio of net profits to revenues for a company or business segment - that shows how much of each dollar earned by the company is translated into profits. Calculation: $(Net\ Profit / Revenues) * 100$
Profit Markup	Profit Markup measures the company's gross profitability, as compared to the cost of revenue. Calculation: $Gross\ Income / Cost\ of\ Revenue$
PBIT Margin (Profit Before Interest & Tax)	Profit Before Interest & Tax Margin shows the profitability of the company before interest expense & taxation. Calculation: $\{(Net\ Profit + Interest + Tax) / Revenue\} * 100$
PBT Margin (Profit Before Tax)	Profit Before Tax Margin measures the pre-tax income over revenues. Calculation: $\{Income\ Before\ Tax / Revenues\} * 100$
Return on Equity	Return on Equity measures the rate of return on the ownership interest (shareholders' equity) of the common stock owners. Calculation: $(Net\ Income / Shareholders\ Equity) * 100$
Return on Capital Employed	Return on Capital Employed is a ratio that indicates the efficiency and profitability of a company's capital investments. ROCE should always be higher than the rate at which the company borrows; otherwise any increase in borrowing will reduce shareholders' earnings. Calculation: $EBIT / (Total\ Assets - Current\ Liabilities) * 100$
Return on	Return on Assets is an indicator of how profitable a company is relative to its total assets, the ratio measures how efficient management is at using its assets to generate earnings.

Assets	Calculation: $(\text{Net Income} / \text{Total Assets}) * 100$
Return on Fixed Assets	Return on Fixed Assets measures the company's profitability to its fixed assets (property, plant & equipment). Calculation: $(\text{Net Income} / \text{Fixed Assets}) * 100$
Return on Working Capital	Return on Working Capital measures the company's profitability to its working capital. Calculation: $(\text{Net Income} / \text{Working Capital}) * 100$
GlobalData	

Cost Ratios	
Cost ratios help to understand the costs the company is incurring as a percentage of sales.	
Operating costs (% of Sales)	Operating costs as percentage of total revenues measures the operating costs that a company incurs compared to the revenues. Calculation: $(\text{Operating Expenses} / \text{Revenues}) * 100$
Administration costs (% of Sales)	Administration costs as percentage of total revenue measures the selling, general and administrative expenses that a company incurs compared to the revenues. Calculation: $(\text{Administrative Expenses} / \text{Revenues}) * 100$
Interest costs (% of Sales)	Interest costs as percentage of total revenues measures the interest expense that a company incurs compared to the revenues. Calculation: $(\text{Interest Expenses} / \text{Revenues}) * 100$
GlobalData	

Liquidity Ratios	
Liquidity ratios are used to determine a company's ability to pay off its short-term debts obligations. Generally, the higher the value of the ratio, the larger the margin of safety that the company possesses to cover short-term debts. A company's ability to turn short-term assets into cash to cover debts is of the utmost importance when creditors are seeking payment. Bankruptcy analysts and mortgage originators frequently use the liquidity ratios to determine whether a company will be able to continue as a going concern.	
Current Ratio	Current Ratio measures a company's ability to pay its short-term obligations. The ratio gives an idea of the company's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory, receivables). The higher the current ratio, the more capable the company is of paying its obligations. A ratio under 1 suggests that the company would be unable to pay off its obligations if they came due at that point. Calculation: $\text{Current Assets} / \text{Current Liabilities}$
Quick Ratio	Quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets. Calculation: $(\text{Current Assets} - \text{Inventories}) / \text{Current Liabilities}$
Cash Ratio	Cash ratio is the most stringent and conservative of the three short-term liquidity ratio. It only looks at the most liquid short-term assets of the company, which are those that can be most easily used to pay off current obligations. It also ignores inventory and receivables, as there are no assurances that these two accounts can be converted to cash in a timely matter to meet current liabilities. Calculation: $\{(\text{Cash \& Bank Balance} + \text{Marketable Securities}) / \text{Current Liabilities}\}$
GlobalData	

Leverage Ratios	
Leverage ratios are used to calculate the financial leverage of a company to get an idea of the company's methods of financing or to measure its ability to meet financial obligations. There are several different ratios, but the main factors looked at include debt, equity, assets and interest expenses.	
Debt to Equity Ratio	Debt to Equity Ratio is a measure of a company's financial leverage. The debt/equity ratio also depends on the industry in which the company operates. For example, capital-intensive industries tend to have a higher debt-equity ratio. Calculation: $\text{Total Liabilities} / \text{Shareholders Equity}$
Debt to Capital Ratio	Debt to capital ratio gives an idea of a company's financial structure, or how it is financing its operations, along with some insight into its financial strength. The higher the debt-to-capital ratio, the more debt the company has compared to its equity. This indicates to investors whether a company is more prone to using debt financing or equity financing. A company with high debt-to-capital ratios, compared to a general or industry average, may show weak financial strength because the cost of these debts may weigh on the company and increase its default risk. Calculation: $\{\text{Total Debt} / (\text{Total assets} - \text{Current Liabilities})\}$
Interest Coverage Ratio	Interest Coverage Ratio is used to determine how easily a company can pay interest on outstanding debt, calculated as earnings before interest & tax by interest expense. Calculation: $\text{EBIT} / \text{Interest Expense}$
GlobalData	

Efficiency Ratios	
Efficiency ratios measure a company's effectiveness in various areas of its operations, essentially looking at maximizing its use of resources.	
Fixed Asset Turnover	Fixed Asset Turnover ratio indicates how well the business is using its fixed assets to generate sales. A higher ratio indicates the business has less money tied up in fixed assets for each currency unit of sales revenue. A declining ratio may indicate that the business is over-invested in plant, equipment, or other fixed assets. Calculation: Net Sales / Fixed Assets
Asset Turnover	Asset turnover ratio measures the efficiency of a company's use of its assets in generating sales revenue to the company. A higher asset turnover ratio shows that the company has been more effective in using its assets to generate revenues. Calculation: Net Sales / Total Assets
Current Asset Turnover	Current Asset Turnover indicates how efficiently the business uses its current assets to generate sales. Calculation: Net Sales / Current Assets
Inventory Turnover	Inventory Turnover ratio shows how many times a company's inventory is sold and replaced over a period. A low turnover implies poor sales and, therefore, excess inventory. A high ratio implies either strong sales or ineffective buying. Calculation: Cost of Goods Sold / Inventory
Working Capital Turnover	Working Capital Turnover is a measurement to compare the depletion of working capital to the generation of sales. This provides some useful information as to how effectively a company is using its working capital to generate sales. Calculation: Net Sales / Working Capital
Capital Employed Turnover	Capital employed turnover ratio measures the efficiency of a company's use of its equity in generating sales revenue to the company. Calculation: Net Sales / Shareholders Equity
Capex to sales	Capex to Sales ratio measures the company's expenditure (investments) on fixed and related assets' effectiveness when compared to the sales generated. Calculation: (Capital Expenditure / Sales) *100
Net income per Employee	Net income per Employee looks at a company's net income in relation to the number of employees they have. Ideally, a company wants a higher profit per employee possible, as it denotes higher productivity. Calculation: Net Income / No. of Employees
Revenue per Employee	Revenue per Employee measures the average revenue generated per employee of a company. This ratio is most useful when compared against other companies in the same industry. Generally, a company seeks the highest revenue per employee. Calculation: Revenue / No. of Employees
Efficiency Ratio	Efficiency Ratio is used to calculate a bank's efficiency. An increase means the company is losing a larger percentage of its income to expenses. If the efficiency ratio is getting lower, it is good for the bank and its shareholders. Calculation: Non-interest expense / Total Interest Income
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Notes

The financial and operational data reported for the company is as per the industry defined standards
Revenue converted to USD at average annual conversion rate as of fiscal year end

About GlobalData

GlobalData is a premium business information brand specializing in industry and company analysis.

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EPR PROPERTIES (EPR)

Bond-Like Rent Stream Does Not Equal Bond-Like AFFO and Dividend Growth; BUY

COMPANY & MARKET DATA *			
Close on July 31, 2013	\$50.38		
Price Target	\$61		
Prior Target	\$62		
52-Week High	\$61.18		
52-Week Low	\$42.44		
Equity Market Cap \$(M)	\$2,462		
Enterprise Value \$(M)	\$4,263		
Shares Outstanding (M)	48.9		
30-Day Avg. Daily Sh Vol. (000)	371.6		
reNAV/sh estimate	\$46.50		
Implied Cash Cap Rate	7.7%		
Annualized Dividend	\$3.16		
Current Yield	6.3%		
ESTIMATES *			
	FY'12A	FY'13E	FY'14E
1Q FFO/sh	\$0.86	\$0.94A	--
2Q FFO/sh	\$0.92	\$0.98A	--
3Q FFO/sh	\$0.96	\$0.96	--
4Q FFO/sh	\$0.96	\$1.01	--
FY FFO/sh	\$3.69	\$3.86	\$4.18
Prior est.	--	\$3.91	\$4.28
Cons. est.	--	\$3.92	\$4.21
Price/FFO	13.6x	13.1x	12.1x
FY AFFO/sh	\$3.64	\$3.87	\$4.16
Prior est.	--	\$3.85	\$4.18
Cons. est.	--	\$3.77	\$4.01
Price/AFFO	13.8x	13.0x	12.1x

*Financial metrics/multiples based on EPR's Close on July 31, 2013

Chart Data: Capital IQ.

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KEY POINTS:

- **Despite its bond-like rental stream, 2014E AFFO and dividend growth remain solid**—With consensus FFO/sh already at the high-end of management's revised guidance range of \$3.83-\$3.93, it appears the Street has grown accustomed to EPR's beat and raise quarters. That said, we believe there is further upside to 2013 guidance if the REIT can close on the \$115M 11-theater portfolio deal that was recently disclosed but not included in guidance. With this in mind, we now have even greater confidence that EPR can grow both its AFFO/sh and dividend/sh ~7.5% in 2014E. Given that EPR currently trades at 13.0x/12.1x 2013E/2014E AFFO vs. 21.6x/19.7x for the average REIT (please see **Table #1**), we continue to view EPR's valuation and 6.3% yield as highly attractive despite its lack of internal growth. While EPR may have a bond-like rent stream, by no means are the REIT's earnings and dividend stream fixed; we reiterate our BUY rating.
- **EPR's unique verticals and growth strategy continue to provide the REIT with a spread advantage in today's competitive acquisition environment**—By focusing on acquiring, developing, and/or lending on special purpose assets, EPR has consistently achieved going-in cash yields of 9%-10% on invested capital, which compares to the 6%-8% yields its peers can achieve on traditional triple-net leased retail, office, and industrial. As a result, we do not see the increasingly intense competition for net lease assets impacting the REIT's investment spreads as most of EPR's external growth should come from 100% pre-leased developments. Plus, with very few (if any) institutional players investing in the EPR's three core verticals of movie theaters, charter schools, and recreation venues, we do not see competition driving down their investment yields in the near future either.
- **A potential catalyst still lies in the Catskill mountains**—With the REIT's \$194.5M investment in the Concord venture, which is the future site of Empire Resort's racino and harness racetrack in the Catskill mountains, currently generating zero income for the REIT, we would view any monetization of this investment as a positive for EPR. However, despite calls for management to sell the land, we believe the most prudent decision is to wait for the referendum (set for this November) on a measure that could allow live table games at four locations in Upstate NY. Should this happen, we believe there would be numerous parties interested in buying out the REIT's land position.
- **Valuation still too discounted in our view; tweaking price target to \$61**—Due to the slight decline in our 2014E AFFO/sh, we are lowering our price target by \$1 to \$61, which assumes that EPR should trade at a 6.6% cash cap rate, 15.8x/14.7x our 2013E/2014E AFFO/sh, and a projected dividend yield of 5.2%/5.6% on 2013E/2014E dividends. Based on these implied AFFO multiple ranges, EPR would still trade at a ~3% discount to the net lease sector and a ~25% discount to the average REIT, which we believe more appropriately values EPR on a relative basis as its lack of internal rent growth and its portfolio of special purpose assets like movie theaters, charter schools, ski and water parks deserve a discounted multiple. *Key Points continued on the next page...*

Disclosures and Analyst Certifications can be found in Appendix A.

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KEY POINTS, CONT.

Highly discounted multiple vs. net lease sector and average REIT not warranted given EPR's robust investment pipeline and solid AFFO growth potential—As shown below in **Table #1**, EPR trades at 13.0x/12.1x our 2013E/2014E AFFO/sh, which is a 20.5%/19.6% discount to the net lease sector and a 39.6%/38.5% discount to the average REIT ex hotels. At the asset level, EPR trades at an 8.3% premium to our reNAV/sh estimate, which is a 835bps discount to the net lease sector average, but a 450bps premium to the average REIT. From an income perspective, EPR's 6.3% current yield is 90bps higher than the net lease sector average and 260bps higher than the average REIT. Given our projection for mid-to-high single AFFO growth for EPR in 2013E/2014E, a growth rate that dividend should mirror, we do not believe this highly discounted multiple is warranted.

Table #1: Valuation Comparison for EPR vs. Net Lease Sector and REIT Industry

Ticker	Company Name	LTS Rating	Close		2013E AFFO Payout	Mkt Cap (\$M)	Debt/ Total Cap	Price / FFO		Price / AFFO		AFFO Growth		Prem. (Disc.) to reNAV	Lad. Impld Cap
			31-Jul	Curr. Yld				2013E	2014E	2013E	2014E	2013E	2014E		
ADC	Agree Realty*	Buy	\$30.16	5.4%	78.5%	\$410	23.2%	14.5 x	13.2 x	14.4 x	13.2 x	0.3%	9.6%	4.0%	7.1%
ARCP	American Realty*#	Buy	\$14.45	6.3%	100.4%	\$4,419	36.0%	16.3 x	13.6 x	15.9 x	13.4 x	-9.9%	19.3%	15.6%	3.9%
LSE	CapLease, Inc.	NR	\$8.48	3.7%	54.4%	\$748	51.2%	15.0 x	12.5 x	14.9 x	12.8 x	-20.8%	16.7%	15.5%	NA
CSG	Chambers Street*	Neutral	\$8.09	6.2%	93.0%	\$2,016	37.9%	13.5 x	12.4 x	15.0 x	13.6 x	NA	10.9%	-1.9%	7.0%
GTY	Getty Realty Corp.	NR	\$20.59	3.9%	NA	\$688	17.8%	20.8 x	20.0 x	NA	NA	NA	NA	113.8%	NA
LXP	Lexington Realty*	Buy	\$12.54	4.8%	74.1%	\$2,625	36.1%	12.3 x	11.8 x	15.5 x	13.3 x	9.5%	16.0%	11.5%	7.4%
NNN	National Retail*	Buy	\$34.99	4.6%	81.8%	\$4,090	26.4%	18.6 x	17.1 x	17.7 x	16.5 x	6.5%	7.1%	12.0%	6.3%
OLP	One Liberty Pptys	NR	\$23.23	6.0%	87.0%	\$353	36.7%	13.8 x	13.1 x	14.4 x	13.3 x	6.6%	8.7%	-24.6%	NA
O	Realty Income*	Buy	\$43.41	5.0%	90.9%	\$8,520	30.0%	18.4 x	17.0 x	18.1 x	17.0 x	16.1%	6.3%	22.3%	5.7%
SRC	Spirit Realty	NR	\$9.13	7.3%	84.2%	\$3,382	51.2%	12.3 x	11.6 x	11.6 x	11.2 x	NA	3.2%	-11.4%	NA
WPC	W. P. Carey*	Buy	\$70.62	4.8%	83.2%	\$4,856	30.4%	23.2 x	21.5 x	17.5 x	16.7 x	11.3%	4.6%	32.6%	5.6%
<i>Net Lease Sector Wtg. Avg.^</i>				5.4%	84.9%		33.9%	17.3 x	15.8 x	16.4 x	15.1 x	7.2%	9.0%	16.7%	NA
<i>REITs ex Hotels Wtg. Avg.^</i>				3.7%	75.9%		33.4%	18.0 x	16.5 x	21.6 x	19.7 x	10.3%	9.3%	3.8%	NA
EPR	EPR Properties*	Buy	\$50.38	6.3%	81.6%	\$2,462	34.0%	13.1 x	12.1 x	13.0 x	12.1 x	6.4%	7.5%	8.3%	7.7%
<i>Prem./(Disc.) to Net Lease Sector Wtg. Avg.</i>				91	(334) bps		10	-24.5%	-23.7%	-20.5%	-19.6%	(80)	(154)	(837)	NA
<i>Prem./(Disc.) to REITs ex Hotels Wtg. Avg.</i>				261	570 bps		54	-27.7%	-26.9%	-39.6%	-38.5%	(395)	(180)	452	NA

Source: Publicly available documents, SNL Financial, and Ladenburg estimates (for covered companies).

*Indicates the company is part of Ladenburg's coverage universe.

^Weighted average based on the companies' equity market capitalizations.

Note: Non-covered companies multiples are based on FactSet mean estimates for FFO and SNL mean estimates for AFFO.

Peer group is defined as any equity REIT that derives more than 70% of its rents from single-tenant properties with triple-net leases.

REITs ex hotels wtg. avg. includes all listed equity REITs per SNL financial excluding hotel REITs.

Mention of specific companies not covered by Ladenburg Thalmann & Co Inc. is not a recommendation to buy, hold or sell the securities mentioned.

ASSUMPTIONS AND ESTIMATES

Reiterate reNAV/sh estimate of \$46.50. After adjusting our quarterly cash NOI projection for 2Q'13 results, and maintaining our asset-weighted average cash cap rate assumption of 8.15%, we reiterate our \$46.50 reNAV/sh estimate. (Please see p. 7 for our full reNAV/sh detail.)

Raising AFFO/sh for 2013E, but lowering 2014E on higher interest expense and more conservative investment assumptions. Turning our model for 2Q'13 results, we are lowering our 2013E FFO/sh to \$3.86 from \$3.91, and our 2014E FFO/sh to \$4.18 from \$4.28. That said, we raising our 2013E AFFO/sh to \$3.87 from \$3.85, but lowering our 2014E AFFO/sh to \$4.16 from \$4.18. (Please see **Tables #2-#4** on the following page for more detail on our projected investment spending, capital raising assumptions, and various financial metrics and ratios per our model, which is attached on pgs. 8-9).

Table #2: Investment and Capital Raising Assumptions

<i>In millions \$(M)s</i>	2012A	1Q13A	2Q13A	3Q13E	4Q13E	2013E	2014E
Investment spending	--	\$39	\$84	\$150	\$125	\$275	\$330
Dispositions	--	(\$24)	\$0	\$0	\$0	\$0	\$0
Equity raises	--	\$7	\$88	\$51	\$78	\$224	\$157
Preferred equity raises	--	\$0	\$0	\$0	\$0	\$0	\$0
Debt raises	--	\$0	\$223	\$0	\$0	\$223	\$298
Credit facility balance	--	\$59	\$24	\$123	\$150	\$150	\$7
Total debt	--	\$1,033	\$1,475	\$1,572	\$1,596	\$1,596	\$1,742
Total preferred equity	--	\$346	\$346	\$346	\$346	\$346	\$346

Source: Company documents and Ladenburg estimates.

Table #3: Historical and Projected Leverage Ratios for EPR

	2012A	1Q13A	2Q13A	3Q13E	4Q13E	2013E	2014E
Net Debt / EV	28.6%	26.7%	34.0%	--	--	--	--
Net Debt + Pref / EV	38.4%	35.7%	42.1%	--	--	--	--
Debt / Gross assets	30.8%	31.2%	43.5%	44.6%	43.7%	43.7%	43.6%
Debt + Pref / Gross assets	41.3%	41.6%	53.7%	54.4%	53.2%	53.2%	52.3%
Net Debt / EBITDA [^]	3.6x	3.7x	5.1x	5.3x	5.1x	5.1x	5.0x
Net Debt + Pref / EBITDA [^]	4.8x	4.9x	6.3x	6.5x	6.2x	6.2x	6.0x
Interest Coverage	3.7x	3.7x	3.6x	3.6x	3.7x	3.7x	3.9x
Fixed Charge Coverage	2.8x	2.8x	2.8x	2.8x	2.8x	2.8x	3.0x

Source: Company documents and Ladenburg estimates.

[^]EBITDA calculation is the current quarter annualized.

Table #4: Dividend Growth and Payout Ratios for EPR

	2012A	1Q13A	2Q13A	3Q13E	4Q13E	2013E	2014E
Dividend	\$3.00	\$0.79	\$0.79	\$0.79	\$0.79	\$3.16	\$3.40
% increase	7.1%	5.3%	5.3%	5.3%	5.3%	5.3%	7.6%
Dividend/FFO Payout	83.6%	76.9%	93.0%	82.3%	78.6%	82.7%	81.4%
Dividend/Core FFO Payout	81.2%	84.3%	80.6%	82.3%	78.6%	81.9%	81.4%
Dividend/AFFO Payout	82.4%	84.6%	79.7%	82.0%	78.6%	81.6%	81.7%
Dividend/CAD Payout	97.1%	95.4%	96.9%	87.4%	83.6%	90.8%	86.6%

Source: Company documents and Ladenburg estimates.

Past performance not indicative of future results.

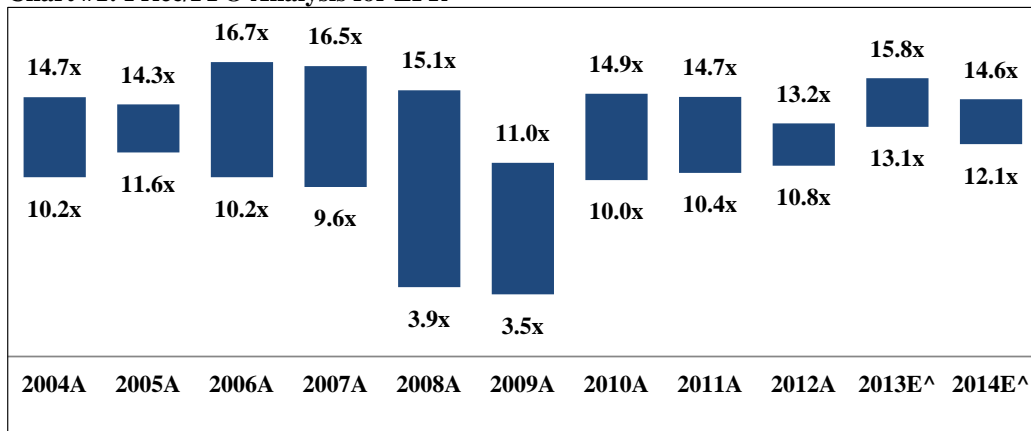
2Q'13 EARNINGS RECAP

2Q'13 adjusted FFO/sh ahead of our estimates and consensus. Last week, EPR Properties reported adjusted 2Q'13 FFO/sh of \$0.98, which was \$0.02 above our estimate and a \$0.03 above consensus.

2013 FFO/sh guidance tightened, but midpoint raised by a penny. EPR tightened its 2013 FFO/sh guidance range to \$3.83-\$3.93 from its previous range of \$3.79-\$3.94, which increased the midpoint of guidance by a penny to \$3.88. Management also reiterated its 2013 investment spending guidance of \$300M-\$350M.

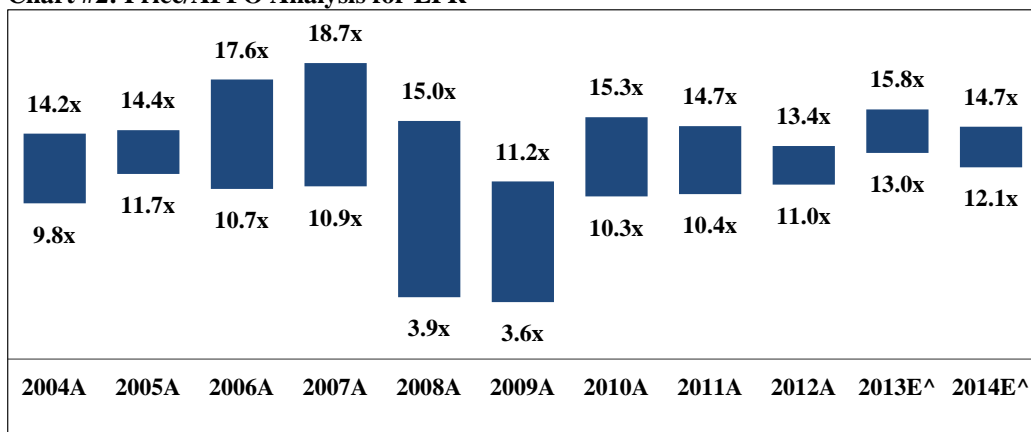
Percentage leased remains the same, all three major verticals close to fully leased. As of June 30, 2013, the REIT properties were 98% leased, which was unchanged vs. 1Q'13 and 2Q'12. The REIT's entertainment properties were 99% leased while its education properties and recreation properties were 100% leased.

Investment activity in 2Q'13 exceeds our projections. During 2Q'13 EPR spent \$84.0M on investments including \$20.0M for entertainment, \$45.4M for education, \$17.4M for recreation, and \$1.2M tied to EPR's Sullivan County, NY development.

HISTORICAL AND IMPLIED MULTIPLES**Chart #1: Price/FFO Analysis for EPR**

Source: Company documents and Ladenburg estimates.

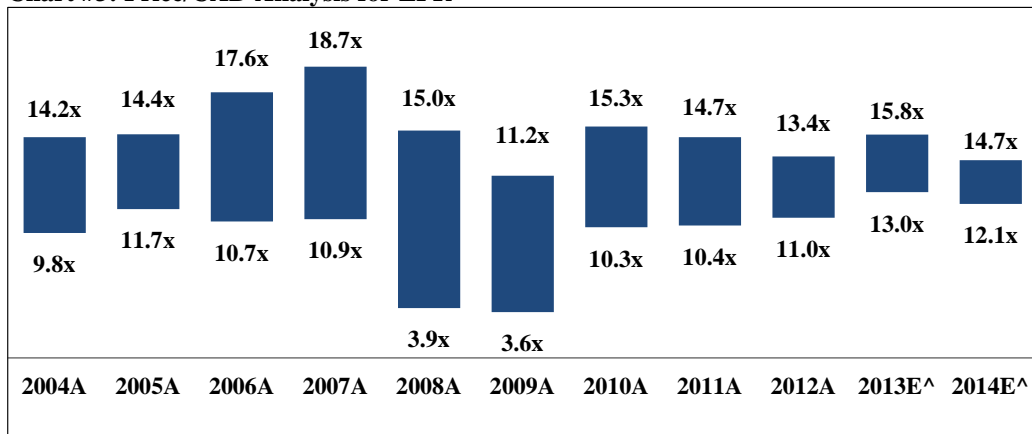
^Multiple ranges are based on EPR's current price (low end) and our \$61 price target (high end).

Chart #2: Price/AFFO Analysis for EPR

Source: Company documents and Ladenburg estimates.

^Multiple ranges are based on EPR's current price (low end) and our \$61 price target (high end).

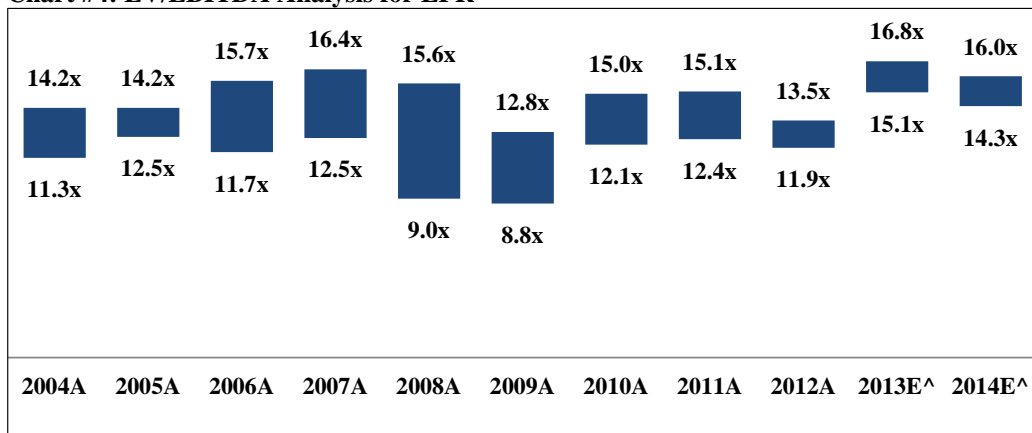
Chart #3: Price/CAD Analysis for EPR



Source: Company documents and Ladenburg estimates.

^Multiple ranges are based on EPR's current price (low end) and our \$61 price target (high end).

Chart #4: EV/EBITDA Analysis for EPR



Source: Company documents and Ladenburg estimates.

^Multiple ranges are based on EPR's current price (low end) and our \$61 price target (high end).

COMPANY SPECIFIC RISKS

Risks include but are not limited to:

Change in charter school laws and regulations. EPR is at risk should there be a change in charter school laws given its exposure to the charter school sector. Should certain states and/or the federal government enact laws to restrict the number of schools, or hold schools to higher regulatory standards, EPR could see a reduction in the number of possible charter school tenants and could see some current tenants vacate its properties.

Adverse weather. Given the REIT's current exposure to both the ski and water parks, there is risk from adverse weather. Should there be weak snowfall in a given year, the operators of the ski areas that EPR currently is a lender to could face difficulty meeting interest payments, and therefore this could reduce the REIT's anticipated earnings. In addition, adverse weather could also result in an operator ceasing operations when their loan is due and/or requesting a reduction in the interest rate or principal amount paid when refinancing the loan.

GENERAL RISKS

Increased competition from new entrants could limit future growth opportunities. Given the increased flow of retail money into public non-traded REITs in recent years—many of which focus exclusively on net lease assets—EPR Properties could face increased competition for future deals. With more players chasing the same amount of transactions, EPR could miss out on future deals before they come to market, and could also see its investment spreads on acquisitions erode.

Historically low bond yields are well below sale-leaseback cap rates. With the rates on corporate bond issuances still comparatively low, creditworthy tenants may find the debt markets a more attractive option for financing their growth vs. utilizing a sale-leaseback transaction. As a result, the REIT could have a hard time sourcing future acquisitions with high-quality tenants.

Potential tenant defaults and/or bankruptcies could pressure earnings growth. EPR faces some risk from potential tenant defaults and/or bankruptcy. Should a tenant seek bankruptcy protection, the REIT could see its rents on the property reduced, or the REIT could lose the tenant entirely, which would force EPR to pay insurance, taxes, and all operating costs while it looks for a new lessee or buyer.

Rising interest rates could impact overall company margins and spreads on acquisitions. Given that all REITs use debt to finance their growth, rising interest rates could impact their positive spread on acquisitions if cap rates were not to rise in sync with interest rates. In addition, interest expense associated with the REIT's floating rate debt would also rise.

Availability of debt could decline if the credit market freezes. A lack of liquidity in the credit markets, could negatively impact the REIT when it tries to refinance its future debt maturities. Should the credit markets freeze up as they did in late 2008, EPR could be forced to do the following in order to refinance future maturities: 1.) accept an unreasonably high interest rate on future issuances; 2.) sell assets at fire sale prices; 3.) , and/or raise highly dilutive equity.

Entertainment Properties Trust (EPR)

Net Asset Value: Real Estate

<i>(in thousands, except per share amounts)</i>	Capitalization Rate			Implied Cap Rate
	Low	Average	High	
ASSUMPTIONS:				
% of income from rents or direct financing income				
Cap rate on Theatres/Adjacent Retail - 79%	7.50%	7.75%	8.00%	
Cap rate on Recreation Assets - 3%	8.25%	8.50%	8.75%	
Cap rate on Vineyards/Wineries - 1%	11.75%	12.00%	12.25%	
Cap rate on Charter Schools - 17%	9.40%	9.65%	9.90%	
Real estate cap rate on GAAP NOI	7.84%	8.09%	8.34%	7.72%
Real estate cap rate on Cash NOI	7.90%	8.15%	8.40%	7.66%
Real estate cap rate on Cash Flow	7.85%	8.10%	8.35%	7.67%
COMPONENTS OF NAV:				
GAAP NOI, including intra-quarter activity ^a	\$59,616	\$59,616	\$59,616	\$59,616
+ Financing income from charter school investments	8,145	8,145	8,145	8,145
+ NOI from post-1Q'13 investment activity	0	0	0	0
Annualized GAAP NOI	271,046	271,046	271,046	271,046
- Adjustments to approximate cash NOI - 2013E ^b	(3,251)	(3,251)	(3,251)	(3,251)
Estimated cash NOI, assuming same-store growth of 2%	273,150	273,150	273,150	273,150
- Total capital expenditures	(1,804)	(1,804)	(1,804)	(1,804)
Estimated cash flow	271,346	271,346	271,346	271,346
Implied value of properties	3,457,285	3,351,242	3,251,512	3,538,632
Plus: ^b				
Cash and cash equivalents	20,030	20,030	20,030	20,030
Restricted cash	17,030	17,030	17,030	17,030
Property under development @ 10% premium	85,241	85,241	85,241	85,241
Concord development @ 85% of book value	165,362	165,362	165,362	165,362
Other land held for development	4,457	4,457	4,457	4,457
Mortgage notes receivable on Entertainment assets ^c	77,464	77,464	77,464	77,464
Mortgage notes receivable on Recreational assets ^c	359,630	359,630	359,630	359,630
Net investment in unconsolidated JVs	21,690	21,690	21,690	21,690
Accounts and notes receivable	39,354	39,354	39,354	39,354
Other assets	41,116	41,116	41,116	41,116
Estimated market value of assets	4,288,659	4,182,617	4,082,886	4,370,007
Less: ^b				
Consolidated indebtedness	1,474,735	1,474,735	1,474,735	1,474,735
Preferred stock at liquidation	346,250	346,250	346,250	346,250
Other liabilities	86,913	86,913	86,913	86,913
Real estate net asset value (reNAV)	\$2,380,761	\$2,274,719	\$2,174,988	\$2,462,109
Shares and units outstanding	48,871	48,871	48,871	48,871
reNAV per share	\$48.72	\$46.55	\$44.50	\$50.38
reNAV per share, rounded	\$48.50	\$46.50	\$44.50	
Close on July 31, 2013	\$50.38	\$50.38	\$50.38	\$50.38
Premium (discount) of stock price to NAV	3.9%	8.3%	13.2%	0.0%

a. Estimated GAAP NOI from assets owned/acquired as of June 30, 2013.

b. As of June 30, 2013, unless otherwise noted.

c. We value these loans @ 100% of book value.

Entertainment Properties Trust (EPR)

FFO Growth Model

(in thousands, except per share amounts)	2011A	1Q12A	2Q12A	3Q12A	4Q12A	2012A	1Q13A	2Q13A	3Q13E	4Q13E	2013E	2014E
Rental revenue	\$226,031	\$58,283	\$59,211	\$61,049	\$61,031	\$238,440	\$60,787	\$60,765	\$62,361	\$66,392	\$250,305	\$287,023
+ Tenant Reimbursements	17,965	4,822	4,365	4,608	4,780	18,575	4,744	4,452	4,576	4,890	18,663	21,233
- Property operating expenses	23,547	6,174	5,245	5,939	6,915	25,283	7,005	5,990	5,909	6,487	25,391	28,122
Rental net operating income (NOI)	220,449	56,931	58,331	59,718	58,896	231,732	58,526	59,227	61,028	64,796	243,577	280,134
Interest and other income	1,783	25	107	203	434	769	24	104	436	436	1,000	1,000
Mortgage & other financing income	55,880	14,741	15,256	16,976	17,117	64,002	17,795	18,236	18,373	18,511	72,914	75,441
Total NOI	278,112	71,697	73,694	76,897	76,447	296,503	76,345	77,567	79,837	83,742	317,491	356,575
Corporate Expenses												
General and administrative expense	20,173	6,467	5,821	5,486	5,396	23,170	6,652	6,051	5,899	5,899	24,500	25,113
G&A as % of rental revenues	8.3%	10.2%	9.2%	8.4%	8.2%	9.0%	10.2%	9.3%	8.8%	8.3%	9.1%	8.1%
G&A as % of NOI	7.3%	9.0%	7.9%	7.1%	7.1%	7.8%	8.7%	7.8%	7.4%	7.0%	7.7%	7.0%
% of G&A that is stock comp	27.8%	22.6%	26.4%	25.8%	26.3%	25.2%	23.3%	26.7%	27.0%	27.0%	25.9%	26.2%
Costs associate with loan re-fi	8,542	0	0	477	150	627	0	5,943	0	0	5,943	0
Interest expense	71,679	18,141	18,459	19,994	20,062	76,656	19,989	20,000	20,722	20,800	81,511	87,188
Transaction costs	1,730	158	31	184	31	404	318	224	0	0	542	0
Provision/impairment loss	36,056	0	0	3,086	6,872	10,870	(4,539)	0	0	0	(4,539)	0
Real estate related depreciation	47,927	12,457	12,791	13,276	13,192	50,254	13,438	13,776	14,138	15,052	56,403	65,071
Other	3,999	542	431	526	408	1,681	194	243	243	243	923	1,000
Subtotal corporate expenses	190,106	37,765	37,533	43,029	46,111	163,662	36,052	46,237	41,002	41,993	165,283	178,371
Income from operations	88,006	33,932	36,161	33,868	30,336	132,841	40,293	31,330	38,835	41,749	152,208	178,204
+ Equity in JV income	2,847	47	278	342	358	1,025	351	466	500	500	1,817	1,900
+ Gain on acquisition	0	0	0	0	0	0	0	0	0	0	0	0
Income from continuing operations	90,853	33,979	36,439	34,210	30,694	133,866	40,644	31,796	39,335	42,249	154,025	180,104
Income from discontinued operations:												
Income (loss) from discontinued ops	2,099	(28)	(59)	(35)	441	864	(3)	680	0	0	677	0
Gain (loss) on sale of real estate	19,545	282	0	0	(747)	(27)	565	0	0	0	565	0
Impairment charges	0	(12,843)	438	0	(1,107)	(13,039)	0	0	0	0	0	0
Net income	112,497	21,390	36,818	34,175	29,281	121,664	41,206	32,476	39,335	42,249	155,267	180,104
- Preferred stock dividends	(28,140)	(6,001)	(6,002)	(6,002)	(6,503)	(24,508)	(5,952)	(5,952)	(5,952)	(5,952)	(23,807)	(23,806)
- Preferred share redemption costs	0	0	0	0	(3,888)	(3,888)	0	0	0	0	0	0
+/- Net loss (gain) to minority interest	(38)	(18)	(19)	(24)	(47)	(108)	0	0	0	0	0	0
Net income available to common	\$84,319	\$15,371	\$30,797	\$28,149	\$18,843	\$93,160	\$35,254	\$26,524	\$33,384	\$36,298	\$131,459	\$156,298
EPS, diluted	\$1.80	\$0.33	\$0.65	\$0.60	\$0.40	\$1.98	\$0.75	\$0.56	\$0.68	\$0.71	\$2.68	\$2.96
% increase	-3.3%	-55.2%	-506.9%	8.9%	-41.2%	10.2%	128.9%	-14.3%	13.0%	78.0%	35.6%	10.1%
FUNDS FROM OPERATION (FFO)												
Net income available to common	\$84,319	\$15,371	\$30,797	\$28,149	\$18,843	\$93,160	\$35,254	\$26,524	\$33,384	\$36,298	\$131,459	\$156,298
+/- Loss/(gain) on acquisition	(19,545)	(282)	0	0	747	27	(565)	0	0	0	(565)	0
+ RE Depreciation & Amortization	49,009	12,197	12,635	13,013	13,318	51,163	13,468	13,498	13,861	14,775	55,601	63,951
- Minority Interest	0	0	0	0	0	0	0	0	0	0	0	0
+ Share of JV Depreciation	452	141	144	146	150	581	157	162	162	162	643	648
+/- Provision/impairment loss	36,056	12,843	(438)	3,086	7,979	23,909	0	0	0	0	0	0
+ Preferred Dividends - Series C	0	0	0	0	0	0	0	0	0	0	0	0
Funds From Operations (FFO)	\$150,291	\$40,270	\$43,138	\$44,394	\$41,037	\$168,840	\$48,314	\$40,184	\$47,406	\$51,234	\$187,139	\$220,896
+ Transaction costs	1,730	158	31	184	31	404	318	224	0	0	542	0
+ Loan re-fi and preferred redemption costs	8,542	0	0	477	4,038	4,515	(4,539)	5,943	0	0	1,404	0
Funds From Operations (FFO) - Core	\$160,563	\$40,428	\$43,169	\$45,055	\$45,106	\$173,759	\$44,093	\$46,351	\$47,406	\$51,234	\$189,085	\$220,896
FFO/Share, diluted	\$3.20	\$0.86	\$0.92	\$0.94	\$0.87	\$3.59	\$1.03	\$0.85	\$0.96	\$1.01	\$3.82	\$4.18
% increase	13.3%	27.9%	11.2%	17.6%	-3.9%	12.0%	19.7%	-7.3%	1.8%	15.3%	6.5%	9.3%
Core FFO/sh, diluted - First Call	\$3.42	\$0.86	\$0.92	\$0.96	\$0.96	\$3.69	\$0.94	\$0.98	\$0.96	\$1.01	\$3.86	\$4.18
% increase	2.7%	3.2%	11.1%	10.8%	6.0%	7.9%	8.8%	6.9%	0.3%	4.9%	4.5%	8.2%
ADJUSTED FUNDS FROM OPERATION (AFFO)												
Funds From Operations (FFO)	\$160,563	\$40,428	\$43,169	\$45,055	\$45,106	\$173,759	\$44,093	\$46,351	\$47,406	\$51,234	\$189,085	\$220,896
- Non-RE depreciaon/amortization	1,077	260	258	263	276	1,057	277	277	277	277	1,108	1,120
+ Amortization of deferred financing	3,807	1,085	1,092	1,047	994	4,218	999	988	988	988	3,963	4,008
+ Stock compensation	5,610	1,464	1,534	1,418	1,417	5,833	1,548	1,618	1,593	1,593	6,351	6,584
- Maintenance CapEx	(3,881)	(354)	(1,066)	(730)	(2,622)	(4,772)	(525)	(279)	(500)	(500)	(1,804)	(2,400)
- Effect of Straight Line Rents	(966)	(388)	(493)	(2,042)	(927)	(3,850)	(1,214)	(707)	(679)	(652)	(3,251)	(2,356)
- Straight Line Rents from developments	0	0	0	0	0	0	0	0	(73)	(304)	(377)	(2,133)
- Non-cash portion of mortgage & fin income	(5,174)	(1,258)	(1,284)	(1,193)	(1,253)	(4,988)	(1,265)	(1,393)	(1,393)	(1,393)	(5,444)	(5,572)
Adjusted Funds from Operation (AFFO)	\$161,036	\$41,237	\$43,210	\$43,818	\$42,991	\$171,257	\$43,913	\$46,855	\$47,619	\$51,243	\$189,630	\$220,148
AFFO/Share, diluted	\$3.43	\$0.88	\$0.92	\$0.93	\$0.91	\$3.64	\$0.93	\$0.99	\$0.96	\$1.01	\$3.87	\$4.16
% increase	5.3%	7.2%	9.8%	6.7%	0.3%	6.1%	6.3%	7.9%	3.6%	10.1%	6.4%	7.5%

Entertainment Properties Trust (EPR)
FFO Growth Model

<i>(in thousands, except per share amounts)</i>	2011A	1Q12A	2Q12A	3Q12A	4Q12A	2012A	1Q13A	2Q13A	3Q13E	4Q13E	2013E	2014E
CASH AVAILABLE FOR DISTRIBUTION (CAD)												
Adjusted Funds from Operation	\$161,036	\$41,237	\$43,210	\$43,818	\$42,991	\$171,257	\$43,913	\$46,855	\$47,619	\$51,243	\$189,630	\$220,148
- Capitalized interest expense	(498)	(156)	(16)	(307)	(307)	(786)	(200)	(626)	(425)	(550)	(1,801)	(1,801)
- Amortization of principal on secured debt	(24,206)	(6,230)	(6,407)	(8,272)	(4,214)	(25,123)	(4,744)	(7,662)	(2,517)	(2,517)	(17,439)	(10,597)
Cash Available for Distribution (CAD)	\$136,557	\$34,851	\$36,787	\$35,239	\$38,470	\$145,347	\$38,969	\$38,567	\$44,677	\$48,177	\$170,390	\$207,750
CAD/Share, diluted	\$2.91	\$0.74	\$0.78	\$0.75	\$0.82	\$3.09	\$0.83	\$0.82	\$0.90	\$0.95	\$3.48	\$3.93
% increase	6.3%	7.2%	10.8%	1.6%	5.2%	6.1%	11.6%	4.3%	20.8%	15.7%	12.6%	12.9%
Weighted average shares, diluted, for EPS	46,921	46,946	47,068	47,090	47,090	47,049	47,047	47,294	49,415	50,969	48,979	52,891
Weighted average shares, diluted, for FFO	46,921	46,946	47,068	47,090	47,090	47,049	47,047	47,294	49,415	50,969	48,979	52,891
Dividend	\$2.80	\$0.75	\$0.75	\$0.75	\$0.75	\$3.00	\$0.79	\$0.79	\$0.79	\$0.79	\$3.16	\$3.40
% increase	7.7%	7.1%	7.1%	7.1%	7.1%	7.1%	5.3%	5.3%	5.3%	5.3%	5.3%	7.6%
<u>PAYOUT RATIOS</u>												
FFO Payout Ratio	87.4%	87.4%	81.8%	79.6%	86.1%	83.6%	76.9%	93.0%	82.3%	78.6%	82.7%	81.4%
Core FFO Payout Ratio	81.8%	87.1%	81.8%	78.4%	78.3%	81.2%	84.3%	80.6%	82.3%	78.6%	81.9%	81.4%
AFFO Payout Ratio	81.6%	85.4%	81.7%	80.6%	82.2%	82.4%	84.6%	79.7%	82.0%	78.6%	81.6%	81.7%
CAD ex Prin Amort. Payout Ratio	81.7%	85.7%	81.7%	81.2%	82.7%	82.8%	85.0%	80.8%	82.7%	79.4%	82.4%	82.4%
CAD Payout Ratio	96.2%	101.0%	96.0%	100.2%	91.8%	97.1%	95.4%	96.9%	87.4%	83.6%	90.8%	86.6%
<u>EBITDA</u>												
Total operating income	\$277,852	\$71,697	\$73,694	\$76,897	\$76,447	\$298,735	\$76,345	\$77,567	\$79,837	\$83,742	\$317,491	\$356,575
Less: Total G&A	(20,173)	(6,467)	(5,821)	(5,486)	(5,396)	(23,170)	(6,652)	(6,051)	(5,899)	(5,899)	(24,500)	(25,113)
EBITDA	\$253,940	\$64,688	\$67,442	\$70,885	\$70,643	\$271,652	\$69,499	\$71,273	\$73,938	\$77,844	\$292,554	\$331,462
EBITDA/Share, diluted	\$5.41	\$1.38	\$1.43	\$1.51	\$1.50	\$5.77	\$1.48	\$1.51	\$1.50	\$1.53	\$5.97	\$6.27
EBITDA Growth YoY	-1.5%	5.6%	8.8%	9.3%	7.8%	7.0%	7.4%	5.7%	4.3%	10.2%	7.7%	13.3%
<u>COVERAGE RATIOS</u>												
Total Interest*	\$68,392	\$17,212	\$17,383	\$19,254	\$19,375	\$73,224	\$19,190	\$19,638	\$20,159	\$20,362	\$79,349	\$84,980
Interest Coverage Ratio	3.7 x	3.8 x	3.8 x	3.8 x	3.7 x	3.7 x	3.7 x	3.6 x	3.6 x	3.7 x	3.7 x	3.9 x
Fixed Charges^	\$96,532	\$23,213	\$23,385	\$25,256	\$25,878	\$97,732	\$25,142	\$25,590	\$26,111	\$26,313	\$103,156	\$108,787
Fixed Charge Coverage	2.6 x	2.7 x	2.8 x	2.8 x	2.8 x	2.8 x	2.8 x	2.8 x	2.8 x	2.8 x	2.8 x	3.0 x

APPENDIX A: IMPORTANT RESEARCH DISCLOSURES

ANALYST CERTIFICATION

I, Daniel P. Donlan, attest that the views expressed in this research report accurately reflect my personal views about the subject security and issuer. Furthermore, no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report, provided, however, that:

The research analyst primarily responsible for the preparation of this research report has or will receive compensation based upon various factors, including the volume of trading at the firm in the subject security, as well as the firm's total revenues, a portion of which is generated by investment banking activities.

COMPANY BACKGROUND

Headquartered in Kansas City, MO, EPR Properties is a real estate investment trust (REIT) that develops, owns, leases, and finances consumer-preferred, high-quality entertainment, recreational, and specialty properties. EPR typically acquires or develops, on a build-to-suit basis, single-tenant properties that are leased under long-term, triple-net leases with the tenant responsible for property taxes, insurance, and maintenance.

VALUATION METHODOLOGY

We value EPR on a Price to AFFO basis as well as its current dividend yield vs. its net lease peers, the average REIT, and other income producing securities.

RISKS

Risks to our recommendation and price target where applicable include, but are not limited to the following: 1.) Tenant Risk – the company relies on its tenants for its revenue and therefore is dependent on the success and economic viability of its tenants; 2.) Interest Rate Risk – an increase in interest rates could increase the amount of debt payments and limit the company's ability to pay distributions to its shareholders; 3.) Counter-Party Risk – The REIT is reliant on counter-parties to provide acquisition financing. If the company has to obtain financing from other sources, it may be forced to do so at increased rates; 4.) Debt Maturity Risk – Because REIT's use debt to leverage their portfolios; they are dependent on the banking community and other providers of credit. If the REIT is unable to procure financing as their debt matures, the REIT could be forced to sell assets at distressed prices and/or raise common equity at highly dilutive levels. 5.) Shareholder Dilution – As REITs are required to pay the majority of their earnings to shareholders in the form of dividends, growth is typically achieved through additional issuances of equity. If this is done at or below net asset value, it could lower the REIT's net asset value for existing shareholders; 6.) Regulatory Risk – The REIT may be subject to adverse legislative or regulatory tax changes that could increase its tax liability, reduce its operating flexibility and reduce the market price of its common stock.

STOCK RATING DEFINITIONS

Buy: The stock's return is expected to exceed 12.5% over the next twelve months.

Neutral: The stock's return is expected to be plus or minus 12.5% over the next twelve months.

Sell: The stock's return is expected to be negative 12.5% or more over the next twelve months.

Investment Ratings are determined by the ranges described above at the time of initiation of coverage, a change in risk, or a change in target price. At other times, the expected returns may fall outside of these ranges because of price movement and/or volatility. Such interim deviations from specified ranges will be permitted but will become subject to review.

RATINGS DISPERSION AND BANKING RELATIONSHIPS (AS OF 7/31/13)

Buy: 76% (42% are banking clients)

Neutral: 24% (6% are banking clients)

Sell: 0% (0% are banking clients)

EQUITY REITS UNDER AUTHOR ANALYST COVERAGE ("The Universe")

American Realty Capital Properties Inc. (ARCP), Realty Income Corp. (O), National Retail Properties (NNN), W.P. Carey Inc. (WPC), Agree Realty Corp. (ADC), EPR Properties (EPR), Gladstone Land Corp. (LAND), Gladstone Commercial Corp. (GOOD), Lexington Realty Trust (LXP), Chambers Street Properties (CSG), and Trade Street Residential (TSRE).

COMPANY SPECIFIC DISCLOSURES:

With the exception of Gladstone Land Corp. (LAND), Gladstone Commercial Corp. (GOOD), American Realty Capital Properties (ARCP) and Trade Street Residential Inc. (TSRE), Ladenburg Thalmann & Co. Inc. does not make a market in any of the companies listed in the Universe. Ladenburg Thalmann & Co. Inc. had an investment banking relationship (selling group member in a securities offering) with Realty Income Corp. (O), Gladstone Land Corp. (LAND), American Realty Capital Properties (ARCP), Gladstone Commercial Corp. (GOOD), National Retail Properties (NNN) and Trade Street Residential Inc. (TSRE) in the last 12 months. Ladenburg Thalmann & Co. Inc. acted as co-manager in a securities offering for Gladstone Land Corp. (LAND), Gladstone Commercial Corp. (GOOD), National Retail Properties (NNN) and Trade Street Residential Inc. (TSRE), acted as Lead and Co-Manager in secondary offerings for American Realty Capital Properties (ARCP) in the last 12 months. Ladenburg Thalmann & Co. Inc. received compensation for investment banking services in the last 12 months from Realty Income Corp. (O), Gladstone Land Corp. (LAND), Gladstone Commercial Corp. (GOOD), American Realty Capital Properties (ARCP), National Retail Properties (NNN) and Trade Street Residential Inc. (TSRE) in the last 12 months. Ladenburg Thalmann & Co. Inc. expects to receive investment banking related compensation from Gladstone Commercial Corp. (GOOD), National Retail Properties (NNN), American Realty Capital (ARCP) and Trade Street Residential Inc. (TSRE) in the next 3 months. Ladenburg Thalmann & Co. has also had an investment banking relationship with Gladstone Investment Corp. (GAIN) (Co Manager in a securities offering) and received investment banking related compensation from Gladstone Investment Corp. (GAIN) in the last 12 months. Gladstone Land Corp (LAND), Gladstone Commercial Corp. (GOOD) and Gladstone Investment Corp. (GAIN) are managed by the same investment manager, Gladstone Management Corp.

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The MSCI U.S. REIT index (RMS) broadly and fairly represents the equity REIT opportunity set with proper investability screens to ensure that the index is investable and replicable; it represents approximately 85% of the US REIT universe. The FTSE NAREIT Equity REITs Index is a free float adjusted market capitalization weighted index that includes all tax qualified equity REITs (ex timber) listed in the NYSE, AMEX, and NASDAQ National Market. The SNL Equity REIT Index represents the 154 publicly traded U.S. Equity REITs covered by SNL Financial weighted by market cap. The S&P 500® is an index that includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. The RMS, FTSE NAREIT Equity REITs Index, SNL Equity REIT Index, and S&P 500 are provided for comparison purposes only. Investors cannot invest directly in an index.

Member: NYSE, NYSE MKT, FINRA, all other principal exchanges and SIPC

Additional Information Available Upon Request

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MarketLine Financial Deals

Vendor, acquirer, target and partner report for EPR Properties (formerly, Entertainment Properties Trust) and its subsidiaries. Includes Mergers & Acquisitions, Private equity, Venture capital, Joint ventures, Alliances and Investments

EPR Properties (formerly, Entertainment Properties Trust) – Mergers & Acquisitions (M&A), Partnerships & Alliances and Investments

REFERENCE CODE: 993F9260-2D72-41D3-8841-BFAB310CBB47

PUBLICATION DATE: November 2013

WWW.MARKETLINE.COM

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MarketLine

COMPANY OVERVIEW AND KEY FACTS

COMPANY OVERVIEW AND KEY FACTS

EPR PROPERTIES (FORMERLY, ENTERTAINMENT PROPERTIES TRUST)

EPR Properties (EPR) is the US based real estate investment trust (REIT) that develops, owns, leases, and finances specialty assets characterized by entertainment, education, and recreation. These assets include megaplex theaters, entertainment retail centers, charter schools, ski resorts, and water parks. The company currently owns and operates 180 properties across 39 states. EPR operates in the US, and Canada. It is headquartered in Kansas City, Missouri and employs around 31 people.

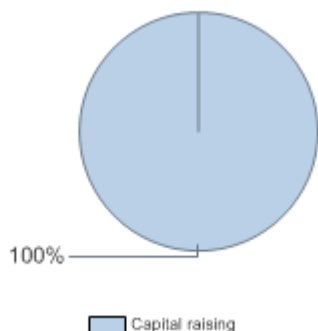
The company recorded revenues of \$321.8 million in the fiscal year ended December 2012, an increase of 7.9% over 2011. The company's operating profit was \$133.9 million in fiscal 2012, an increase of 18% over 2011. Its net profit was \$121.6 million in fiscal 2012, an increase of 5.5% over 2011.

Key facts

Address	909 Walnut Street, Suite 200
State	Missouri
Country	United States
Telephone	1 816 472 1700
Website	www.eprkc.com
Exchange / Ticker	NYSE / EPR

COMPANY OVERVIEW AND KEY FACTS

EPR Properties (formerly activity by deal type - volume (trailing twelve months (TTM))

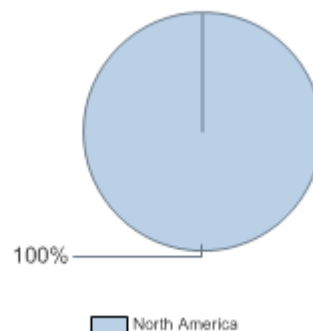


Source: Financial Deals

MARKETLINE

Deal type	Volume
Acquisition	-
Capital raising	1
Corporate venturing	-
Divestments	-
Partnership	-
Private equity	-

EPR Properties (formerly M&A activity by geography (2009-YTD2013))

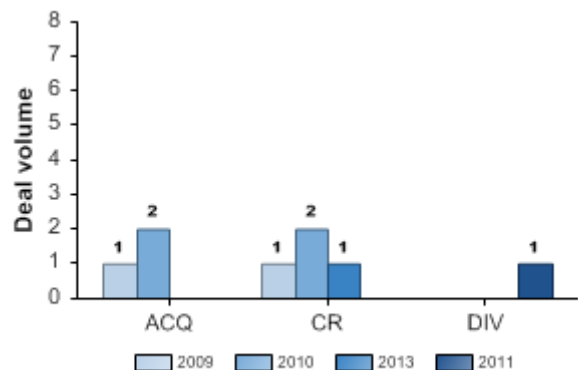


Source: Financial Deals

MARKETLINE

Geography	Volume
North America	3
Europe	-
Asia-Pacific	-
Middle East and Africa	-
South and Central America	-

EPR Properties (formerly activity by deal type - volume (2009-YTD2013))

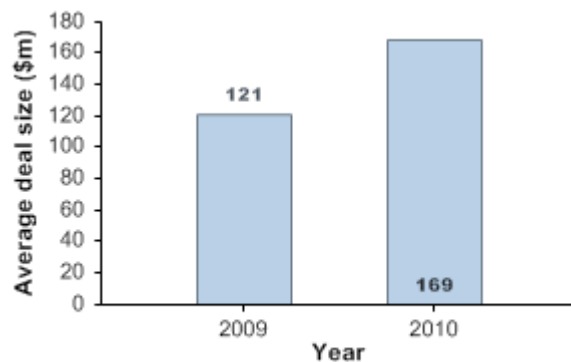


Source: Financial Deals

MARKETLINE

Deal type	2009	2010	2011	2012	2013
Acquisition (ACQ)	1	2	-	-	-
Capital raising (CR)	1	2	-	-	1
Divestments (DIV)	-	-	1	-	-

EPR Properties (formerly M&A average deal size - value (\$m))



Source: Financial Deals

MARKETLINE

Year	Number of deals	Average deal size (\$m)
2009	1	121
2010	2	168.54
2011	-	-
2012	-	-
2013	-	-

COMPANY OVERVIEW AND KEY FACTS

ADVISOR INFORMATION

EPR Properties (formerly legal advisor ranking by value (\$m))		
Advisor name	Volume	Value (\$m)
Stikeman Elliott LLP	2	439.09

EPR Properties (formerly financial advisor ranking by value (\$m))		
Advisor name	Volume	Value (\$m)
RBC Capital Markets	1	226
KeyBanc Capital Markets, Inc.	3	145.11
Citigroup, Inc.	1	88.4
FBR Capital Markets & Co.	2	56.71
Citigroup Global Markets, Inc.	2	56.71

TOP DEALS IN (2009 -YTD2013)

Target/Partner (Country)	Announcement date	Deal status	Deal Type	Deal value (\$m)
EPR Properties (formerly, Entertainment Properties Trust) (United States)	Oct 17, 2013	Announced	Public offering	176.8
Entertainment Properties Trust - 10 Dundas Street Complex - Canada (Canada)	Mar 29, 2011	Completed	Acquisition	226
EPR Properties (formerly, Entertainment Properties Trust) (United States)	Jun 24, 2010	Announced	Private placement	250
Undisclosed Company - Dundas Square Project - Canada (Canada)	Mar 4, 2010	Completed	Acquisition	213.09
EPR Properties (formerly, Entertainment Properties Trust) (United States)	May 5, 2010	Completed	Public offering	141

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TARGETS AND PARTNERS

TARGETS AND PARTNERS

EPR Properties (formerly targets and partners (2009 -YTD2013))

EPR Properties (formerly, Entertainment Properties Trust)-Target/Partner name	Deal Date	Deal type	Deal value (\$m)
Undisclosed Company - 12 Theatres - US (United States)	Jun 14, 2010	Acquisition	124
Undisclosed Company - Dundas Square Project - Canada (Canada)	Mar 4, 2010	Acquisition	213.09
Undisclosed Company - Fifteen Theatres Real Estate Portfolio (United States)	Dec 21, 2009	Acquisition	121

MERGERS & ACQUISITIONS

MERGERS & ACQUISITIONS

Mergers and Acquisitions – Overview

Figure 1: EPR Properties (formerly M&A volume and value trend (2009-YTD2013))

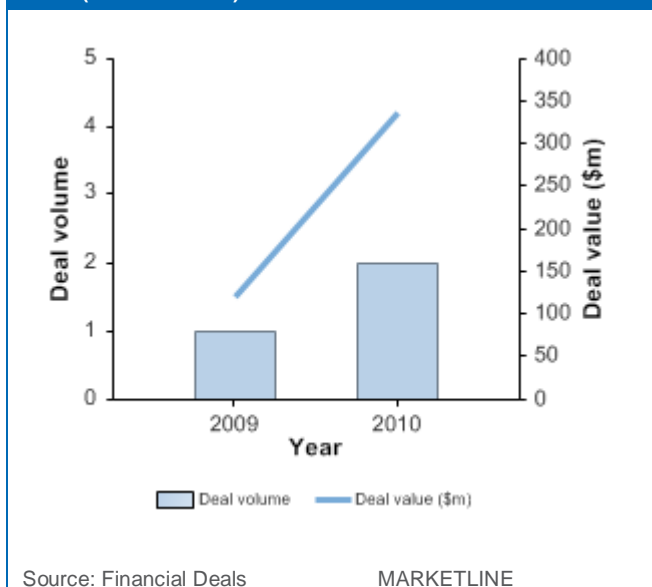


Figure 2: EPR Properties (formerly M&A activity by geography (2009-YTD2013))

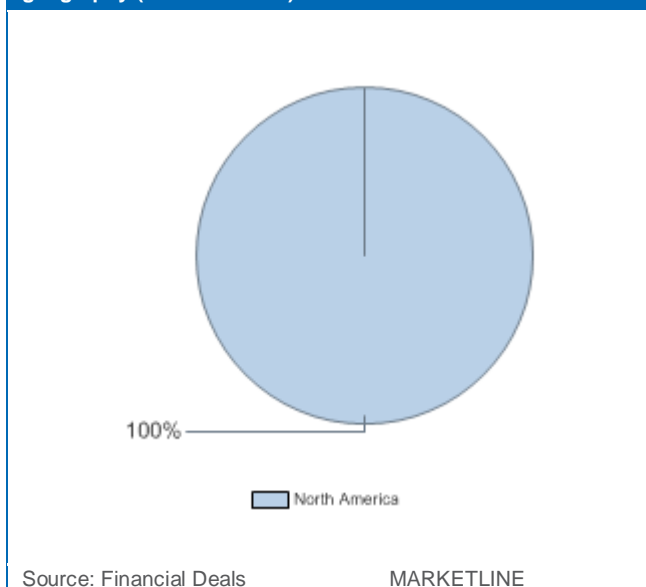


Table 1: EPR Properties (formerly M&A volume and value trend (2009-YTD2013))

Year	Volume	Value (\$m)
2009	1	121
2010	2	337.09
2011	-	-
2012	-	-
2013	-	-

Table 2: EPR Properties (formerly M&A activity by geography (2009-YTD2013))

Geography	Volume
North America	3
Europe	-
Asia-Pacific	-
Middle East and Africa	-
South and Central America	-

MERGERS & ACQUISITIONS

Mergers and Acquisitions – Deal reports

Deal Report: Entertainment Properties Trust acquires 12 theatres in US

Deal in brief

Entertainment Properties Trust, a US-based real estate investment trust (REIT), has acquired the real estate and improvements associated with 12 theatres for a consideration of approximately \$124 million.

The portfolio properties are located in Colorado, California, Indiana and Texas, US and consist of 192 screens on approximately 139 acres.

Target	Undisclosed Company - 12 Theatres - US
Acquirer	EPR Properties (formerly, Entertainment Properties Trust)
Deal status	Completed
Deal value (\$m)	124
Deal category	Acquisition
Deal sub-category	Asset purchase
Date of completion	Jun 14, 2010

Company information: Target and acquirer

Target: Undisclosed Company - 12 Theatres - US

Parent company	EPR Properties (formerly, Entertainment Properties Trust)
Company type	Other
Business description	The assets include the real estate and improvements associated with twelve theatres located in Colorado, California, Indiana and Texas and consist of 192 screens on approximately 139 acres.
Industry	Construction and Real Estate-->Real Estate Transactions
Country	United States

MERGERS & ACQUISITIONS

Deal Report: Entertainment Properties acquires Toronto Dundas Square project

Deal in brief

Entertainment Properties Trust (EPT) has acquired the Toronto Dundas Square project, for approximately CAD120 million (\$116.23 million) in cash, and CAD100 million (\$96.86 million) in related financing. Toronto Dundas Square is a 13 level entertainment retail center located in downtown Toronto, Canada.

Stikeman Elliott LLP acted as legal advisor to the Canada-based EPT.

Target	Undisclosed Company - Dundas Square Project - Canada
Acquirer	EPR Properties (formerly, Entertainment Properties Trust)
Seller/Vendor	Undisclosed Company*
Deal status	Completed
Deal value (\$m)	213.09
Deal value (Canadian Dollar)(m)	220
Deal category	Acquisition
Deal sub-category	Asset purchase
Date of completion	Mar 04, 2010

Deal financials

Method of payment

EPR Properties (formerly, Entertainment Properties Trust)	Cash	116.68 (\$m)
---	------	--------------

Company information: Target, acquirer, and seller/vendor

Target: Undisclosed Company - Dundas Square Project - Canada

Company type	Other
Business description	The Dundas Square project is a 13 level entertainment retail center located in downtown Toronto, Canada.
Industry	Construction and Real Estate-->Real Estate Transactions-->Retail Real Estate
City	Toronto

MERGERS & ACQUISITIONS

Country Canada

Vendor: Undisclosed Company*

Company type Private

Advisor information

Acquirer : EPR Properties (formerly, Entertainment Properties Trust)

Legal advisors

Stikeman Elliott LLP (Executive: C. Mario Paura; Office: Toronto; Country: Canada)

Stikeman Elliott LLP (Executive: Melissa Schyven; Office: Toronto; Country: Canada)

Stikeman Elliott LLP (Executive: Andy Gibbons; Office: Toronto; Country: Canada)

Stikeman Elliott LLP (Executive: Kristina Kaneff; Office: Toronto; Country: Canada)

Stikeman Elliott LLP (Executive: Elizabeth Pillon; Office: Toronto; Country: Canada)

MERGERS & ACQUISITIONS

Deal Report: Entertainment Properties Trust acquires fifteen theatres real estate portfolio

Deal in brief

Entertainment Properties Trust (EPR), a US-based real estate investment trust (REIT) that develops, owns and leases properties, has acquired the real estate and improvements associated with fifteen theatres for approximately \$121 million.

The fifteen theatres have a total of 231 screens, including 59 digital screens and 3 IMAX installations. The portfolio is geographically diverse and is located in Connecticut, Massachusetts, New Jersey, Virginia, Kentucky, Ohio, Michigan, and Iowa.

As part of the transaction, EPR has also entered into a master lease agreement with an affiliate of Rave Cinemas, LLC for all of the properties.

Target	Undisclosed Company - Fifteen Theatres Real Estate Portfolio
Acquirer	EPR Properties (formerly, Entertainment Properties Trust)
Deal status	Completed
Deal value (estimated) (\$m)	121
Deal category	Acquisition
Deal sub-category	Asset purchase
Date of completion	Dec 21, 2009

Deal rationale

The transaction will allow EPR to strengthen its position in the industry.

Company information: Target and acquirer

Target: Undisclosed Company - Fifteen Theatres Real Estate Portfolio

Parent company	EPR Properties (formerly, Entertainment Properties Trust)
Company type	Other
Business description	The assets include the real estate and improvements associated with fifteen theatres. The fifteen theatres have a total of 231 screens, including 59 digital screens and 3 IMAX installations. The portfolio is geographically diverse and is located in Connecticut, Massachusetts, New Jersey, Virginia, Kentucky, Ohio, Michigan, and Iowa.
Industry	Construction and Real Estate-->Real Estate Transactions
Country	United States

MERGERS & ACQUISITIONS

MERGERS & ACQUISITIONS

Deal Report: Entertainment Properties Trust acquires Rave Motion Pictures' Bayou 15

Deal in brief

Entertainment Properties Trust, a real estate investment trust (REIT), announced on January 4, 2007, the acquisition of the Bayou 15 screen megaplex in Pensacola, Florida for \$14.9 million. The Bayou 15 is operated by Rave Motion Pictures and is a 74,000 square feet megaplex theater with 15 auditoriums ranging in size from 462 seats to 105 seats, for a total of 3,200 seats.

Target	Rave Motion Pictures - Bayou 15 (Megaplex Theatre)
Acquirer	EPR Properties (formerly, Entertainment Properties Trust)
Seller/Vendor	Rave Motion Pictures
Deal status	Completed
Deal value (\$m)	14.90
Deal category	Acquisition
Deal sub-category	Asset purchase
Date of completion	Jan 04, 2007

Deal rationale

The addition of the Bayou 15 screen megaplex adds a new theater to its portfolio of dominant location-based entertainment venues.

Company information: Target, acquirer, and seller/vendor

Target: Rave Motion Pictures - Bayou 15 (Megaplex Theatre)

Parent company	Rave Motion Pictures
Company type	Private
Business description	Bayou 15 is a 74,000 square feet megaplex theater with 15 auditoriums ranging in size from 462 seats to 105 seats, for a total of 3,200 seats. The theater opened on November 22, 2006 and is leased under a long-term triple-net lease. The Bayou 15 is operated by Rave Motion Pictures.
Industry	Leisure and Arts-->Theaters and Entertainment Venues
City	Pensacola
State	Florida
Country	United States

MERGERS & ACQUISITIONS

Vendor: Rave Motion Pictures

Company type	Private
Business description	Rave Motion Pictures is a motion picture exhibitor headquartered in Dallas, Texas.
Industry	Leisure and Arts-->Theaters and Entertainment Venues
Address	3333 Welborn Street, Suite 100
City	Dallas
State	Texas
Country	United States
Website	www.ravemotionpictures.com
Phone number	1 972 692 1700

CAPITAL RAISING

CAPITAL RAISING

Capital Raising – Overview

Figure 3: EPR Properties (formerly capital raising volume and value trend (2009-YTD2013))

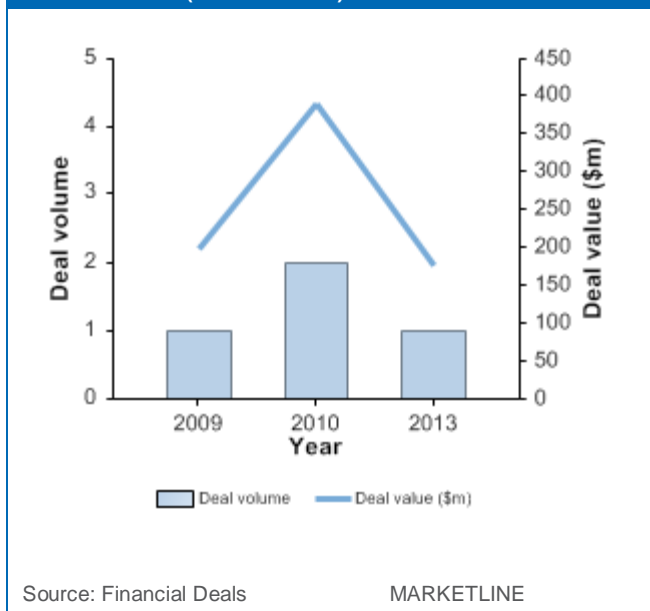


Figure 4: EPR Properties (formerly capital raising by deal type (2009-YTD2013))

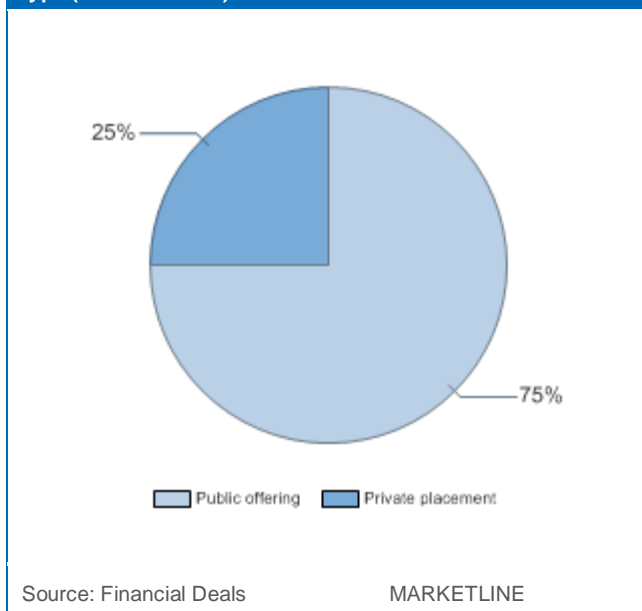


Table 3: EPR Properties (formerly capital raising volume and value trend (2009-YTD2013))

Year	Volume	Value (\$m)
2009	1	199.24
2010	2	391
2011	-	-
2012	-	-
2013	1	176.8

Table 4: EPR Properties (formerly capital raising by deal type (2009-YTD2013))

Deal Type	Volume
Public offering	3
Private placement	1

CAPITAL RAISING

Capital Raising – Deal reports

Deal Report: EPR Properties prices \$176.8 million public offering of common stock

Deal in brief

Update on October 18, 2013:

EPR Properties, a US-based real estate investment trust, has priced an underwritten public offering of 3.6 million of its common shares. The company will receive approximately \$176.8 million of gross proceeds.

The transaction is expected to close on or about October 23, 2013.

Announcement (October 17, 2013):

EPR Properties has commenced an underwritten public offering of 3 million of its common shares.

Citigroup, Inc. and KeyBanc Capital Markets are acting as underwriters for the offering.

Target	EPR Properties (formerly, Entertainment Properties Trust)
Deal status	Announced
Deal value (estimated) (\$m)	176.80
Deal category	IPO
Deal sub-category	Pricing , secondary offering
No. of shares issued	3,600,000
Offer price (\$)	147.90
Date of announcement	Oct 17, 2013

Deal rationale

EPR Properties intends to use the net proceeds for the repayment of a portion of the outstanding principal balance of its unsecured revolving credit facility, which was approximately \$160 million at October 16, 2013.

Deal financials

Valuation multiples (EPR Properties (formerly, Entertainment Properties Trust))

EV/Revenues	6.94
EV/Operating profit	10.61
EV/EBITDA	8.57
EV/Total assets	0.76

CAPITAL RAISING

EPR Properties (formerly, Entertainment Properties Trust) Financial information – (Fiscal year 31-Dec-2012)

Financial parameters	(\$m)
Revenues	321.79
Operating profit	210.52
EBITDA	260.78
Post tax profit	93.16
Net assets	1,459.52
Market capitalization	2,234.22
Earnings per share (absolute)	1.98
Shares in issue (absolute)	48,454,181
Key ratios	
Operating margin (%)	65.42
Price earnings ratio	23.29
Net assets-share ratio	30.12

Advisor information

Target : EPR Properties (formerly, Entertainment Properties Trust)

Financial advisors

Citigroup, Inc. (Sub-category: Underwriters)

KeyBanc Capital Markets, Inc. (Sub-category: Underwriters)

CAPITAL RAISING

Deal Report: Entertainment Properties Trust prices \$250 million private offering of notes

Deal in brief

Update on June 25, 2010:

Entertainment Properties Trust (EPR), a US-based real estate investment trust that develops, owns, leases and finances properties, has priced its private offering of \$250 million in aggregate principal amount of 7.75% senior notes due 2020.

The notes will be sold at a price equal to 98.29% of their principal amount. The notes will be guaranteed by certain of EPR's subsidiaries.

The offering is expected to close on June 30, 2010.

Announcement (June 24, 2010):

EPR intends to raise \$250 million in aggregate principal amount through the issue of senior unsecured notes due 2020 in a private offering to qualified institutional buyers.

Target	EPR Properties (formerly, Entertainment Properties Trust)
Acquirer	Undisclosed Investors*
Deal status	Announced
Deal value (\$m)	250
Deal category	Private placement
Round of financing	None
Date of announcement	Jun 24, 2010

Deal rationale

EPR intends to use the net proceeds from the proposed note offering and from the new unsecured revolving credit facility to repay the entire outstanding balance of its existing secured revolving credit facility, to repay in full its existing term loan credit facility, to repay in full its Toronto Dundas Square credit facility, and to pay fees and expenses associated with the early repayment of such facilities.

Deal financials

Valuation multiples (EPR Properties (formerly, Entertainment Properties Trust))

EV/Revenues	9.71
EV/Operating profit	43.26
EV/EBITDA	24.24
EV/Total assets	0.98

CAPITAL RAISING

Security type information

Security type Debt

Security type Value (\$m)

Debt investment amount 250

Company information: Target and acquirer

EPR Properties (formerly, Entertainment Properties Trust) Financial information – (Fiscal year 31-Dec-2009)

Financial parameters (\$m)

Revenues 270.81

Operating profit 60.81

EBITDA 108.53

Post tax profit -22.20

Net assets 1,467.96

Market capitalization 1,512.11

Earnings per share (absolute) -0.61

Shares in issue (absolute) 43,847,169

Key ratios

Operating margin (%) 22.45

Net assets-share ratio 34.24

Acquirer: Undisclosed Investors*

Company type Other

CAPITAL RAISING

Deal Report: Entertainment Properties Trust raises \$141 million in public offering of common shares

Deal in brief

Entertainment Properties Trust, a US-based real estate investment trust, has raised \$141 million in net proceeds, after underwriting discounts and expenses, from a public offering of 3.6 million common shares issued at a price of \$41 per share.

Update on May 6, 2011:

Entertainment Properties has priced a public offering of 3.6 million shares increased from 3 million newly issued common shares.

Entertainment Properties has granted the underwriters an over-allotment option to purchase an additional 0.54 million common shares, increased from 0.45 million common shares. The offering is expected to close on May 11, 2010.

Announcement (May 5, 2010):

Entertainment Properties is planning to file with the Securities and Exchange Commission (SEC) a supplement to its shelf registration statement for a public offering of 3 million common shares. The company is also planning to grant the underwriters an over-allotment option to purchase an additional 0.45 million common shares.

Citigroup Global Markets, Inc., Goldman Sachs & Co., J.P. Morgan Securities LLC and KeyBanc Capital Markets, Inc. acted as joint book-running managers, while RBC Capital Markets, LLC acted as lead manager and FBR Capital Markets & Co. acted as co-manager for the offering.

Target	EPR Properties (formerly, Entertainment Properties Trust)
Deal status	Completed
Deal value (estimated) (\$m)	141
Deal category	IPO
Deal sub-category	Completed , secondary offering
% to Public	8.4
No. of shares issued	3,600,000
Offer price (\$)	41
Date of announcement	May 05, 2010
Date of completion	May 11, 2010

Deal rationale

Entertainment Properties plans to use the proceeds for general business purposes, which may include funding the acquisition, development or financing of properties or the repayment of debt and also to reduce indebtedness under its revolving credit facility and to invest in interest-bearing securities which are consistent with the Company's qualifications as a real estate investment trust.

CAPITAL RAISING

Deal financials

Valuation multiples (EPR Properties (formerly, Entertainment Properties Trust))

EV/Revenues	9.73
EV/Operating profit	-221.36
EV/EBITDA	73.59
EV/Total assets	0.98

Share price (EPR Properties (formerly, Entertainment Properties Trust))

Share price paid (\$)	41
-----------------------	----

EPR Properties (formerly, Entertainment Properties Trust) Financial information – (Fiscal year 31-Dec-2009)

Financial parameters	(\$m)
Revenues	270.81
Operating profit	-11.91
EBITDA	35.81
Post tax profit	-22.20
Net assets	1,472.86
Market capitalization	1,512.11
Earnings per share (absolute)	-0.61
Shares in issue (absolute)	43,847,169
Key ratios	
Operating margin (%)	-4.40
Net assets-share ratio	34.36

Advisor information

Target : EPR Properties (formerly, Entertainment Properties Trust)

Financial advisors

Citigroup Global Markets, Inc. (Sub-category: Book-Runner)

FBR Capital Markets & Co. (Sub-category: Underwriters)

Goldman Sachs & Co. (Sub-category: Book-Runner)

CAPITAL RAISING

J.P. Morgan Securities LLC (Sub-category: Book-Runner)

KeyBanc Capital Markets, Inc. (Sub-category: Book-Runner)

RBC Capital Markets, LLC (formerly RBC Capital Markets Corporation) (Sub-category: Underwriters)

CAPITAL RAISING

Deal Report: Entertainment Properties raises \$199.24 million through public offering of common stock

Deal in brief

Entertainment Properties Trust (EPR), a US-based real estate investment trust that develops, owns, leases and finances properties, has completed its public offering of 6.325 million common shares, including 0.825 million shares issued pursuant to the underwriter's over-allotment option, at a price of \$31.5 per share raising gross proceeds of \$199.24 million.

Update on November 10, 2009:

EPR has priced a public offering of 5.5 million newly issued common shares at a price of \$31.5 per share to raise gross proceeds of \$173.25 million.

The company also granted the underwriters an over-allotment option to purchase an additional 0.825 million common shares. The offering is expected to close on November 16, 2009.

Announcement (November 9, 2009):

EPR is planning for public offering of 4.5 million common shares of beneficial interest.

EPR also expects to grant the underwriters an over-allotment option to purchase an additional 675,000 common shares.

J.P. Morgan Securities, Inc. and RBC Capital Markets Corporation are acting as joint book-running managers for the offering. Citigroup Global Markets, Inc., Barclays Capital, Inc., KeyBanc Capital Markets, Inc. and FBR Capital Markets & Co. are acting as co-managers.

Target	EPR Properties (formerly, Entertainment Properties Trust)
Deal status	Completed
Deal value (\$m)	199.24
Deal category	IPO
Deal sub-category	Secondary offering
No. of shares issued	6,325,000
Date of announcement	Nov 09, 2009
Date of completion	Nov 16, 2009

Deal rationale

EPR intends use the net proceeds from the for general business purposes, which may include funding the acquisition, development, financing of properties and the repayment of debt. The remaining proceeds will be used to reduce indebtedness under its revolving credit facility and to invest any remaining net proceeds in interest-bearing securities.

Deal financials

Valuation multiples (EPR Properties (formerly, Entertainment Properties Trust))

CAPITAL RAISING

EV/Revenues	7.80
EV/Operating profit	17.78
EV/EBITDA	12.93
EV/Total assets	0.85

EPR Properties (formerly, Entertainment Properties Trust) Financial information – (Fiscal year 31-Dec-2008)

Financial parameters	(\$m)
Revenues	286.14
Operating profit	125.57
EBITDA	172.69
Post tax profit	129.98
Net assets	1,277.43
Market capitalization	1,005.28
Earnings per share (absolute)	3.32
Shares in issue (absolute)	33,734,181
Key ratios	
Operating margin (%)	43.88
Price earnings ratio	8.98
Net assets-share ratio	37.87

Advisor information

Target : EPR Properties (formerly, Entertainment Properties Trust)

Financial advisors

Barclays Capital, Inc. (Sub-category: Underwriters)

Citigroup Global Markets, Inc. (Sub-category: Underwriters)

FBR Capital Markets & Co. (Sub-category: Underwriters)

J.P. Morgan Securities LLC (Sub-category: Book-Runner)

KeyBanc Capital Markets, Inc. (Sub-category: Underwriters)

RBC Capital Markets, LLC (formerly RBC Capital Markets Corporation) (Sub-category: Book-Runner)

CAPITAL RAISING

Deal Report: Entertainment Properties to raise \$101.92 million through secondary offering

Deal in brief

Entertainment Properties Trust, a real estate investment trust, has filed a shelf registration statement with the Securities Exchange Commission (SEC) to raise approximately \$101.92 million through a secondary offering of 1.9 million common shares at a price of \$53.64 per share.

Entertainment Properties has granted the underwriters a 30-day option to purchase up to 285,000 additional common shares. The transaction is expected to close on or about August 5, 2008.

Goldman, Sachs & Co. is acting as the sole book-running manager and KeyBanc Capital Markets, Inc. is acting as co-manager to the offering.

Target	EPR Properties (formerly, Entertainment Properties Trust)
Deal status	Announced
Deal value (estimated) (\$m)	101.92
Deal category	IPO
Deal sub-category	Secondary offering
No. of shares issued	1,900,000
Offer price (\$)	53.64
Date of announcement	Jul 31, 2008

Deal rationale

Entertainment Properties would use the net proceeds from the offering for general business purposes, which include funding the acquisition, development or financing of properties or repayment of debt.

Deal financials

Valuation multiples (EPR Properties (formerly, Entertainment Properties Trust))

EV/Revenues	10.36
EV/Operating profit	15.15
EV/EBITDA	12.12
EV/Total assets	1.12

EPR Properties (formerly, Entertainment Properties Trust) Financial information – (Fiscal year 31-Dec-2007)

CAPITAL RAISING

Financial parameters	(\$m)
Revenues	235.70
Operating profit	161.15
EBITDA	201.48
Post tax profit	104.66
Net assets	1,007.89
Market capitalization	2,441.51
Earnings per share (absolute)	2.89
Shares in issue (absolute)	28,878,285
Key ratios	
Operating margin (%)	68.37
Price earnings ratio	16.26
Net assets-share ratio	34.90

Advisor information

Target : EPR Properties (formerly, Entertainment Properties Trust)

Financial advisors

Goldman Sachs & Co. (Sub-category: Book-Runner)

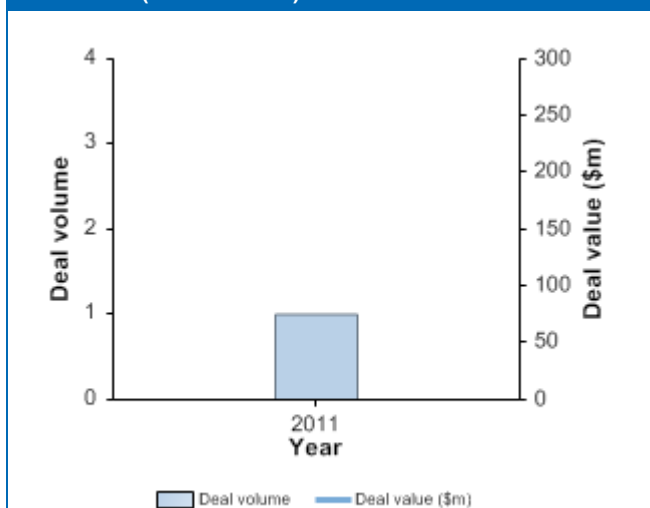
KeyBanc Capital Markets, Inc. (Sub-category: Underwriters)

DIVESTMENTS

DIVESTMENTS

Divestments – Overview

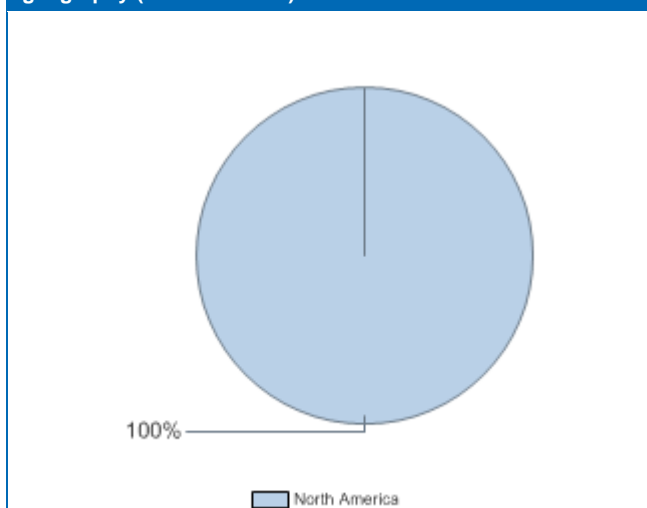
Figure 5: EPR Properties (formerly divestments volume and value trend (2009-YTD2013)



Source: Financial Deals

MARKETLINE

Figure 6: EPR Properties (formerly divestments by geography (2009-YTD2013)



Source: Financial Deals

MARKETLINE

Table 5: EPR Properties (formerly divestments volume and value trend (2009-YTD2013)

Year	Volume	Value (\$m)
2009	-	-
2010	-	-
2011	1	226
2012	-	-
2013	-	-

Table 6: EPR Properties (formerly divestments activity by geography (2009-YTD2013)

Geography	Volume
North America	1
Europe	-
Asia-Pacific	-
Middle East and Africa	-
South and Central America	-

DIVESTMENTS

Divestments – Deal reports

Deal Report: Bentall Kennedy acquires 10 Dundas Street complex from Entertainment Properties

Deal in brief

Entertainment Properties Trust (EPR), a US-based real estate investment trust, has completed its sale of the 10 Dundas Street complex in downtown Toronto for \$226 million. EPR sold its interest in the complex to Bentall Kennedy GP, a Canada-based fully integrated real estate services company, on behalf of its clients.

The complex is a 13 level mixed use, multi-media entertainment retail centre located in Toronto's primary urban retail node, consisting of approximately 330,000 square feet of net rentable area and includes one of the highest grossing theatre complexes in Canada, as well as 25,000 square feet of digital and static signage.

EPR was represented by Stikeman Elliott LLP. Bentall Kennedy was represented by McCarthy Tetrault LLP. RBC Capital Markets acted as financial advisor to Entertainment Properties.

Target	Entertainment Properties Trust - 10 Dundas Street Complex - Canada
Acquirer	Bentall Kennedy GP
Seller/Vendor	EPR Properties (formerly, Entertainment Properties Trust)
Deal status	Completed
Deal value (\$m)	226
Deal category	Acquisition
Deal sub-category	Asset purchase
Date of completion	Mar 29, 2011

Deal rationale

The net proceeds from this sale were used to pay down EPR's line of credit and establish various escrow accounts primarily for the payment of previously accrued property taxes.

Company information: Target, acquirer, and seller/vendor

Target: Entertainment Properties Trust - 10 Dundas Street Complex - Canada

Parent company	Bentall Kennedy GP
Company type	Other
Business description	10 Dundas Street Complex is a retail, office and entertainment complex development on the north-east corner of the

DIVESTMENTS

intersection of Yonge Street and Dundas Street in Toronto, Ontario, Canada. The Complex formerly known as Metropolis and Toronto Life Square.

Industry	Construction and Real Estate-->Real Estate Transactions
Country	Canada

Acquirer: Bentall Kennedy GP

Company type	Private
Business description	Bentall Kennedy GP is a fully integrated real estate services company providing investment management, property management, leasing and development services to clients across Canada and in select US markets.
Industry	Construction and Real Estate-->Real Estate Transactions
Address	Suite 300, 55 University Avenue
City	Toronto
State	Ontario
Country	Canada
Website	www.bentallkenedy.com
Phone number	1 416 681 3400

Advisor information

Acquirer : Bentall Kennedy GP

Legal advisors

McCarthy Tetrault LLP (Executive: Danny Grandilli)

McCarthy Tetrault LLP (Executive: Alysha Valenti)

Vendors : EPR Properties (formerly, Entertainment Properties Trust)

Financial advisors

RBC Capital Markets

Legal advisors

Stikeman Elliott LLP (Executive: Mario Paura)

Stikeman Elliott LLP (Executive: Melissa Schyven)

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Contact Us

We hope that the data and analysis in this profile will help you make informed and imaginative business decisions. If you have further requirements feedback please contact us at assistme@marketline.com.

For further information on MarketLine and our range of business information services please visit www.marketline.com

About MarketLine Financial Deals Database

- Financial Deals is the most extensive Deals database currently available in the market
- The database provides research and analysis on all types of financial deals including:
 - merger and acquisition
 - private equity backed buyout and investment
 - venture capital investment
 - initial public offering (IPO)
 - secondary offering
 - private placement
 - partnership deal
- The database is a 'live' database and is updated real-time with Deal information
- Database contains more than 250,000 Deal records across all industries
- Every year over 48,000 Deals are added to the database
- The database contains active details of more than 5,000 Advisors and 12,000 Advisor executives
- 200,000 + companies; 10,000 + VC/ PE firms
- Five year archive of key companies across eight sectors; complete eight year archive of healthcare companies
- Complete portfolio of top 50 venture firms
- **What we offer**
 - detailed deal transaction data;
 - sector/market specific analytical deal reports with analyst opinion;
 - customized research and analysis.
- **Coverage**
 - global coverage across all industries through a combination of secondary and primary research;
 - multi-lingual analyst capability ensures strong coverage from regional markets;
 - track over 14,000 sources every day.
- **Content**
 - detailed deal information with over 50 fields covering all of the key information required to understand a deal comprehensively;
 - detailed advisory information, financial information, deal multiple, deal rationale, and information related to business operations in addition to basic fields;
 - Value addition through a wide network of contacts with top advisors, law firms, investment banks, and industry experts.

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- **Want to know more?** – Should you have any queries, send us an email at reachus@marketline.com

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Deal Definition and Methodology

Deal type definition

Merger

A deal will be classified as Merger when two or more companies combine to form one company. An amalgamation in the nature of merger is an amalgamation which satisfies all the following conditions:

- All the assets and liabilities of the transferor company become, after amalgamation, the assets and liabilities of the transferee company.
- Shareholders holding not less than 90% of the face value of the equity shares of the transferor company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee company or its subsidiaries or their nominees) become equity shareholders of the transferee company by virtue of amalgamation.
- The consideration for the amalgamation receivable by those equity shareholders of the transferor company who agree to become equity shareholders of the transferee company is discharged by the transferee company wholly by the issue of equity shares in the transferee company, except that cash may be paid in respect of any fractional shares.
- The business of the transferor company is intended to be carried on, after the amalgamation, by the transferee company.
- No adjustment is intended to be made to the book values of the assets and liabilities of the transferor company when they are incorporated in the financial statements of the transferee company except to ensure uniformity of accounting policies.

Acquisition

Transactions where a company acquires equity stake in another company. The following are the different sub-categories under acquisition:

- Minority acquisition: The acquisition of less than 50% equity stake in the target
- Majority acquisition: The acquisition of 50% or more than 50% and less than 100% equity stake in the target
- 100% acquisition: The acquisition of all of the issued capital or 100% of the issued share capital of the target
- Asset Purchase: The acquisition of a business unit or an asset which is not a legal entity

Private equity

Private equity transactions capture equity investment / buyout by a private equity (PE) firm. The following are the different sub-categories under private equity:

- Institutional buyout: PE firm or a group of PE firms acquiring a company from non-PE firms or another company
- Secondary buyout: PE firm or a group of PE firms acquiring a company from a PE firm

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- Management buyout (MBO): The management of the target acquires the target with the backing of a PE firm will back the management in the buyout by providing the necessary funds
- Management buy-in (MBI): A manager or a management team from outside the target company (target) raises the necessary finance, buys the target and becomes the target's new management. The necessary financing is provided by private equity firms.
- Buy-In Management buyout (BIMBO): A BIMBO is a combination of MBO and MBI, where an external group of managers buy into the business and joins forces with the internal management team
- Going Private: A public listed company being acquired by PE firms or with the management and is de-listed from the stock exchange on which it was listed
- Exit: PE firm selling its stake in a portfolio company

Private placement

A private placement is a direct private offering of securities by the issuer to a limited number of investors. Private placement is a primary market transaction.

Venture financing

Investments made in a start-up or young company by a venture capital or private equity firm in the primary market (i.e. the target company is issuing new shares and receiving the proceeds directly). The following are the different sub-categories under venture financing:

- Seed: Financing provided for companies which have still not started marketing their product or services. The purpose of such funding will generally be to assess and develop an initial business concept
- Start-up: Financing provided to companies for developing their product/service and to purchase the necessary assets for their production/operation
- Growth/Expansion: Financing provided for companies to increase their sales, marketing, and production operations, which have developed and started marketing their products
- Late stage: Financing provided for companies which have already established themselves in the market and are looking for expanding their production capacities
- Exit: This node is assigned when a venture capital is selling its stake in a portfolio company

Initial Public Offering

- Initial public offering (IPO) occurs when a company first sells its shares to the public. The following are the different stages under initial public offering:
- Filing: When a company announces its plans to go for an IPO or files the prospectus with the concerned regulator about the IPO
- Pricing: When the company fixes the issue price for its offering

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- Secondary offering: When a public listed company's existing shareholders are offering their shares to general public or a public listed company itself is making a follow-on public offering
- Withdrawn: When the company withdraws its IPO
- Postponed: When the company postpones its IPO

Partnership

A partnership is the relationship existing between two or more entities that join to carry on a trade or business. The following are the different sub-categories under partnership:

- Joint Venture (JV): Two or more companies forming a new entity to undertake an activity
- Co-marketing: Two or more companies coming together to collaborate either for product development, distribution, or for providing services. In a broader sense any alliance related to products and / or services where products or service of one company are marketed jointly with product or services of another company is tagged as co-marketing alliance. Agreements with a distribution company are not considered as Co-Marketing.
- Affinity marketing: An agreement by which one company is getting access to the customer base of another for selling its products and the company which is providing access to its customer base is not involved in the product/service development or any other obligations relating to such product/service
- Licensing agreement: An agreement in which one party gives the rights to another party to use its technology, intellectual property, and brands. Financial Deals does not capture licensing deal related to software.

Deal status details

Financial Deals captures deal status according to following stages:

- Rumor: Neither of the parties involved in the transaction announces the deal but has been reported by media/market sources
- Announced: Either party involved in the transaction announces the deal
- Completed: Involved parties complete the transaction
- Terminated: Involved parties do not intend to complete the earlier announced transaction and either terminates the agreement or withdraws the bid
- Dead rumor: Rumor denied by either of the parties involved in the transaction

Deal value

Deal value is the consideration paid by the acquirer for acquiring the target.

Financial Deals uses a deal value estimation model (for cases where deal value is not available through secondary and primary sources), which is based on comparables. The estimation model analyzes deal values based on market capitalization of the target company on the day prior to the announcement. In addition, it also includes approximation derived through inputs from advisors involved in the deal, approximate enterprise value, gross consideration and share price and number of shares.

All deals values which are mentioned as approximate consideration are tagged as estimated values.

Deal value criteria for filtering deals

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For M&A, private equity, IPO and private placement, FD focuses on transactions where deal value is more than or equal to \$5 million. For venture investment and partnership, FD captures all deals.

Deal payment details

Deal payment is captured in the following fields:

Payment type: Payment type indicates the mode by which the purchase consideration has been paid to the vendor. It includes the following sub-categories:

- **Cash:** It indicates the amount paid in cash (either in %age or absolute value) by the acquirer
- **Debt:** It indicates the amount of debt (either in %age or absolute value) of the target assumed by the acquirer
- **Shares:** It indicates the amount of shares (either in %age or absolute value) issued by the acquirer
- **Quantity type:** It indicates the consideration by payment mode in terms of value and percentage

% acquired: % acquired indicates the stock acquired in percentage terms

Share price paid: Price per share offered by the acquirer to the target

Debt-related fields

Below is the list of fields captured:

Debt provider: Field 'provider type' indicates the type of debt provider. It includes the following sub-categories:

- **Lead:** Represents the lead debt provide
- **Syndicate:** Represents group of lenders that are collectively lending or offering the debt to the acquirers

Debt amount: Amount of debt raised by the acquirer to finance the acquisition

Debt category: It represents the nature of the debt that has been used by the acquirer in financing the acquisition. It includes the following categories:

- **Bank facilities:** These are general loans provided by banks to companies.
- **Senior:** Debt that has priority for repayment in liquidation.
- **Mezzanine:** Debt that incorporates equity-based options such as warrants with a lower-priority debt. Mezzanine debt is often used to finance acquisitions and buyouts, where it can be used to prioritize new owners ahead of existing owners in the event of bankruptcy.
- **Second lien:** Debts that are subordinate to the rights of other, more senior debts issued against the same collateral, or a portion of the same collateral. If a borrower defaults, second lien debts stand behind higher lien debts in terms of rights to collect proceeds from the debt's underlying collateral.
- **Other debt:** Any other debt facility other than the above mentioned debt categories.

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Securities issued to finance deal

Below is a list of category and sub-category of securities issued by the acquirer, captured in FD:

Capital increase type: It is the type of debt or equity securities issued by the acquirer to raise the necessary funds to finance the transaction. It includes the following options:

- **Converted debt:** Converted debt is a debt security which can be exchanged for a specified amount of another, related security, usually shares of stock in the issuing company, at the option of the issuer and/or the holder
- **Convertible bond:** A convertible bond is a type of debt instrument that can be converted into shares of stock in the issuing company, usually at some pre-announced ratio
- **Convertible loan:** A convertible loan is a loan issued by companies that can be converted into ordinary shares or preference shares at a given price at a future date
- **Open offer:** Indicates the manner in which the company raised money by offering its shares to the public (public offering)
- **Placing:** General term to describe the process of raising money via the issue of new shares
- **Private placing:** Private placing is a process of raising money by the issue of new shares to institutions and private clients rather than to the general public
- **Rights issue:** Rights issue is the process of raising money by issuing rights to a company's existing shareholders to buy a proportional number of additional securities at a given price within a fixed period
- **Scrip issue:** A scrip issue (also called a capitalization issue or a bonus issue) is the issue of new shares to existing shareholders at no charge, on a pro-rata basis to their existing shareholdings
- **Vendor placing:** A method of using shares to fund an acquisition by allotting shares from the purchaser to the vendor in exchange for shares in the target (or other assets). The consideration shares are then placed on behalf of the vendor by the purchaser's bank so that the vendor receives cash (the proceeds of sale of shares by the purchaser's bank).

Financial and operational information

Financial Deals captures all the key financial items from income statement, balance sheet including key ratios and valuation multiples, which help in providing a detailed understanding of the deal. The financial information is captured for target companies. All the financial fields are presented in local currency as well as US Dollar. In addition to financial fields, Financial Deals also captures certain operational parameters. Below is a list of key fields along with their definitions:

Fiscal year end: Refers to the fiscal year (or financial year or accounting reference date), a 12-month period used for calculating annual (yearly) financial statements. All the financial fields in MarketLine Financial Deals database are captured according to the fiscal year-end values.

No. of employees: Number of employees at the fiscal year end

Local currency: The currency in which the company is reporting its financial statements

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Revenue (non banking): Revenue is the amount of money that a company receives from its activities in a given period, primarily from sales of products and/or services to customers

Revenue (banking): This value is sum of interest income and non interest income

Operating profit: Operating profit is the earnings before deduction of interest payments and income taxes; also called EBIT (earnings before interest and taxes) or operating income. For banking companies interest payments are not deducted.

EBITDA: Earnings before interest, taxes, depreciation and amortization

Post tax profit: Post tax profit is the amount of earnings that is available after deducting the taxes, also known as profit after tax

Operating margin: This value measures the percent of revenues remaining after paying all operating expenses. It is calculated as annual operating income divided by annual total revenue, multiplied by 100.

Enterprise value: Enterprise value is calculated by adding a company's market capitalization, preferred stock, minority interest, and outstanding debt together and then subtracting out the cash and cash equivalents found on the balance sheet as on the fiscal year end

Shares issued: Number of shares the company has issued out of its authorized capital

Market capitalization: Market capitalization is calculated by taking the number of outstanding shares of common stock multiplied by the market price-per-share as on fiscal year end

Outstanding shares: It represents stock currently held by investors, including restricted shares owned by the company's officers and insiders, as well as those held by the public. It is also defined as the difference between shares in issue and treasury shares as of the fiscal year end.

Net assets: Net assets are the difference between the total asset and liabilities that has to be paid to third parties. It is also known as net worth

Net assets-share ratio: It is defined as net assets divided by number of shares outstanding

Earning per share: Earnings per share (EPS) is calculated by dividing a company's net income by the outstanding shares

Price earning ratio (P/E): The P/E ratio (price-to-earnings ratio) of a stock (also called its 'earnings multiple', or simply multiple, P/E, or PE) is a measure of the price paid for a share relative to the income or profit earned by the company per share. P/E ratio is arrived by dividing share price at the end of the fiscal year with net income per share.

Deal multiples

Financial Deals captures the following four valuation multiples:

- EV/revenues
- EV/EBIT
- EV/EBITDA
- EV/total assets

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Advisor information

Financial Deals captures detailed advisor information including financial advisor, legal advisor, placement agent, and public relation (PR) advisors along with respective executives involved in the deal. The following are the different types of advisors:

Legal advisor: Legal advisors are those who look into the legal matters of a company for that particular deal.

Financial advisor: Financial advisors are those who look into the financial matters of a company for that particular deal. Financial advisor is separated into the following types:

- **Financial due diligence:** The process of investigation, performed by investors, into the details of a potential investment, such as examination of operations and management and verification of material facts
- **Accounting:** Financial advisor who looks into the accounting matters for a deal
- **Tax:** Financial advisor who looks into the tax matters for a deal
- **Corporate Finance:** Financial advisor who looks into the financial decisions of a corporation
- **Book runners:** Book runner is the managing or lead underwriter who maintains the books of securities sold for a new issue
- **Underwriters:** A company or other entity that administers the public issuance and distribution of securities from a corporation or other issuing body
- **Brokers:** An individual or firm that charges a fee or commission for executing buy and sell orders submitted
- **Others:** All other financial advisors not falling in the above-mentioned categories are tagged as other

Placement agent: A company that specializes in finding institutional investors who are willing and able to invest primarily in unregistered securities

Public Relations (PR) advisor: An entity that advises a company or manages its communication activities with its stakeholders

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About MarketLine

In an information-rich world, finding facts you can rely upon isn't always easy. MarketLine is the solution.

At MarketLine, we deliver accurate, up-to-date information on 300 industries and 150 countries as well as detailed profiles of over 2,500 companies. By taking the chore out of business research, MarketLine gives you more time to focus on what really matters.

Profiling all major companies, industries and geographies, MarketLine is one of the most prolific publishers of business information today.

Our content is produced by an internal team of analysts, drawing on primary and secondary research and prepared under an established methodology that's been tried and tested over 10 years.

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MarketLine

A Wright Investors' Service Research Report:

EPR Properties



440 Wheelers Farms Road
Milford, CT 06461 U.S.A.

COMPANY PROFILE

Figures in U.S. Dollars

Wright Quality Rating: BCD2

EPR Properties, formerly Entertainment Properties Trust, is specialty real estate investment trust (REIT). The Company invests in three primary segments: Entertainment, Recreation and Education. The Company has 180 properties across 37 states. The Company's Entertainment segment includes 124 properties in total. The Entertainment segment consists of 117 megaplex theaters, eight entertainment retail centers and seven family entertainment centers. The Company has eight theatres located in its entertainment retail centers and two theatres in joint ventures. The Company's Recreation segment includes 17 total properties. It consists of 11 metro ski parks, three water parks and three golf entertainment complexes. The Education segment includes 41 total properties, which are public charter schools. In October 2013, EPR Properties closed on a transaction to acquire the Camelback Mountain Resort in Tannersville, PA.

Key Data

Ticker:
EPR

2013 Sales:
343,064,000

Major Industry:
Financial

Sub Industry:
Real Estate Investment Trust Co.

Country:
United States

Currency:
U.S. Dollars

Fiscal Year Ends:
December

Employees
38

Exchanges:
NYSE

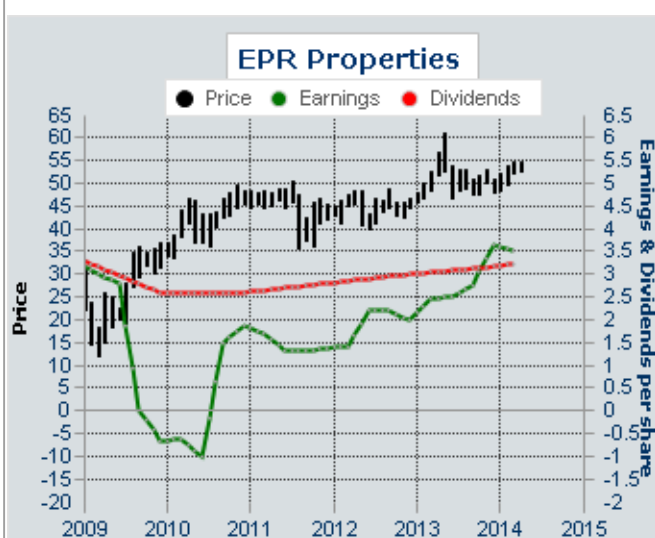
Share Type:
Common

Market Capitalization:
2,860,015,322

Total Shares
Outstanding:
53,448,240

Closely Held Shares:
1,220,884

Stock Chart



Stock Price (5/23/2014): 53.51

Recent stock performance

1 Week	-0.9%
4 Weeks	-0.9%
13 Weeks	4.3%
52 Weeks	-5.4%

Officers

Chairman
Robert J. Druten

President & Chief Executive
David M. Brain

Executive Vice President &
Chief Operating Officer
Gregory K. Silvers

Senior Vice President, Chief
Financial Officer & Treasurer
Mark A. Peterson

Senior Vice President,
Secretary & General Counsel
Neil E. Sprague

Earnings / Dividends (as of 3/31/2014)

	Earnings	Dividends
Most Recent Qtr	0.71	0.86
Last 12 Months	3.03	3.22

Ratio Analysis

Price / Earnings Ratio	17.66	Dividend Yield	6.02%
Price / Sales Ratio	8.34	Payout Ratio	106.27%
Price / Book Ratio	1.65	% Held by Insiders	2.28%

Address

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Kansas City, MISSOURI 64106
UNITED STATES

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+1 816 472-1700
Home Page
<http://www.eprkc.com>

Comparative Business Analysis: EPR Properties

Report Date: May 30, 2014

Company Description

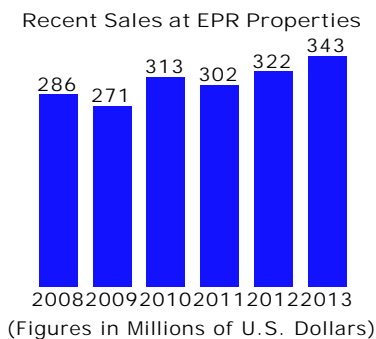
EPR Properties, formerly Entertainment Properties Trust, is specialty real estate investment trust (REIT). The Company invests in three primary segments: Entertainment, Recreation and Education. The Company has 180 properties across 37 states. The Company's Entertainment segment includes 124 properties in total. The Entertainment segment consists of 117 megaplex theaters, eight entertainment retail centers and seven family entertainment centers. The Company has eight theatres located in its entertainment retail centers and two theatres in joint ventures. The Company's Recreation segment includes 17 total properties. It consists of 11 metro ski parks, three water parks and three golf entertainment complexes. The Education segment includes 41 total properties, which are public charter schools. In October 2013, EPR Properties closed on a transaction to acquire the Camelback Mountain Resort in Tannersville, PA.

Competitor Analysis

EPR Properties operates in the Real estate investment trusts sector. This analysis compares EPR Properties with three other companies: Healthcare Realty Trust Incorporated (2013 sales of \$336.93 million of which 100% was Real Estate Property), Pennymac Mortgage Investment Trust (\$222.06 million of which 127% was Investment activities), and Empire State Realty Trust Inc (\$333.66 million of which 86% was Real Estate).

Sales Analysis

EPR Properties reported sales of \$343.06 million for the year ending December of 2013. This represents an increase of 6.6% versus 2012, when the company's sales were \$321.79 million.



EPR Properties currently has 38 employees. With sales of \$343.06 million, this equates to sales of US\$9,028,000 per employee. This is much higher than the three comparable companies, which had sales between US\$162,088 and US\$1,386,527 per employee. Note that some of the figures stated herein could be distorted based on exact classification of employees and subcontractors.

Sales Comparisons (Fiscal Year ending 2013)

Company	Sales (mlns)	Sales Growth	Sales/Emp (US\$)	Largest Region
EPR Properties	343.064	6.6%	9,028,000	the United States (100.0%)
Healthcare Realty Trust Incorporated	336.926	6.5%	1,386,527	the United States (100.0%)
Pennymac Mortgage Investment Trust	222.060	-33.9%	162,088	the United States (100.0%)
Empire State Realty Trust Inc	333.655	28.2%	530,453	N/A

Recent Stock Performance

For the 52 weeks ending 5/23/2014, the stock of this company was down 5.4% to \$53.51. During the past 13 weeks, the stock has increased 4.3%. During the 12 months ending 3/31/2014, earnings per share totalled \$3.03 per share. Thus, the Price / Earnings ratio is 17.66. These 12 month earnings are lower than the earnings per share achieved during the calendar year ending last December, when the company reported earnings of 3.65 per

share. Earnings per share rose 84.3% in 2013 from 2012. This company is currently trading at 8.34 times sales. This is at a higher ratio than all three comparable companies, which are trading between 4.76 and 7.06 times sales. EPR Properties is trading at 1.65 times book value.

Summary of company valuations (as of 5/23/2014).

Company	P/E	Price/ Book	Price/ Sales	52 Wk Pr Chg
EPR Properties	17.7	1.65	8.34	-5.40%
Healthcare Realty Trust Incorporated	324.3	1.91	7.06	-9.03%
Pennymac Mortgage Investment Trust	7.4	1.02	7.04	-8.68%
Empire State Realty Trust Inc	21.1	4.13	4.76	N/A

The market capitalization of this company is \$2.86 billion . The capitalization of the floating stock (i.e., that which is not closely held) is \$2.79 billion .

Dividend Analysis

During the 12 months ending 3/31/2014, EPR Properties paid dividends totalling \$3.22 per share. Since the stock is currently trading at \$53.51, this implies a dividend yield of 6.0%. During the quarter ended 3/31/2014, the company paid dividends of \$0.86 per share. The company has paid a dividend for 6 straight years. EPR Properties has increased its dividend during each of the past 3 calendar years (in 2010, the dividends were \$2.60 per share). During the same 12 month period ended 3/31/2014, the Company reported earnings of \$3.03 per share. Thus, the company is paying out dividends that are higher than the earnings.

Profitability Analysis

On the \$343.06 million in sales reported by the company in 2013, the cost of goods sold totalled \$24.02 million, or 7.0% of sales (i.e., the gross profit was 93.0% of sales). This gross profit margin is better than the company achieved in 2012, when cost of goods sold totalled 7.9% of sales. EPR Properties's 2013 gross profit margin of 93.0% was better than all three comparable companies (which had gross profits in 2013 between 34.7% and 64.6% of sales). The company's earnings before interest, taxes, depreciation and amortization (EBITDA) were \$284.65 million, or 83.0% of sales. This EBITDA to sales ratio is roughly on par with what the company achieved in 2012, when the EBITDA ratio was 84.2% of sales. The three comparable companies had EBITDA margins that were all less (between 2.4% and 57.5%) than that achieved by EPR Properties. In 2013, earnings before extraordinary items at EPR Properties were \$175.97 million, or 51.3% of sales. This profit margin is an improvement over the level the company achieved in 2012, when the profit margin was 37.8% of sales. The company's return on equity in 2013 was 15.8%. This was significantly better than the 10.7% return the company achieved in 2012. (Extraordinary items have been excluded).

Profitability Comparison

Company	Year	Gross Profit Margin	EBITDA Margin	Earnings before extras
EPR Properties	2013	93.0%	83.0%	51.3%
EPR Properties	2012	92.1%	84.2%	37.8%
Healthcare Realty Trust Incorporated	2013	64.6%	57.5%	2.1%
Pennymac Mortgage Investment Trust	2013	34.7%	2.4%	89.4%
Empire State Realty Trust Inc	2013	55.7%	42.7%	22.6%

Financial Position

As of December 2013, the company's long term debt was \$1.48 billion and total liabilities (i.e., all monies owed) were \$1.58 billion. The long term debt to equity ratio of the company is 0.87. As of December 2013, the accounts receivable for the company were \$42.54 million, which is equivalent to 45 days of sales. This is an improvement over the end of 2012, when EPR Properties had 561 days of sales in accounts receivable.

Financial Positions

Company	Year	LT Debt/ Equity	Days AR
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EPR Properties	2013	0.87	45
Healthcare Realty Trust Incorporated	2013	1.08	189
Pennymac Mortgage Investment Trust	2013	0.17	10
Empire State Realty Trust Inc	2013	3.14	96

SUMMARY ANALYSIS: EPR Properties

Per Share- U.S. Dollars

Year Calendar Year	Price Market Price Last	Value Ratios			Equity Capital			Earnings		Dividends	
		Price/ Earnings Ratio	Price/ Book Ratio	Dividend Yield	% Earned Growth	% Profit Rate (ROE)	Book Value Begin Yr	12 Month Earnings Per Share	% Change	% Payout Ratio	12 Month Dividends Per Share
2005	40.75	18.0	1.9	6.1%	-1.1%	10.6%	21.28	2.26	9.2%	110.6%	2.50
2006	58.44	22.1	2.8	4.7%	-0.5%	12.7%	20.80	2.65	17.3%	103.8%	2.75
2007	47.00	16.5	1.5	6.5%	-0.6%	9.0%	31.65	2.84	7.2%	107.0%	3.04
2008	29.80	9.1	1.3	11.3%	-0.3%	13.8%	23.73	3.28	15.5%	102.4%	3.36
2009	35.27	n/c	1.4	7.4%	-12.5%	-2.5%	26.08	-0.66	n/c	n/c	2.60
2010	46.25	24.7	1.4	5.6%	-2.1%	5.5%	34.24	1.87	n/c	139.0%	2.60
2011	43.71	31.7	1.3	6.4%	-4.1%	4.0%	34.50	1.38	-26.2%	202.9%	2.80
2012	46.11	23.3	1.9	6.5%	-4.2%	8.2%	24.09	1.98	43.5%	151.5%	3.00
2013	49.16	13.5	2.1	6.4%	2.1%	15.4%	23.74	3.65	84.3%	86.6%	3.16
5/23/2014	53.51	17.7	1.6	6.0%	n/a	n/a	32.67	3.03	n/c	106.3%	3.22

SALES ANALYSIS: **EPR Properties**

Figures in thousands of U.S. Dollars

Year	Revenues		Operating Expense - Total		Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA)		After Tax Income before Extraordinary Charges and Credits		Employees		
	Amount in thousands	Year-to-year Growth	Amount in thousands	% of Revenues	Amount in thousands	% of Revenues	Amount in thousands	% of Revenues	Number	Revenues Per Employee	After Tax Income Per Employee
2004	124,980	37.1%	69,834	55.9%	115,431	92.4%	53,713	43.0%	11	11,361,818	4,883,000
2005	164,815	31.9%	96,449	58.5%	138,390	84.0%	69,060	41.9%	13	12,678,077	5,312,308
2006	195,500	18.6%	115,869	59.3%	165,063	84.4%	82,289	42.1%	13	15,038,462	6,329,923
2007	235,703	20.6%	138,581	58.8%	195,932	83.1%	98,546	41.8%	16	14,731,438	6,159,125
2008	286,140	21.4%	161,416	56.4%	241,258	84.3%	129,857	45.4%	22	13,006,364	5,902,591
2009	270,811	-5.4%	238,208	88.0%	107,709	39.8%	8,007	3.0%	22	12,309,591	363,955
2010	313,064	15.6%	198,202	63.3%	242,536	77.5%	115,610	36.9%	25	12,522,560	4,624,400
2011	301,659	-3.6%	173,098	57.4%	219,322	72.7%	95,683	31.7%	27	11,172,556	3,543,815
2012	321,786	6.7%	177,671	55.2%	259,751	80.7%	121,583	37.8%	31	10,380,194	3,922,032
2013	343,064	6.6%	195,410	57.0%	297,060	86.6%	175,970	51.3%	38	9,028,000	4,630,789

PRICE ANALYSIS: EPR Properties

Per Share- U.S. Dollars

Quarter		High Price	Low Price	Closing Price	Quarterly %Change	12 months %Change
2005	Jan - Mar	45.150	39.750	41.430	n/a	n/a
	Apr - Jun	47.710	40.750	46.000	11.0%	n/a
	Jul - Sep	47.500	42.450	44.630	-3.0%	n/a
	Oct - Dec	44.850	38.610	40.750	-8.7%	n/a
2006	Jan - Mar	44.950	39.870	41.980	3.0%	1.3%
	Apr - Jun	43.290	38.730	43.050	2.5%	-6.4%
	Jul - Sep	50.400	41.830	49.320	14.6%	10.5%
	Oct - Dec	63.650	49.050	58.440	18.5%	43.4%
2007	Jan - Mar	68.930	57.380	60.250	3.1%	43.5%
	Apr - Jun	64.160	50.780	53.780	-10.7%	24.9%
	Jul - Sep	56.300	40.260	50.800	-5.5%	3.0%
	Oct - Dec	56.500	45.380	47.000	-7.5%	-19.6%
2008	Jan - Mar	55.960	42.470	49.330	5.0%	-18.1%
	Apr - Jun	56.310	47.800	49.440	0.2%	-8.1%
	Jul - Sep	69.020	46.720	54.720	10.7%	7.7%
	Oct - Dec	54.900	17.960	29.800	-45.5%	-36.6%
2009	Jan - Mar	30.780	11.880	15.760	-47.1%	-68.1%
	Apr - Jun	25.890	14.790	20.600	30.7%	-58.3%
	Jul - Sep	36.102	18.960	34.140	65.7%	-37.6%
	Oct - Dec	37.000	30.250	35.270	3.3%	18.4%
2010	Jan - Mar	44.000	33.410	41.130	16.6%	161.0%
	Apr - Jun	46.730	36.880	38.070	-7.4%	84.8%
	Jul - Sep	46.460	35.850	43.180	13.4%	26.5%
	Oct - Dec	49.730	42.820	46.250	7.1%	31.1%
2011	Jan - Mar	48.240	44.310	46.820	1.2%	13.8%
	Apr - Jun	48.900	44.310	46.700	-0.3%	22.7%
	Jul - Sep	50.440	35.710	38.980	-16.5%	-9.7%

	Oct - Dec	46.480	35.970	43.710	12.1%	-5.5%
2012	Jan - Mar	47.400	41.250	46.380	6.1%	-0.9%
	Apr - Jun	48.490	40.040	41.110	-11.4%	-12.0%
	Jul - Sep	48.920	41.130	44.430	8.1%	14.0%
	Oct - Dec	46.750	42.440	46.110	3.8%	5.5%
2013	Jan - Mar	52.550	45.700	52.050	12.9%	12.2%
	Apr - Jun	61.180	46.690	50.270	-3.4%	22.3%
	Jul - Sep	53.050	47.600	48.740	-3.0%	9.7%
	Oct - Dec	52.865	47.390	49.160	0.9%	6.6%
2014	Jan - Mar	54.760	48.380	53.390	8.6%	2.6%
	5/23/2014			53.510	4.3%	-5.4%

EARNINGS AND DIVIDENDS ANALYSIS: EPR Properties

Per Share- U.S. Dollars

Fiscal Year Ends in December

Calendar Years	Earnings Per Share						Dividends Per Share						
	12 Months		Quarterly Reported Earnings				12 Months		Quarterly Reported Dividends				% Payout
	Earnings	% Change	Q1 Mar.	Q2 Jun.	Q3 Sep.	Q4 Dec.	Dividends	% Change	Q1 Mar.	Q2 Jun.	Q3 Sep.	Q4 Dec.	
2003	1.77	7.9%	0.42	0.43	0.46	0.46	2.00	n/c	0.50	0.50	0.50	0.50	n/c
2004	2.07	16.9%	0.49	0.46	0.57	0.55	2.25	12.5%	0.56	0.56	0.56	0.56	n/c
2005	2.26	9.2%	0.51	0.57	0.58	0.60	2.50	11.1%	0.63	0.63	0.63	0.63	n/c
2006	2.65	17.3%	0.61	0.67	0.65	0.72	2.75	10.0%	0.69	0.69	0.69	0.69	99.6%
2007	2.84	7.2%	0.67	0.63	0.77	0.77	3.04	10.5%	0.76	0.76	0.76	0.76	94.2%
2008	3.28	15.5%	0.76	0.78	0.89	0.85	3.36	10.5%	0.84	0.84	0.84	0.84	95.0%
2009	-0.66	n/c	0.50	0.56	-1.89	0.17	2.60	-22.6%	0.65	0.65	0.65	0.65	n/c
2010	1.87	n/c	0.53	0.19	0.58	0.57	2.60	0.0%	0.65	0.65	0.65	0.65	n/c
2011	1.38	-26.2%	0.34	-0.16	0.55	0.65	2.80	7.7%	0.70	0.70	0.70	0.70	n/c
2012	1.98	43.5%	0.35	0.65	0.56	0.42	3.00	7.1%	0.75	0.75	0.75	0.75	n/c
2013	3.65	84.3%	0.84	0.67	0.84	1.30	3.16	5.3%	0.79	0.79	0.79	0.79	n/c
2014	n/a	n/c	0.71	n/a	n/a	n/a	n/a	n/c	0.86	n/a	n/a	n/a	n/c

Balance Sheet - (Common Size): EPR Properties

Figures are expressed as Percent of Total Assets.

Total Assets are in millions of U.S. Dollars.

Fiscal Year	2013	2012	2011	2010	2009
Fiscal Year End Date	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Assets					
Total Assets	3,272.3	2,946.7	2,734.0	2,923.4	2,682.7
Cash & Short Term Investments	0.5%	1.2%	1.2%	1.0%	1.3%
Cash	0.3%	1.2%	1.2%	0.6%	0.5%
Short Term Investments	0.2%	0.0%	0.0%	0.4%	0.9%
Receivables (Net)	1.3%	16.8%	13.4%	12.0%	21.1%
Securities Inventory					
Custody Securities					
Investments - Total	22.3%	8.9%	9.4%	7.9%	6.8%
Loans - Total		0.0%	0.0%	0.0%	0.0%
Reserve for Loan Losses		0.0%	0.0%	0.0%	0.0%
Loans - Net		0.0%	0.0%	0.0%	0.0%
Real Estate Assets					
Investment in Sales and Direct Financing Leases		7.9%	8.5%	7.7%	6.3%
Other Investments		1.0%	0.8%	0.2%	0.5%
Investments in Associated Companies	0.2%	0.4%	0.9%	0.8%	0.2%
Property Plant and Equipment - Gross	76.8%		85.5%		
Accumulated Depreciation	12.5%		12.3%		
Property Plant and Equipment – Net	73.2%	70.6%	73.3%	75.6%	69.1%
Other Assets	2.5%	2.1%	1.8%	2.7%	1.5%
Deferred Charges	0.7%	0.7%	0.7%	0.7%	0.5%
Tangible Other Assets	1.6%	1.3%	1.0%	0.8%	0.8%

Intangible Other Assets	0.2%	0.1%	0.2%	1.2%	0.3%
Inventories - Total	0.0%	0.0%	0.0%	0.0%	0.0%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%
Liabilities & Shareholders' Equity					
Total Liabilities & Shareholders' Equity	3,272.3	2,946.7	2,734.0	2,923.4	2,682.7
Deposits - Total		0.0%	0.0%	0.0%	0.0%
Total Debt	45.4%	46.5%	42.2%	40.7%	42.5%
Short Term Debt & Current Portion of Long Term Debt	0.3%	0.6%	3.3%	1.2%	7.3%
Long-Term Debt	45.1%	45.9%	38.9%	39.5%	35.2%
Long-Term Debt Excluding Capitalized Leases	45.1%	45.9%	38.9%	39.2%	35.2%
Capitalized Lease Obligations	0.0%	0.0%	0.0%	0.3%	0.0%
Provision for Risks and Charges					
Deferred Income	0.5%	0.4%	0.3%	0.2%	0.3%
Deferred Taxes		0.0%	0.0%	0.0%	0.0%
Deferred Tax Liability in Untaxed Reserves					
Other Liabilities	2.5%	3.6%	2.7%	3.2%	2.4%
Total Liabilities	48.4%	50.5%	45.2%	44.2%	45.2%
Non-Equity Reserves	0.0%	0.0%	0.0%	0.0%	0.0%
Minority Interest	0.0%	0.0%	1.0%	1.0%	-0.2%
Preferred Stock	0.0%	11.8%	12.3%	14.2%	15.5%
Preferred Stock Issued for ESOP					
ESOP Guarantees - Preferred Issued					
Common Equity	51.6%	37.8%	41.5%	40.6%	39.5%

Total Liabilities &
Shareholders' Equity

100.0%

100.0%

100.0%

100.0%

100.0%

Balance Sheet - (Year to Year Percent Change): EPR Properties

Figures are the Percent Changes from the Prior Year.

Fiscal Year	2013	2012	2011	2010	2009
Fiscal Year End Date	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Assets					
Total Assets	11.0%	7.8%	-6.5%	9.0%	1.8%
Cash & Short Term Investments	-49.0%	2.1%	21.0%	-22.1%	-40.5%
Cash	-72.0%	2.1%	108.5%	26.6%	23.5%
Short Term Investments			-100.0%	-49.1%	-53.8%
Receivables (Net)	-91.4%	35.4%	4.2%	-38.0%	-3.2%
Securities Inventory					
Custody Securities					
Investments - Total	176.5%	2.8%	10.3%	27.3%	-7.3%
Loans - Total					
Reserve for Loan Losses					
Loans - Net					
Real Estate Assets					
Investment in Sales and Direct Financing Leases		0.2%	3.2%	33.3%	2.3%
Other Investments		29.1%	281.4%	-53.1%	-58.7%
Investments in Associated Companies	-55.9%	-52.2%	13.8%	439.5%	63.7%
Property Plant and Equipment - Gross					
Accumulated Depreciation					
Property Plant and Equipment - Net	15.1%	3.9%	-9.4%	19.2%	6.9%
Other Assets	36.8%	22.1%	-37.3%	98.4%	-29.2%
Deferred Charges	18.6%	6.2%	-9.1%	67.9%	13.0%
Tangible Other Assets	40.2%	41.0%	14.2%	10.9%	-36.6%

Intangible Other Assets	105.1%	-26.0%	-87.4%	429.9%	-45.8%
Inventories - Total					
Total Assets	11.0%	7.8%	-6.5%	9.0%	1.8%
Liabilities & Shareholders' Equity					
Total Liabilities & Shareholders' Equity	11.0%	7.8%	-6.5%	9.0%	1.8%
Deposits - Total					
Total Debt	8.6%	18.6%	-3.1%	4.4%	-9.6%
Short Term Debt & Current Portion of Long Term Debt	-37.4%	-80.7%	149.3%	-81.5%	696.0%
Long-Term Debt	9.2%	27.0%	-7.9%	22.2%	-23.6%
Long-Term Debt Excluding Capitalized Leases	9.2%	27.0%	-7.1%	21.2%	-23.6%
Capitalized Lease Obligations			-100.0%		
Provision for Risks and Charges					
Deferred Income	50.4%	65.4%	2.4%	-10.9%	-9.7%
Deferred Taxes					
Deferred Tax Liability in Untaxed Reserves					
Other Liabilities	-24.1%	42.7%	-20.7%	47.7%	-9.6%
Total Liabilities	6.6%	20.3%	-4.4%	6.5%	-9.6%
Non-Equity Reserves					
Minority Interest	0.0%	-98.7%	0.1%		-132.2%
Preferred Stock	-100.0%	3.0%	-19.2%	0.0%	0.0%
Preferred Stock Issued for ESOP					
ESOP Guarantees - Preferred Issued					
Common Equity	51.6%	-1.8%	-4.5%	12.1%	22.6%

Total Liabilities &
Shareholders' Equity

11.0%

7.8%

-6.5%

9.0%

1.8%

Balance Sheet - (5 Year Averages): EPR Properties

Figures in millions of U.S. Dollars.

Fiscal Year	2013	2012	2011	2010	2009
Fiscal Year End Date	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Assets					
Total Assets	2,911.8	2,784.5	2,630.2	2,398.4	2,097.2
Cash & Short Term Investments	30.1	38.6	37.3	33.9	32.2
Cash	21.5	21.6	17.3	11.9	11.3
Short Term Investments	8.6	17.0	20.0	21.9	20.9
Receivables (Net)	363.6	471.8	451.5	400.4	341.2
Securities Inventory					
Custody Securities					
Investments - Total	332.7	226.3	178.3	130.8	88.3
Loans - Total		0.0	0.0	0.0	0.0
Reserve for Loan Losses		0.0	0.0	0.0	0.0
Loans - Net		0.0	0.0	0.0	0.0
Real Estate Assets					
Investment in Sales and Direct Financing Leases		206.0	159.2	112.5	67.2
Other Investments		20.3			
Investments in Associated Companies	13.7	13.1	19.2	14.6	10.7
Property Plant and Equipment - Gross					
Accumulated Depreciation					
Property Plant and Equipment – Net	2,109.1	1,977.2	1,891.1	1,769.5	1,584.1
Other Assets	62.7	57.4	53.0	49.2	40.8
Deferred Charges	18.8	16.3	14.4	12.8	10.9
Tangible Other Assets	32.5	28.6	23.3	20.2	18.8

Intangible Other Assets	11.4	12.5	15.2	16.1	11.1
Inventories - Total	0.0	0.0			
Total Assets	2,911.8	2,784.5	2,630.2	2,398.4	2,097.2
Liabilities & Shareholders' Equity					
Total Liabilities & Shareholders' Equity	2,911.8	2,784.5	2,630.2	2,398.4	2,097.2
Deposits - Total		0.0	0.0	0.0	0.0
Total Debt	1,268.4	1,223.6	1,166.1	1,070.3	975.0
Short Term Debt & Current Portion of Long Term Debt	70.2	73.0	92.0	77.2	94.5
Long-Term Debt	1,198.2	1,150.7	1,074.1	993.1	880.5
Long-Term Debt Excluding Capitalized Leases	1,196.3	1,148.8	1,072.3	991.3	880.5
Capitalized Lease Obligations	1.9	1.9	1.9	1.9	0.0
Provision for Risks and Charges					
Deferred Income	9.9	8.1	8.0	6.9	5.8
Deferred Taxes		0.0	0.0	0.0	0.0
Deferred Tax Liability in Untaxed Reserves					
Other Liabilities	84.1	82.0	71.4	64.0	50.5
Total Liabilities	1,362.4	1,313.8	1,245.5	1,141.2	1,031.3
Non-Equity Reserves	0.0	0.0	0.0	0.0	0.0
Minority Interest	10.4	13.4	16.9	12.2	7.6
Preferred Stock	303.0	386.3	383.0	370.3	314.5
Preferred Stock Issued for ESOP					
ESOP Guarantees - Preferred Issued					
Common Equity	1,236.0	1,071.1	984.8	874.8	743.8

Total Liabilities &
Shareholders' Equity

2,911.8

2,784.5

2,630.2

2,398.4

2,097.2

Income Statement - (Common Size): EPR Properties

Figures are expressed as Percent of Net Sales or Revenues.

Net Sales or Revenues are in millions of U.S. Dollars.

Fiscal Year	2013	2012	2011	2010	2009
Fiscal Year End Date	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Net Sales or Revenues	343.1	321.8	301.7	313.1	270.8
Interest Income - Total					
Trading Account Income					
Foreign Exchange Income					
Trusts & Fiduciary Income/Commission & Fees					
Trust Income					
Commission & Fees					
Investment Income					
Other Operating Income	0.3	0.3	0.3	0.2	0.2
Cost of Goods Sold	0.1	0.1	0.1	0.1	0.1
Depreciation, Depletion & Amortization	0.2	0.2	0.2	0.2	0.2
Gross Income	0.8	0.8	0.8	0.7	0.7
Selling, General & Administrative Expenses	0.1	0.1	0.1	0.1	0.1
Interest Expense – Total	0.2	0.2	0.2	0.2	0.3
Provision for Loan Losses					
Other Operating Expenses	0.0	0.0	0.0	0.1	0.3
Operating Expenses - Total	0.6	0.6	0.6	0.6	0.9
Operating Income	0.4	0.4	0.4	0.4	0.1
Non-Operating Interest Income					0.0
Pretax Equity in Earnings					
Extraordinary Credit - Pretax	0.0	0.0	0.0	0.0	0.0
Extraordinary Charge - Pretax		0.0	0.1	0.0	0.2

Other Income/Expense - Net	0.0	0.0	0.0	0.0	0.0
Reserves - Increase/Decrease		0.0	0.0	0.0	0.0
Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA)	0.9	0.8	0.7	0.8	0.4
Earnings before Interest & Taxes(EBIT)	0.7	0.7	0.6	0.6	0.2
Pretax Income	0.5	0.4	0.3	0.4	-0.0
Income Taxes	-0.0	0.0	0.0	0.0	0.0
Minority Interest	0.0	0.0	0.0	0.0	-0.1
Equity in Earnings	0.0	0.0	0.0	0.0	0.0
After Tax Other Income/Expense	0.0	0.0	0.0	0.0	0.0
Discontinued Operations	0.0	-0.0	-0.0	-0.0	0.0
Net Income before Extraordinary Items/Preferred Dividends	0.5	0.4	0.3	0.4	0.0
Extraordinary Items & Gain/Loss Sale of Assets	0.0	-0.0	0.1	-0.0	0.0
Preferred Dividend Requirements	0.1	0.1	0.1	0.1	0.1
Net Income after Preferred Dividends - available to Common	0.4	0.3	0.2	0.3	-0.1

Income Statement - (Year to Year Percent Change): EPR Properties

Figures are the Percent Changes from the Prior Year.

Fiscal Year	2013	2012	2011	2010	2009
Fiscal Year End Date	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Net Sales or Revenues	6.6%	6.7%	-3.6%	15.6%	-5.4%
Interest Income - Total					
Trading Account Income					
Foreign Exchange Income					
Trusts & Fiduciary Income/Commission & Fees					
Trust Income					
Commission & Fees					
Investment Income					
Other Operating Income	13.2%	10.2%	-3.1%	17.9%	-20.8%
Cost of Goods Sold	-5.0%	7.4%	-34.3%	24.2%	7.7%
Depreciation, Depletion & Amortization	11.3%	4.9%	-8.0%	9.2%	8.9%
Gross Income	6.8%	7.0%	2.2%	15.9%	-9.9%
Selling, General & Administrative Expenses	19.0%	14.9%	10.7%	20.1%	-10.3%
Interest Expense – Total	5.7%	6.9%	-4.2%	2.8%	1.3%
Provision for Loan Losses					
Other Operating Expenses	195.7%	-76.4%	-43.3%	-76.6%	3,517.2%
Operating Expenses - Total	10.0%	2.6%	-12.7%	-16.8%	47.6%
Operating Income	2.5%	12.1%	11.9%	252.3%	-73.9%
Non-Operating Interest Income					-91.8%
Pretax Equity in Earnings					
Extraordinary Credit - Pretax			-100.0%		
Extraordinary Charge - Pretax		-60.9%	249.6%	-81.9%	68,807.6%
Other Income/Expense - Net					

Reserves - Increase/Decrease					
Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA)	14.4%	18.4%	-9.6%	125.2%	-55.4%
Earnings before Interest & Taxes(EBIT)	15.1%	22.2%	-10.0%	217.5%	-69.6%
Pretax Income	20.5%	33.2%	-13.8%		-110.2%
Income Taxes					
Minority Interest	-100.0%	184.2%	-55.8%		
Equity in Earnings	36.4%	-64.0%	33.2%	138.9%	-54.4%
After Tax Other Income/Expense					
Discontinued Operations					
Net Income before Extraordinary Items/Preferred Dividends	44.7%	27.1%	-17.2%	1,343.9%	-93.8%
Extraordinary Items & Gain/Loss Sale of Assets		-100.1%			-100.0%
Preferred Dividend Requirements	-16.2%	-8.1%	2.3%	0.0%	6.9%
Net Income after Preferred Dividends - available to Common	63.3%	43.9%	-24.2%		-121.9%

Income Statement - (5 Year Averages): EPR Properties

Figures in millions of U.S. Dollars.

Fiscal Year	2013	2012	2011	2010	2009
Fiscal Year End Date	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Net Sales or Revenues	310.1	298.7	281.5	260.2	230.6
Interest Income - Total					
Trading Account Income					
Foreign Exchange Income					
Trusts & Fiduciary Income/Commission & Fees					
Trust Income					
Commission & Fees					
Investment Income					
Other Operating Income	79.5	77.4	70.6	59.2	46.8
Cost of Goods Sold	27.5	28.1	27.6	26.2	22.2
Depreciation, Depletion & Amortization	50.8	48.4	45.8	43.0	38.1
Gross Income	231.8	222.3	208.1	191.1	170.3
Selling, General & Administrative Expenses	20.9	18.7	16.7	15.2	12.6
Interest Expense – Total	75.4	73.6	70.4	66.0	59.5
Provision for Loan Losses					
Other Operating Expenses	22.0	21.0	21.4	20.1	17.6
Operating Expenses - Total	196.5	189.7	181.9	170.5	150.1
Operating Income	113.6	109.0	99.6	89.8	80.5
Non-Operating Interest Income					0.6
Pretax Equity in Earnings					
Extraordinary Credit - Pretax	2.7	1.8	1.8	1.8	0.0
Extraordinary Charge - Pretax		18.8	16.5	10.8	9.1
Other Income/Expense - Net	1.6	0.0	0.0	0.1	0.1

Reserves - Increase/Decrease		0.0	0.0	0.0	0.0
Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA)	225.3	214.1	201.4	190.5	169.7
Earnings before Interest & Taxes(EBIT)	174.5	165.7	155.6	147.5	131.6
Pretax Income	99.1	92.2	85.1	81.5	72.1
Income Taxes	-2.8	0.0	0.0	0.0	0.0
Minority Interest	-3.9	-4.4	-4.7	-4.7	-4.7
Equity in Earnings	1.7	1.8	1.9	1.5	1.2
After Tax Other Income/Expense	0.0	0.0	-0.4	-0.4	-0.4
Discontinued Operations	-4.2	-4.2			
Net Income before Extraordinary Items/Preferred Dividends	103.4	94.1	89.5	86.9	77.6
Extraordinary Items & Gain/Loss Sale of Assets	4.6	3.8	4.6	0.7	0.8
Preferred Dividend Requirements	28.7	29.6	28.2	24.4	20.6
Net Income after Preferred Dividends - available to Common	74.7	64.6	61.4	62.5	57.0

Sources of Capital: EPR Properties

Currency figures are in millions of U.S. Dollars.

Year to year % changes pertain to reported Balance Sheet values.

Fiscal Year	2013	2012	2011	2010	2009
Fiscal Year End Date	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Total Capital	3,163.4	2,811.3	2,562.0	2,786.2	2,415.3
Percent of Total Capital					
Short Term Debt	0.3%	0.6%	3.5%	1.3%	8.1%
Long Term Debt	46.6%	48.1%	41.5%	41.5%	39.1%
Other Liabilities	2.6%	3.8%	2.9%	3.4%	2.6%
Total Liabilities	50.1%	52.9%	48.2%	46.4%	50.2%
Minority Interest	0.0%	0.0%	1.1%	1.0%	-0.2%
Preferred Stock	0.0%	12.3%	13.1%	14.9%	17.2%
Retained Earnings	-8.6%	-9.8%	-8.9%	-6.5%	-6.1%
Common Equity	53.3%	39.6%	44.3%	42.6%	43.8%
Total Capital	100.0%	100.0%	100.0%	100.0%	100.0%
Year to Year Net Changes					
Short Term Debt	-0.7	-7.3	5.4	-16.0	17.1
Long Term Debt	12.4	28.8	-9.1	21.0	-29.2
Other Liabilities	-2.6	3.2	-2.0	3.0	-0.7
Total Liabilities	9.7	25.1	-5.6	7.9	-12.8
Minority Interest	0.0	-2.8	0.0	3.3	-2.0
Preferred Stock	-34.6	1.0	-8.0	0.0	0.0
Retained Earnings	0.4	-4.7	-4.6	-3.4	-12.0
Common Equity	57.4	-2.1	-5.3	12.8	19.5
Total Capital	35.2	24.9	-22.4	37.1	-11.7
Year to Year Percent Changes					
Short Term Debt	-37.4%	-80.7%	149.3%	-81.5%	696.0%
Long Term Debt	9.2%	27.0%	-7.9%	22.2%	-23.6%

Other Liabilities	-24.1%	42.7%	-20.7%	47.7%	-9.6%
Total Liabilities	6.6%	20.3%	-4.4%	6.5%	-9.6%
Minority Interest	0.0%	-98.7%	0.1%		-132.2%
Preferred Stock	-100.0%	3.0%	-19.2%	0.0%	0.0%
Retained Earnings					
Common Equity	51.6%	-1.8%	-4.5%	12.1%	22.6%
Total Capital	12.5%	9.7%	-8.0%	15.4%	-4.6%
Total Liabilities & Common Equity					
Total Liabilities	1,584.3	1,486.8	1,235.9	1,292.2	1,212.8
Net Change in Liabilities as % of Total Liabilities	6.1%	16.9%	-4.6%	6.1%	-10.6%
Common Equity	1,687.5	1,113.3	1,133.8	1,187.0	1,058.5
Net Change in Common Equity as % of Common Equity	34.0%	-1.8%	-4.7%	10.8%	18.5%
Cash Flow					
Operating Activities	234.1	207.3	195.8	180.4	148.8
Financing Activities	100.2	44.4	-282.3	128.0	15.7
Investing Activities	336.5	255.8	-89.7	320.3	192.0

Employee Efficiency: EPR Properties

Values per Employee are in U.S. Dollars.

Fiscal Year	2013	2012	2011	2010	2009
Fiscal Year End Date	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Employees	38	31	27	25	22
Values per Employee					
Sales	9,028,000	10,380,194	11,172,556	12,522,560	12,309,591
Net Income	4,004,316	3,006,032	2,399,037	3,416,160	-1,009,045
Cash Earnings	5,827,000	6,859,419	7,307,148	7,139,720	7,141,091
Working Capital					
Total Debt	39,111,763	44,155,871	42,751,667	47,647,160	51,882,864
Total Capital	83,246,053	90,686,806	94,888,222	111,446,840	109,784,273
Total Assets	86,112,526	95,055,806	101,259,074	116,936,800	121,938,955
Year to Year % Change per Employee					
Employees	22.6%	14.8%	8.0%	13.6%	0.0%
Sales	-13.0%	-7.1%	-10.8%	1.7%	-5.4%
Net Income	33.2%	25.3%	-29.8%		-121.9%
Cash Earnings	-15.1%	-6.1%	2.3%	-0.0%	-12.2%
Working Capital					
Total Debt	-11.4%	3.3%	-10.3%	-8.2%	-9.6%
Total Capital	-8.2%	-4.4%	-14.9%	1.5%	-4.6%
Total Assets	-9.4%	-6.1%	-13.4%	-4.1%	1.8%

Fixed Charges Coverage: EPR Properties

Fiscal Year	2013	2012	2011	2010	2009
Fiscal Year End Date	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
EBIT/Total Interest Expense	2.9	2.7	2.4	2.5	0.8
EBIT/Net Interest	2.9	2.7	2.4	2.5	0.8
EBIT/(Total Interest Exp + Pfd Div)	2.9	2.7	2.4	1.8	0.6
EBIT/Dividends on Common Shares	1.2	1.3	1.1	1.6	0.6
EBIT/(Dividends on Common + Pfd)	1.2	1.3	1.1	1.3	0.5
EBITDA/Total Interest Expense	3.5	3.4	3.0	3.2	1.5
EBITDA/Net Interest	3.5	3.4	3.0	3.2	1.5
EBITDA/(Total Interest Exp + Pfd Div)	3.5	3.4	3.0	2.3	1.0
EBITDA/Dividends on Com Shares	1.5	1.6	1.4	2.1	1.1
EBITDA/(Dividends on Com + Pfd)	1.5	1.6	1.4	1.7	0.8

Leverage Analysis: EPR Properties

Fiscal Year	2013	2012	2011	2010	2009
Fiscal Year End Date	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Long Term Debt % of EBIT	611.9%	645.1%	620.7%	606.5%	1,575.9%
Long Term Debt % of EBITDA	496.6%	520.3%	485.1%	476.2%	877.7%
Long Term Debt % of Total Assets	45.1%	45.9%	38.9%	39.5%	35.2%
Long Term Debt % of Total Capital	46.6%	48.1%	41.5%	41.5%	39.1%
Long Term Debt % of Com Equity	87.4%	121.4%	93.8%	97.3%	89.3%
Total Debt % of EBIT	616.4%	653.4%	673.5%	625.5%	1,902.7%
Total Debt % of EBITDA	500.3%	527.0%	526.3%	491.1%	1,059.7%
Total Debt % of Total Assets	45.4%	46.5%	42.2%	40.7%	42.5%
Total Debt % of Total Capital	47.0%	48.7%	45.1%	42.8%	47.3%
Total Debt % of Total Capital & Short Term Debt	46.8%	48.4%	43.5%	42.2%	43.7%
Total Debt % of Common Equity	88.1%	123.0%	101.8%	100.4%	107.8%
Minority Interest % of EBIT	0.2%	0.2%	16.4%	14.7%	-8.2%
Minority Interest % of EBITDA	0.1%	0.1%	12.8%	11.6%	-4.6%
Minority Interest % of Total Assets	0.0%	0.0%	1.0%	1.0%	-0.2%
Minority Interest % of Total Capital	0.0%	0.0%	1.1%	1.0%	-0.2%
Minority Interest % of Com Equity	0.0%	0.0%	2.5%	2.4%	-0.5%
Preferred Stock % of EBIT	0.1%	165.3%	196.2%	218.6%	693.9%
Preferred Stock % of EBITDA	0.0%	133.3%	153.3%	171.6%	386.5%
Preferred Stock % of Total Assets	0.0%	11.8%	12.3%	14.2%	15.5%

Preferred Stock % of Total Capital	0.0%	12.3%	13.1%	14.9%	17.2%
Preferred Stock % of Total Equity	0.0%	31.1%	29.7%	35.1%	39.3%
Common Equity % of Total Assets	51.6%	37.8%	41.5%	40.6%	39.5%
Common Equity % of Total Capital	53.3%	39.6%	44.3%	42.6%	43.8%
Total Capital % of Total Assets	96.7%	95.4%	93.7%	95.3%	90.0%
Capital Expenditure % of Sales	93.5%	58.0%	36.8%	78.9%	57.2%
Fixed Assets % of Common Equity	141.9%	187.0%	176.7%	186.3%	175.2%
Working Capital % of Total Capital					
Dividend Payout					
Funds From Operations % of Total Debt	14.9%	15.5%	17.1%	15.0%	13.8%

Per Share Data: **EPR Properties**

Figures are expressed as per unit of respective shares.

Figures are in U.S. Dollars.

Fiscal Year	2013	2012	2011	2010	2009
Fiscal Year End Date	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Sales	6.64	6.86	6.46	6.73	6.32
Operating Income	2.86	3.07	2.75	2.47	0.76
Pre-tax Income	3.10	2.83	2.13	2.48	-0.30
Net Income (Continuing Operations)	3.49	2.59	2.05	2.48	-0.28
Net Income Before Extra Items	3.41	2.59	2.05	2.48	0.19
Extraordinary Items		0.00	0.00	0.00	0.00
Net Income After Extraordinary Items	3.49	2.59	2.47	2.47	0.19
Net Income Available to Common Shares	3.16	1.98	1.38	1.87	-0.61
Fully Diluted Earnings	3.65	1.98	1.38	1.87	-0.66
Common Dividends	3.16	3.00	2.80	2.60	2.60
Cash Earnings	5.31	4.52	4.21	3.92	4.30
Book Value	32.67	23.74	24.09	34.50	34.24
Retained Earnings	-5.26	-5.88	-4.89	-3.91	-3.45
Assets	63.35	62.85	58.51	62.81	62.57

Profitability Analysis: EPR Properties

Currency figures are in U.S. Dollars.

Fiscal Year	2013	2012	2011	2010	2009
Fiscal Year End Date	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Gross Income Margin	76.7%	76.5%	76.3%	71.9%	71.7%
Operating Income Margin	43.0%	44.8%	42.6%	36.7%	12.0%
Pretax Income Margin	46.7%	41.3%	33.1%	36.9%	-4.7%
EBIT Margin	70.3%	65.1%	56.8%	60.8%	22.2%
Net Income Margin	52.5%	37.8%	38.2%	36.7%	3.0%
Return on Equity - Total	9.9%	8.3%	7.3%	7.5%	-2.3%
Return on Invested Capital	7.8%	6.3%	5.9%	6.0%	2.1%
Return on Assets	7.5%	6.0%	5.7%	5.8%	2.1%
Asset Turnover	0.1	0.1	0.1	0.1	0.1
Financial Leverage	88.1%	123.0%	101.8%	100.4%	107.8%
Interest Expense on Debt	83,819,000	77,515,000	72,177,000	75,185,000	73,390,000
Effective Tax Rate		0.0%	0.0%	0.0%	
Cash Flow % Sales	64.5%	66.1%	65.4%	57.0%	58.0%
Selling, General & Administrative Expenses % of Sales	8.0%	7.2%	6.7%	5.8%	5.6%
Research & Development Expense					
Operating Income Return On Total Capital	12.5%	9.7%	-8.0%	15.4%	-4.6%

Wright Quality Rating - Investment Acceptance: **EPR Properties**

Currency figures are in millions of U.S. Dollars.

<u>Wright Quality Rating</u>	B CD2
Investment Acceptance Rating	B
Total Market Value of Shares Outstanding - Three Year Average	2,572
- Current Year	2,860
Public Market Value (Excludes Closely Held) - Three Year Average	2,513
- Current Year	2,795
Trading Volume - Three Year Average	3,675
- Current Year	4,209
Turnover Rate - Three Year Average	142.9%
- Current Year	147.2%
Stock Exchange Listings	NYSE
Number of Institutional Investors	326
Number of Shareholders	617
Closely Held Shares as % of Total Shares Outstanding	2.3%

Wright Quality Rating - Financial Strength: EPR Properties

Wright Quality Rating	B C_{D2}
Financial Strength Rating	C
Total Shareholders' Equity (Millions of U.S. Dollars)	1,760
Total Shareholders' Equity as % Total Capital	54.3%
Preferred Stock as % of Total Capital	0.0%
Long Term Debt as % of Total Capital	45.7%
Long Term Debt (Millions of U.S. Dollars)	1,483
Lease Obligations (Millions of U.S. Dollars)	0
Long Term Debt including Leases (Millions of U.S. Dollars)	1,483
Total Debt as % of Total Capital	45.7%
Fixed Charge Coverage Ratio: Pretax Income to Interest Expense & Preferred Dividends	2.9
Fixed Charge Coverage Ratio: Pretax Income to Net Interest Income & Preferred Dividends	2.9
Operating Cash to Fixed Charges	
Cash Dividend Coverage Ratio	

Wright Quality Rating - Profitability & Stability: EPR Properties

Wright Quality Rating	BCD₂
Profitability & Stability Rating	D
Profit Rate of Earnings on Equity Capital - Time-Weighted Normal	7.0%
- Basic Trend	2.0%
Cash Earnings Return on Equity - Time-Weighted Average	17.2%
- Basic Trend	-1.0%
Cash Earnings Return on Equity - Stability Index	63.6%
Return On Assets (Time-Weighted Average)	7.4%
Pre-Tax Income as % of Total Assets (Time-Weighted Average)	4.2%
Operating Income as % of Total Assets (Time-Weighted Average)	6.7%
Operating Income as % of Total Capital (Adjusted Rate)	7.7%
Pre-Tax Income as % of Total Assets (Time-Weighted Average)	4.2%
Operating Income as % of Total Assets (Time-Weighted Average)	6.7%
Operating Income as % of Total Capital (Adjusted Rate)	7.7%

Wright Quality Rating - Corporate Growth: **EPR Properties**

Figures are expressed on a Per Share Basis.

Wright Quality Rating	BCD 2
Growth Rating	2
Normal Earnings Growth	17.1%
Cash Earnings Growth	-3.2%
Cash Earnings Stability Index	53.8%
Earned Equity Growth	-3.6%
Dividend Growth	3.0%
Operating Income Growth	-1.6%
Assets Growth	-5.3%
Sales/Revenues Growth	-5.1%

Wright Quality Rating®

Since 1970, Wright Investors' Service has rated all of the companies in its database (when there is sufficient information available). The Wright Quality Rating, measures the overall investment quality of a company.

Wright Quality Ratings are based on numerous individual measures of quality, grouped into four principal components: (1) Investment Acceptance (i.e. stock liquidity), (2) Financial Strength, (3) Profitability & Stability, and (4) Growth. The ratings are based on established principles using 5-6 years of corporate record and other investment data.

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A = Outstanding; **B** = Excellent; **C** = Good; **D** = Fair; **L** = Limited; **N** = Not Rated.

The number component of the Quality Rating is also a composite measurement of the annual corporate growth, based on earnings and modified by growth rates of equity, dividends, and sales per common share. The Growth rating may vary from 0 (lowest) to 20 (highest). (See sample Quality Rating below.)

Example:

Wright Quality Rating: **BAC8**

Investment Acceptance	B	Excellent
Financial Strength	A	Outstanding
Profitability & Stability	C	Good
Growth	8	

The highest quality rating assigned by Wright is AAA20. This rating would be assigned to a company that has a large and broad base of shareholders, an outstanding balance sheet and strong and stable profitability. The company would also have experienced superior growth over the past several years.

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EPR Properties

Updated model with lower estimates

We are updating our model and lowering our 2014 FFO/share estimate by \$0.12 to \$4.06 and our 2015 FFO/share estimate by \$0.15 to \$4.40. Our 2014 estimate is a penny above the midpoint of the company's revised 2014 guidance (\$4.00-\$4.10) and \$0.03 below consensus. Conversely, our 2015 FFO/share estimate is \$0.02 above consensus. We are revising our price target to \$59 from \$60. Recall from the reduced guidance provided with 1Q results, EPR is sustaining dilution from both more equity than we expected and the sale of charter schools. We continue to view the stock as attractive and among the cheapest in the net lease space.

- Core.** We model 1.00% internal GAAP rent growth in 2014 and 2015, assuming tenants exercise extension options on all three theater leases that mature in 2015. We also assume \$2.5 million of percentage rent in 2014 and \$2.6 million in 2015 (\$0.05/share per year), concentrated in the second and third quarters. Our 2014 G&A of \$27.4 million is slightly lower than management's \$28 - \$29 million guidance. We estimate that salary raises will increase G&A to \$28.1 million in 2015. We also model \$3.7 million of annual income tax expense, commensurate with recent Canadian tax law changes.
- Investment activity.** We model \$542 million of investment spend in 2014, which is close to the upper end of EPR's 2014 guidance (\$500 - \$550 million). About \$462 million of this amount has commenced or is in the pipeline, while the remaining \$80 million is discretionary. Commenced and pipeline activity includes \$69 million of investment spend in 1Q, a \$127 million portfolio of 11 theaters acquired in 2Q, and \$264 million of projected spend on committed BTS projects. We assume a blended 8.7% GAAP cap rate on the 2014 acquisitions and a 9.5% GAAP yield on BTS projects that are placed in service. In 2015, we model \$160 million of acquisitions at a 9.0% GAAP cap rate and \$301 million spending on BTS project that will generate 9.5% GAAP yields when they are placed into service.

Overweight

EPR, EPR US

Price: \$52.93

▼ **Price Target: \$59.00**
Previous: \$60.00

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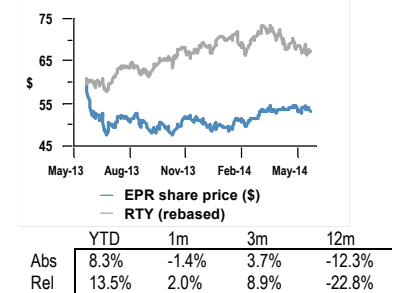
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Price Performance



EPR Properties (EPR;EPR US)

FYE Dec	2013A	2014E (Prev)	2014E (Curr)	2015E (Prev)	2015E (Curr)
FFO Per Share (\$)					
Q1 (Mar)	0.94	0.96A	0.94A	1.10	1.07
Q2 (Jun)	0.98	1.01	1.00	1.12	1.09
Q3 (Sep)	1.01	1.10	1.03	1.17	1.10
Q4 (Dec)	0.97	1.11	1.06	1.16	1.13
FY	3.90	4.18	4.06	4.55	4.40
Bloomberg FFOPS FY	3.91	-	4.09	-	4.38
AFFO Per Share FY (\$)	3.72	4.01	3.89	4.39	4.24

Source: Company data, Bloomberg, J.P. Morgan estimates.

Company Data

Price (\$)	52.93
Date Of Price	22 May 14
52-week Range (\$)	61.18-46.69
Market Cap (\$ mn)	2,828.98
Fiscal Year End	Dec
Shares O/S (mn)	53
Price Target (\$)	59.00
Price Target End Date	31-Dec-14

See page 5 for analyst certification and important disclosures, including non-US analyst disclosures.

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- Our model is adjusted for \$46 million of charter school sales that closed in 2Q and assumes the wine and vineyard portfolio (\$7.6 million book value) is sold at an 8.0% cap rate for book value in 3Q.
- **Balance sheet.** Our model is adjusted for \$86 million of common equity that was issued in 1Q and assumes an additional \$150 million of common equity issuance through 2014. We also estimate \$200 million of common equity issuance and a \$350 million 5.65% senior unsecured note offering in 2015.

Investment Thesis, Valuation and Risks

EPR Properties *(Overweight; Price Target: \$59.00)*

Investment Thesis

We rate EPR Overweight. The company started 2014 with a robust and transparent investment pipeline, is nearing an exit from the wine and vineyard business, and has generated some momentum behind its long-stalled Catskills project. EPR's dividend yield is attractive, in our view, and should continue to grow parallel with FFO, making it a top name for income investors.

Valuation

EPR trades at 13.0x our 2014 FFO estimate, a 17% discount to the triple net lease group average of 15.6x. On an adjusted FFO basis (AFFO), EPR trades at 13.6x our 2014 estimate versus its peers at 14.3x. We estimate that EPR trades at a 14.8x EV/EBITDA (based on in-place EBITDA), a 1% discount to its peer average of 14.9x.

We have reduced our 2014 year-end price target to \$59 per share from our previous \$60 per share. We arrive at our price target using a discounted cash flow analysis. For "cash flow," we utilize the stock's estimated dividend based on a 90% long-run payout of our AFFO estimates, assuming 3.0% long-term AFFO growth beyond 2018. This is an increase from our March 2014 long-run AFFO payout estimate of 82%. Our 3.0% long-term growth estimate is based on a combination of about 1% NOI growth, leveraged to about 1-2% bottom-line growth, and about 1-2% assumed growth from investment activity. Our discount rate assumption of 9.50% is higher than our average assumption for the REIT group (range of 7.75-10%) because it incorporates the special purpose nature of the real estate and the residual value risk inherent in a net lease portfolio.

Risks to Rating and Price Target

As an Overweight stock, the risk is that EPR performs in line with or underperforms our coverage universe and/or does not meet our price target. Some factors that could cause this include less deal volume than expected, weaker box office trends, tenant issues, fewer acquisitions, or higher interest rates that could put outsized pressure on net lease REIT stocks.

EPR Properties: Summary of Financials

Income Statement - Annual	FY12A	FY13A	FY14E	FY15E	Income Statement - Quarterly	1Q14A	2Q14E	3Q14E	4Q14E
Rental revenues	258	268	300	346	Rental revenues	71A	73	77	79
Property operating expenses	(24)	(26)	(25)	(27)	Property operating expenses	(6)A	(6)	(6)	(6)
Net operating income	234	242	275	319	Net operating income	65A	67	70	73
G&A expense	(23)	(26)	(27)	(28)	G&A expense	(7)A	(6)	(7)	(6)
Interest expense	(77)	(81)	(82)	(95)	Interest expense	(20)A	(20)	(21)	(21)
Other expenses	(24)	(1)	(1)	(1)	Other expenses	(0)A	(0)	(0)	(0)
Other income	65	76	79	87	Other income	19A	19	20	21
Funds from operations (FFO)	174	188	226	264	Funds from operations (FFO)	50A	56	58	61
Adjusted funds from operations (AFFO)	165	179	217	255	Adjusted funds from operations (AFFO)	46A	54	55	56
Weighted average diluted shares	47	48	56	60	Weighted average diluted shares	53A	56	57	58
FFO per share	3.69	3.90	4.06	4.40	FFO per share	0.94A	1.00	1.03	1.06
AFFO per share	3.51	3.72	3.89	4.24	AFFO per share	0.87A	0.96	0.97	0.97
Dividend per share	3.00	3.16	3.42	3.66	Dividend per share	0.86A	0.86	0.86	0.86
Balance Sheet and Cash Flow Data	FY12A	FY13A	FY14E	FY15E	Ratio Analysis	FY12A	FY13A	FY14E	FY15E
Real estate assets	-	-	-	-	NOI margin	90.6%	90.3%	91.5%	92.1%
Accumulated depreciation	-	-	-	-	FFO growth	7.8%	5.7%	4.0%	8.5%
Net real estate assets	2,113	2,395	2,713	3,104	P / FFO	14.3	13.6	13.0	12.0
Cash and cash equivalents	35	18	22	19	AFFO growth	9.2%	6.0%	4.6%	9.0%
Other assets	787	854	958	1,014	P / AFFO	15.1	14.2	13.6	12.5
Total assets	2,947	3,272	3,698	4,143	FFO payout	81.2%	80.9%	84.3%	83.1%
Total debt	1,369	1,475	1,708	1,981	AFFO payout	85.5%	85.0%	87.9%	86.3%
Total liabilities	1,487	1,584	1,804	2,077	Dividend yield	5.7%	6.0%	6.5%	6.9%
Shareholders' equity	1,460	1,688	1,894	2,066	Enterprise value / EBITDA	14.8			
Recurring capex		(4)	(5)	(5)	Total debt / total market cap.	31.8%			
					Leverage / total market cap.	39.3%			
					NAV	43.01			
					Premium / (discount) to NAV	23.8%			

Source: Company reports and J.P. Morgan estimates.
Note: \$ millions (except per-share data). Fiscal year ends Dec

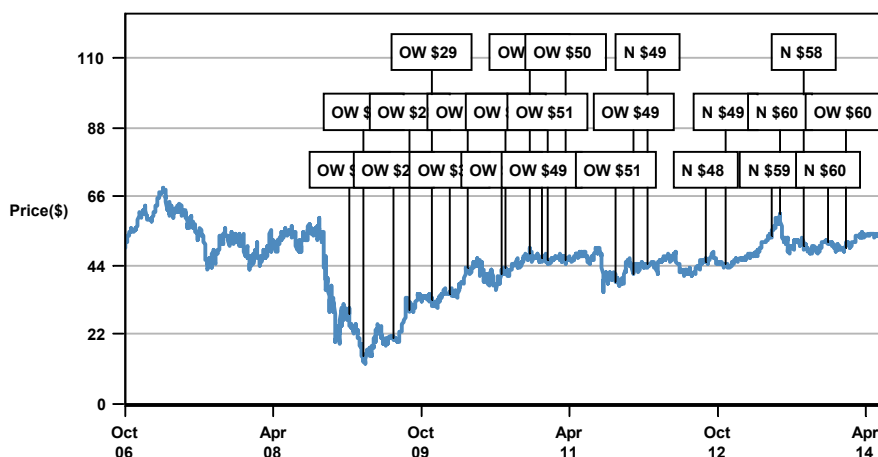
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EPR Properties (EPR, EPR US) Price Chart



Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends. Initiated coverage Jan 09, 2009.

Date	Rating	Share Price (\$)	Price Target (\$)
09-Jan-09	OW	28.77	37.00
26-Feb-09	OW	15.22	30.00
19-Jun-09	OW	21.26	25.00
18-Aug-09	OW	30.00	28.00
05-Nov-09	OW	33.22	29.00
12-Jan-10	OW	35.03	38.00
17-Mar-10	OW	42.99	41.00
22-Jul-10	OW	41.60	40.00
09-Aug-10	OW	43.14	43.00
02-Nov-10	OW	47.50	45.00
21-Dec-10	OW	46.25	49.00
14-Jan-11	OW	45.73	51.00
16-Mar-11	OW	45.87	50.00
21-Sep-11	OW	38.57	51.00
23-Nov-11	OW	41.50	49.00
12-Jan-12	N	44.23	49.00
15-Aug-12	N	45.42	48.00
31-Oct-12	N	44.45	49.00
17-Apr-13	N	53.34	59.00
17-May-13	N	60.55	60.00

16-Aug-13	N	50.12	58.00
11-Nov-13	N	51.37	60.00
16-Jan-14	OW	49.67	60.00

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IB clients*	58%	49%	40%
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IB clients*	78%	67%	60%

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EPR PROPERTIES

Imagine Fades While Investment Spreads Remain Solid; Reiterate \$59 PT - BUY

EPR (NYSE)

Company & Market Data

Closing Price (as of April 30, 2014):	\$53.61
Rating:	BUY
Price Target:	\$59.00
52 Week Range:	\$46.69 - \$61.18
Market Capitalization (MM):	\$2,865
Enterprise Value (MM):	\$4,679
Shares Outstanding (MM):	53
Avg Daily Vol.:	311,188
reNAV/sh:	\$49.25
Premium (Disc.) to reNAV:	8.9%
Implied Cash Cap Rate:	7.6%
Net Debt+Pref/EBITDA:	5.9x
Annual Dividend/Share:	\$3.42
Current Dividend Yield:	6.4%
Fiscal Year End:	Dec

Estimates

FFO/share	2013A	2014E	2015E
1Q	\$0.94	\$0.94A	\$1.09
Prior			\$1.11
2Q	\$0.98	\$0.98	\$1.11
Prior		\$1.03	\$1.13
3Q	\$1.01	\$1.03	\$1.15
Prior		\$1.07	\$1.13
4Q	\$0.97	\$1.09	\$1.18
Prior		\$1.11	\$1.16
Full Year	\$3.90	\$4.05	\$4.52
Prior		\$4.16	
AFFO/share	\$3.85	\$4.05	\$4.48
Prior		\$4.13	

Ratios

Price/FFO	13.7x	13.2x	11.9x
Price/AFFO	13.9x	13.2x	12.0x

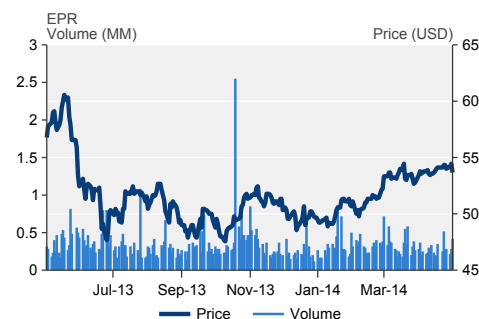


Chart Data: Bloomberg

- Lowered 2014 guidance has underlying positives; reiterate BUY**—While EPR's underperformance yesterday (down 1.4% vs. up 0.4% for the RMZ) was likely driven by its lowered 2014 earnings guidance, we actually viewed the news as a positive given that \$0.07 of the \$0.12 FFO/sh revision resulted from the sale of four Imagine charter schools. When considering the properties were sold for a low-9% cash cap rate, which is 50bps-100bps higher than most investors would have expected in our view, we believe the market could begin to ascribe greater value to the REIT's education portfolio, which is ~18% of its portfolio NOI. Coupled with no change to our 2015E earnings forecast, we note that EPR's 8% average AFFO/sh growth rate over the next two years is still 250bps better than the net lease sector average. With EPR trading at 13.5x/12.1x our 2014E/2015E AFFO/sh, which is a 5.6%/11.0% discount to the net lease sector average, its above-average earnings growth continues to be undervalued by the market in our view. This is especially true when factoring in the REIT's lower leverage position and healthy 6.4% current yield, which is 85bps higher than the average net lease REIT when excluding American Realty Capital (ARCP-\$13.09; NEUTRAL). We reiterate our BUY rating and \$59 price target.
- Special purpose asset focus should keep investment spreads healthy relative to other net lease verticals**—With demand for single-tenant net lease (STNL) retail assets growing ever more competitive, we view EPR's focus on special purpose assets as both a positive differentiator and an earnings driver for the REIT. To wit, based on commentary from recently attended net lease conferences and our own discussions with net lease brokers, we believe cap rates for STNL retail assets (especially those leased to investment grade rated tenants) could continue to move down or stay flat even if the 10-year U.S. Treasury rises another 50bps-100bps. This notion is bolstered by increased capital flows into the STNL retail sector and a resurgence of interested 1031 exchange buyers in the mature asset class. As such, by focusing on special purpose assets, which historically have been avoided by institutions and 1031 buyers alike; and build-to-suit projects, which have higher going-in cap rates vs. direct acquisitions, we see much less risk to EPR's investment spreads narrowing vs. its STNL retail peers. We believe this favorable backdrop should give investors more confidence in EPR's forward earnings stream relative to retail focused STNL REITs that may need to see higher than projected acquisition volume to compensate for potentially eroding investment spreads.
- Raising reNAV/sh estimate by \$1.25 to \$49.25**—After adjusting our projected quarterly cash NOI for 1Q'14 results, we raise our reNAV/sh estimate by \$1.25 to \$49.25, which continues to value the REIT's portfolio at an asset-weighted average cash cap rate of 8.0%. (Please see p. 7 for our full reNAV/sh detail.)
- Lower 2014E, but reiterate 2015E**—Turning our model for 1Q'14 results, and announced 2Q'14 investment activity, we lower our 2014E FFO/sh as adjusted to \$4.05 from \$4.16, but reiterate our 2015E FFO/sh as adjusted of \$4.52. Similarly, we lower our 2014E AFFO/sh to \$4.05 from \$4.13, but reiterate our 2015E AFFO/sh of \$4.48. (Please see **Tables #2-#4** on pgs. 3-4 for more detail; our earnings model is attached on pgs. 8-9.) **Key points continued on the following page...**

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KEY POINTS, CONT.

- **Reiterate \$59 price target**—With no change to our 2015 estimates, we reiterate our price target of \$59, which assumes that EPR should trade at a 7.1% cash cap rate, 14.8x/13.3x our 2014E/2015E AFFO/sh, and a projected dividend yield of 5.8%/6.2% on 2014E/2015E dividends.
- **Highly discounted multiple vs. net lease sector and average REIT not warranted given EPR's robust investment pipeline and solid AFFO growth potential**—As shown below in **Table #1**, EPR trades at 13.5x/12.1x our 2014E/2015E AFFO/sh, which is a 5.6%/11.0% discount to the net lease sector average and a 35.5%/37.4% discount to the average REIT ex hotels. From an income perspective, EPR's 6.4% current yield is 30bps higher than the net lease sector average and 255bps higher than the average REIT. Given the size of EPR's acquisition and build-to suit (BTS) pipeline, its ability to attain 9%-9.5% going-in cap rates on deals, its below average leverage, and its average AFFO/sh growth of 8% over the next two years, we do not believe the current multiple discount is warranted.

Table #1: Valuation Comparison for EPR vs. Net Lease Sector and REIT Industry

Ticker	Company	LTS Rtg.	Close		2014E AFFO Payout	Mkt Cap (\$M)	Debt + Pref / Cap	Price / FFO		Price / AFFO		AFFO Growth		reNAV Prem. (Disc.)	Lad. Impld Cap
			Price 30-Apr	Curr. Yld				2014E	2015E	2014E	2015E	2014E	2015E		
ADC	Agree Realty*	Buy	\$29.87	5.8%	76.8%	\$457	26.3%	13.5 x	12.2 x	13.3 x	12.2 x	7.2%	8.9%	-6.7%	7.5%
ARCP	American Rlty*	Neut.	\$13.09	7.6%	87.7%	\$10,428	50.3%	11.8 x	11.6 x	11.5 x	11.4 x	NA	0.9%	9.1%	6.2%
CSG	Chambers St.*	Neut.	\$7.79	6.5%	90.0%	\$1,842	43.9%	11.8 x	11.6 x	13.9 x	13.4 x	1.8%	3.6%	0.5%	7.2%
GOOD	Gladstone Com*	Neut.	\$17.64	8.5%	113.6%	\$284	65.0%	11.3 x	11.2 x	13.4 x	13.4 x	NA	0.0%	-2.0%	8.2%
GPT	Gramercy Ppty*	Buy	\$5.22	2.7%	48.3%	\$372	50.1%	16.8 x	9.5 x	18.0 x	9.8 x	NA	82.8%	4.4%	6.8%
LXP	Lexington Rlty*	Buy	\$10.76	6.1%	75.9%	\$2,505	44.9%	9.6 x	9.4 x	12.4 x	11.4 x	20.8%	8.0%	-4.4%	7.8%
NNN	National Retail*	Buy	\$34.13	4.7%	78.7%	\$4,164	34.0%	17.2 x	16.2 x	16.6 x	15.7 x	1.8%	5.4%	9.2%	6.4%
OLP	One Liberty	NR+	\$22.13	6.7%	NA	\$337	44.6%	NA	NA	NA	NA	NA	NA	NA	NA
O	Realty Income*	Buy	\$43.45	5.0%	85.9%	\$9,015	35.6%	17.0 x	16.3 x	17.0 x	16.3 x	5.8%	4.3%	16.6%	5.9%
SRC	Spirit Realty*	Neut.	\$10.77	6.2%	87.5%	\$3,989	47.8%	13.8 x	13.5 x	14.2 x	13.6 x	-6.2%	3.9%	5.1%	6.8%
STAG	STAG Industrial*	Buy	\$23.53	5.4%	84.6%	\$1,296	33.3%	16.9 x	14.9 x	15.8 x	14.5 x	13.8%	8.7%	10.7%	7.0%
WPC	W. P. Carey*	Buy	\$61.48	5.8%	80.8%	\$6,089	36.5%	16.7 x	15.9 x	13.9 x	13.1 x	10.2%	5.9%	6.0%	6.6%
Net Lease Sector Wtg. Avg. [^]				6.1%	84.3%		41.7%	14.5 x	13.9 x	14.3 x	13.6 x	5.9%	4.8%	8.4%	6.5%
REITs ex Hotels Wtg. Avg. [^]				3.8%	75.5%		35.5%	17.3 x	16.2 x	20.9 x	19.4 x	8.5%	7.6%	4.0%	NA
EPR	EPR Pptys*	Buy	\$53.61	6.4%	85.9%	\$2,865	39.4%	13.2 x	11.9 x	13.5 x	12.1 x	4.7%	11.1%	8.9%	7.5%
Prem./(Disc.) to Net Lease Sector Avg.				31	164 bps		(224)	-8.9%	-14.7%	-5.6%	-11.0%	(119)	624	47	106
Prem./(Disc.) to REITs ex Hotels Avg.				254	1,038 bps		393	-23.5%	-26.9%	-35.5%	-37.4%	(375)	345	484	NA

Source: Publicly available documents, SNL Financial, and Ladenburg Thalmann estimates (for covered companies).

*Indicates the company is part of Ladenburg's Thalmann's coverage universe.

[^]Weighted average based on the REIT's equity market capitalizations. +NR stands for Not Rated

Note: The multiples of non-covered companies are based on FactSet mean estimates for FFO and SNL mean estimates for AFFO. Note #2: Net Lease REITs are defined as any REIT that derives more than 70% of its rents from single-tenant properties (excluding healthcare related assets) that are subject to triple-net leases. Note #3: REITs ex hotels weighted average includes all listed equity REITs per the SNL Equity REIT index excluding hotel REITs. Mention of specific companies not covered by Ladenburg Thalmann & Co Inc. is not a recommendation to buy, hold or sell the securities mentioned.

1Q'14 EARNINGS RECAP

1Q'14 adjusted FFO/sh in line with our estimate, but below consensus. Earlier this week, EPR Properties reported adjusted 1Q'14 FFO/sh of \$0.94, which was in line with our estimate, but \$0.02 below the Street consensus of \$0.96.

FFO/sh guidance for 2014 lowered on asset sales and increased stock issuance.

EPR lowered its 2014 FFO/sh guidance range by \$0.12 at the midpoint to a new range of \$4.00-\$4.10, which implies a \$4.05 FFO/sh midpoint. According to management, guidance was lowered due to the sale of four charter schools, increased equity issuance and declines in the Canadian Dollar. However, management reiterated its 2014 investment spending and acquisition guidance of \$500M-\$550M, which appears conservative in our view.

Overall occupancy remains the same, with all three major verticals performing well.

As of March 31, 2014, the REIT's properties were 99% leased, which was unchanged vs. 4Q'13, but 100pbs higher vs. 1Q'13. The REIT's entertainment properties were 99% leased, while its owned recreation and education properties were 100% leased. In addition, the REIT continues to see positive industry developments in all three property verticals, with box office receipts up 10% vs. last year, its ski resort properties operating at above 1.7x rent coverage and seeing ~6% attendance and revenue growth this season, and its Top Golf properties running above 3.0x rent coverage.

Investment spending reflects strong pipeline of current build-to-suits.

During 1Q'14 EPR made \$68.5M of property investments, which included four megaplex theatres, 14 public charter schools, six early childhood education centers, three private schools, and nine TopGolf entertainment facilities. EPR also funded improvements at its Wisp ski resort in Maryland and funded \$1.2M of investment spending at its Sullivan County property. Subsequent to the 1Q'14-end, EPR sold four public charter school properties in Florida leased to Imagine Schools for \$46.1M, which represented a low-9% cash cap rate. EPR also purchased a portfolio of 11 megaplex theaters that are master leased to Regal Cinema's with 13 years of remaining lease term. This \$117M purchase was done at a 9% cash cap rate and included the assumption of \$90.3M in debt.

BTS pipeline continues to grow with greater clarity in 2015.

Owned BTS spending for the remainder of 2014 is projected to be \$171.9M vs. \$161.6M (up 6.3%) at 4Q'13-end. This spending consists of \$20.7M (12.1%) in the entertainment segment, \$112.9M (65.7%) in the education segment, and \$38.2M (22.2%) in the recreation segment. Projected BTS deliveries for the remainder of 2014 were \$274.0M vs. \$268.1M (up 2.2%) at 4Q'13-end. These deliveries consist of \$30.0M (11.0%) in the entertainment segment, \$161.6M (59.0%) in the education segment, and \$82.4M (30.0%) in the recreation segment. For 2015, projected owned BTS spending was \$104.2M vs. \$4.9M as of 4Q'13, while projected deliveries were \$129.1M vs. \$19.2M as of 4Q'13.

ASSUMPTIONS AND ESTIMATES**Table #2: Investment and Capital Raising Assumptions**

<i>In millions \$(M)s</i>	2013A	1Q14E	2Q14E	3Q14E	4Q14E	2014E	1Q15E	2Q15E	3Q15E	4Q15E	2015E
Investment spending	\$422	\$69	\$188	\$122	\$112	\$491	\$91	\$115	\$95	\$85	\$386
Dispositions	(\$50)	\$0	(\$46)	\$0	\$0	(\$46)	\$0	\$0	\$0	\$0	\$0
Net investment activity	\$372	\$69	\$142	\$122	\$112	\$445	\$91	\$115	\$95	\$85	\$386
Net inv. / Gross Assets	11.3%	1.9%	3.8%	3.1%	2.8%	12.1%	2.2%	2.7%	2.2%	1.9%	9.2%
Equity raises	\$219	\$79	\$0	\$14	\$14	\$107	\$57	\$58	\$59	\$60	\$234
Net inv. funded by equity	58.9%	115.5%	0.0%	11.1%	12.3%	24.0%	62.4%	50.3%	62.2%	70.9%	60.6%
Preferred equity raises	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt raises	\$273	\$0	\$0	\$0	\$0	\$0	\$300	\$0	\$0	\$0	\$300
Credit facility balance	\$0	\$0	\$142	\$231	\$322	\$322	\$322.3	\$47.0	\$120.3	\$150.5	\$236
Total debt	\$1,475	\$1,483	\$1,623	\$1,710	\$1,799	\$1,799	\$1,799	\$1,821	\$1,861	\$1,888	\$1,901
Total preferred equity	\$346	\$346	\$346	\$346	\$346	\$346	\$346	\$346	\$346	\$346	\$346

Source: Company documents and Ladenburg Thalmann estimates.

Table #3: Historical and Projected Leverage Ratios for EPR

	2013A	1Q14E	2Q14E	3Q14E	4Q14E	2014E	1Q15E	2Q15E	3Q15E	4Q15E	2015E
Net Debt / EV	34%	31%	--	--	--	--	--	--	--	--	--
Net Debt + Pref / EV	42%	39%	--	--	--	--	--	--	--	--	--
Debt / Gross assets	40%	39%	41%	42%	43%	43%	43%	43%	42%	42%	42%
Debt + Pref / Gross assets	49%	49%	50%	51%	51%	51%	51%	50%	50%	49%	49%
Net Debt / EBITDA [^]	4.8x	4.8x	5.1x	5.2x	5.2x	5.2x	5.1x	5.0x	4.9x	4.8x	4.8x
Net Debt + Pref / EBITDA [^]	5.9x	6.0x	6.2x	6.2x	6.2x	6.2x	6.1x	6.0x	5.8x	5.7x	5.7x
Interest Coverage	3.7x	3.7x	3.8x	3.9x	3.9x	3.9x	4.0x	3.9x	3.9x	3.9x	3.9x
Fixed Charge Coverage	2.8x	2.9x	2.9x	3.0x	3.0x	3.0x	3.1x	3.1x	3.1x	3.1x	3.1x

Source: Company documents and Ladenburg Thalmann estimates.

[^]EBITDA calculation is the current quarter annualized.

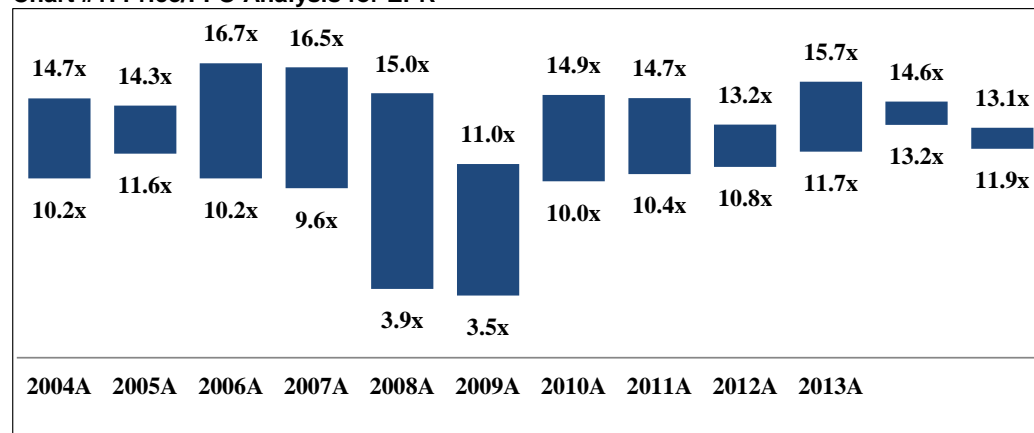
Table #4: Dividend Growth and Payout Ratios for EPR

	2013A	1Q14E	2Q14E	3Q14E	4Q14E	2014E	1Q15E	2Q15E	3Q15E	4Q15E	2015E
Dividend	\$3.16	\$0.86	\$0.86	\$0.86	\$0.86	\$3.42	\$0.92	\$0.92	\$0.92	\$0.92	\$3.66
% increase	5.3%	8.2%	8.2%	8.2%	8.2%	8.2%	7.0%	7.0%	7.0%	7.0%	7.0%
Dividend/FFO Payout	76%	86%	89%	84%	80%	84%	85%	84%	81%	78%	82%
Dividend/Core FFO Payout	81%	91%	87%	83%	79%	84%	84%	83%	80%	78%	81%
Dividend/AFFO Payout	82%	91%	87%	83%	79%	84%	85%	83%	81%	79%	82%
Dividend/CAD Payout	92%	99%	92%	87%	83%	89%	90%	89%	85%	83%	87%

Source: Company documents and Ladenburg Thalmann estimates.

Past performance not indicative of future results.

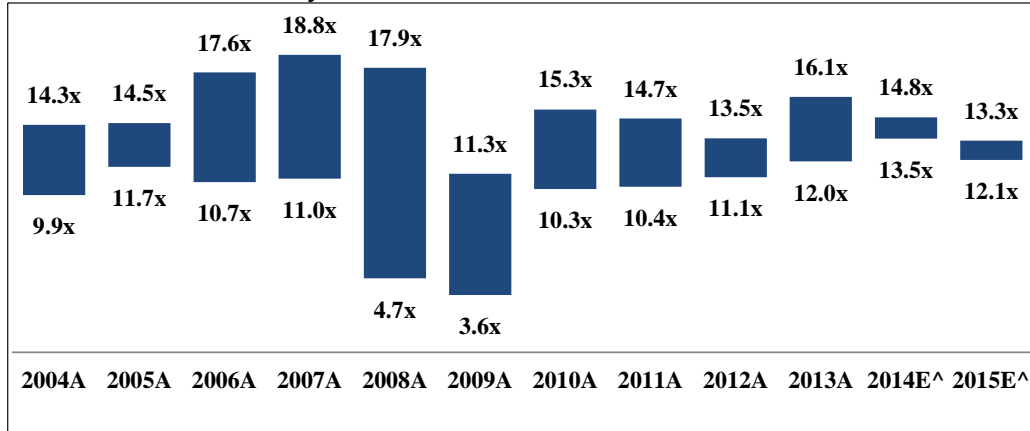
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Chart #1: Price/FFO Analysis for EPR

Source: Company documents and Ladenburg Thalmann estimates.

[^]Multiple ranges are based on EPR's current price (low end) and our \$59 price target (high end).

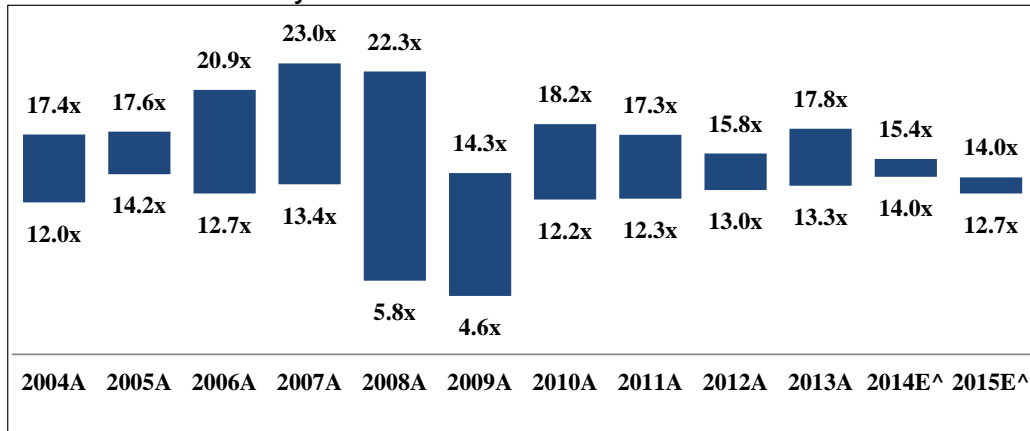
Chart #2: Price/AFFO Analysis for EPR



Source: Company documents and Ladenburg Thalmann estimates.

^Multiple ranges are based on EPR's current price (low end) and our \$59 price target (high end).

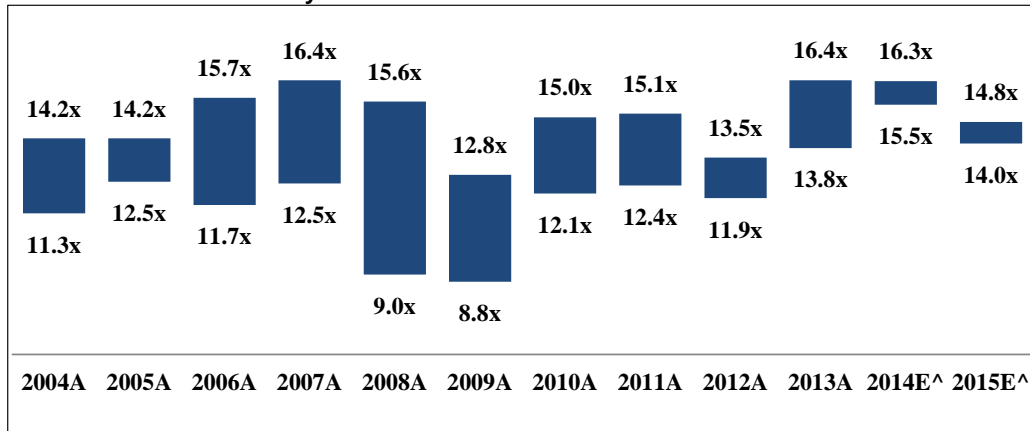
Chart #3: Price/CAD Analysis for EPR



Source: Company documents and Ladenburg Thalmann estimates.

^Multiple ranges are based on EPR's current price (low end) and our \$59 price target (high end).

Chart #4: EV/EBITDA Analysis for EPR



Source: Company documents and Ladenburg Thalmann estimates.

^Multiple ranges are based on EPR's current price (low end) and our \$59 price target (high end).

COMPANY SPECIFIC RISKS

Risks include but are not limited to:

Change in charter school laws and regulations. EPR is at risk should there be a change in charter school laws given its exposure to the charter school sector. Should certain states and/or the federal government enact laws to restrict the number of schools, or hold schools to higher regulatory standards, EPR could see a reduction in the number of possible charter school tenants and could see some current tenants vacate its properties.

Adverse weather. Given the REIT's current exposure to both the ski and water parks, there is risk from adverse weather. Should there be weak snowfall in a given year, the operators of the ski areas that EPR currently is a lender to could face difficulty meeting interest payments, and therefore this could reduce the REIT's anticipated earnings. In addition, adverse weather could also result in an operator ceasing operations when their loan is due and/or requesting a reduction in the interest rate or principal amount paid when refinancing the loan.

GENERAL RISKS

Increased competition from new entrants could limit future growth opportunities. Given the increased flow of retail money into public non-traded REITs in recent years—many of which focus exclusively on net lease assets—EPR Properties could face increased competition for future deals. With more players chasing the same amount of transactions, EPR could miss out on future deals before they come to market, and could also see its investment spreads on acquisitions erode

Historically low bond yields are well below sale-leaseback cap rates. With the rates on corporate bond issuances still comparatively low, creditworthy tenants may find the debt markets a more attractive option for financing their growth vs. utilizing a sale-leaseback transaction. As a result, the REIT could have a hard time sourcing future acquisitions with high-quality tenants.

Potential tenant defaults and/or bankruptcies could pressure earnings growth. EPR faces some risk from potential tenant defaults and/or bankruptcy. Should a tenant seek bankruptcy protection, the REIT could see its rents on the property reduced, or the REIT could lose the tenant entirely, which would force EPR to pay insurance, taxes, and all operating costs while it looks for a new lessee or buyer.

Rising interest rates could impact overall company margins and spreads on acquisitions. Given that all REITs use debt to finance their growth, rising interest rates could impact their positive spread on acquisitions if cap rates were not to rise in sync with interest rates. In addition, interest expense associated with the REIT's floating rate debt would also rise.

Availability of debt could decline if the credit market freezes. A lack of liquidity in the credit markets, could negatively impact the REIT when it tries to refinance its future debt maturities. Should the credit markets freeze up as they did in late 2008, EPR could be forced to do the following in order to refinance future maturities: 1.) accept an unreasonably high interest rate on future issuances; 2.) sell assets at fire sale prices; 3.) , and/or raise highly dilutive equity.

Entertainment Properties Trust (EPR)**Net Asset Value: Real Estate**

Source: Ladenburg Thalmann Equity Research

(in thousands, except per share amounts)	Capitalization Rate			Implied Cap Rate
	Low	Average	High	
ASSUMPTIONS:				
% of income from rents or direct financing income				
Cap rate on Theatres/Adjacent Retail - 81%	7.50%	7.75%	8.00%	
Cap rate on Recreation Assets - 2%	8.25%	8.50%	8.75%	
Cap rate on Charter Schools - 16%	8.75%	9.00%	9.25%	
Real estate cap rate on GAAP NOI	7.86%	8.11%	8.36%	7.54%
Real estate cap rate on Cash NOI	7.78%	8.03%	8.28%	7.62%
Real estate cap rate on Cash Flow	7.69%	7.94%	8.19%	7.46%
COMPONENTS OF NAV:				
GAAP NOI, including intra-quarter activity ^a	\$64,727	\$64,727	\$64,727	\$64,727
+ NOI from Regal portfolio acquisition	\$2,869	\$2,869	\$2,869	\$2,869
- NOI from Imagine charter school sale	(\$1,395)	(\$1,395)	(\$1,395)	(\$1,395)
+ Financing income from charter school investments	8,778	8,778	8,778	8,778
Annualized GAAP NOI	299,919	299,919	299,919	299,919
- Adjustments to approximate cash NOI - 2014E ^b	(9,328)	(9,328)	(9,328)	(9,328)
- Adjustments to approximate cash NOI for Regal acq. ^b	(706)	(706)	(706)	(706)
- Adjustments to approximate cash NOI for Imagine sale ^b	1,314	1,314	1,314	1,314
Estimated cash NOI, assuming same-store growth of 2%	297,022	297,022	297,022	297,022
- Total capital expenditures - 2014E	(3,404)	(3,404)	(3,404)	(3,404)
Estimated cash flow	293,618	293,618	293,618	293,618
Implied value of properties	3,816,441	3,697,662	3,586,054	3,936,811
Plus: ^c				
Cash and cash equivalents	20,406	20,406	20,406	20,406
Cash from charter school sale	46,100	46,100	46,100	46,100
Restricted cash	19,568	19,568	19,568	19,568
Property under development @ 10% premium	152,445	152,445	152,445	152,445
Concord development @ 100% of book value	198,095	198,095	198,095	198,095
Other land held for development	4,457	4,457	4,457	4,457
Mortgage notes receivable on Entertainment assets ^d	58,220	58,220	58,220	58,220
Mortgage notes receivable on Recreational assets ^d	366,561	366,561	366,561	366,561
Net investment in unconsolidated JVs	5,586	5,586	5,586	5,586
Accounts and notes receivable	41,616	41,616	41,616	41,616
Other assets	58,007	58,007	58,007	58,007
Estimated market value of assets	4,787,501	4,668,723	4,557,115	4,907,872
Less: ^c				
Consolidated indebtedness	1,482,608	1,482,608	1,482,608	1,482,608
Cost of portfolio transaction	117,700	117,700	117,700	117,700
Preferred stock at liquidation	346,250	346,250	346,250	346,250
Other liabilities	95,991	95,991	95,991	95,991
Real estate net asset value (reNAV)	\$2,744,952	\$2,626,174	\$2,514,566	\$2,865,323
Shares and units outstanding	53,448	53,448	53,448	53,448
reNAV per share	\$51.36	\$49.14	\$47.05	\$53.61
reNAV per share, rounded	\$51.50	\$49.25	\$47.00	
Close on April 30, 2014	\$53.61	\$53.61	\$53.61	\$53.61
Premium (discount) of stock price to NAV	4.1%	8.9%	14.1%	0.0%

a. Estimated GAAP NOI from assets owned/acquired as of March 31, 2014.

b. We adjust for straight line rent and non-cash financing income related to the Imagine master lease.

c. As of March 31, 2014, unless otherwise noted.

d. We value these loans @ 100% of book value.

Entertainment Properties Trust (EPR)

FFO Growth Model

Source: Ladenburg Thalmann Equity Research

(in thousands, except per share amounts)

	2013A	1Q14A	2Q14E	3Q14E	4Q14E	2014E	1Q15E	2Q15E	3Q15E	4Q15E	2015E
Rental revenue	\$248,709	\$66,431	\$68,395	\$71,312	\$74,477	\$280,615	\$76,865	\$79,336	\$82,557	\$85,186	\$323,944
+ Tenant reimbursements	18,401	4,269	4,733	4,099	4,833	17,935	5,360	5,543	4,831	5,576	21,309
+ Percentage rents	0	319	0	850	350	1,519	0	0	950	400	1,350
- Property operating expenses	26,016	6,449	6,404	7,060	7,491	27,404	7,740	7,699	8,186	8,561	32,186
Rental net operating income (NOI)	241,094	64,570	66,724	69,202	72,169	272,665	74,484	77,180	80,152	82,601	314,417
Interest and other income	1,682	174	359	359	359	1,250	313	313	313	313	1,250
Mortgage & other financing income	73,395	18,664	18,847	18,584	20,383	76,478	21,119	21,609	21,184	22,565	86,478
Participating interest	877	0	0	900	0	900	0	0	900	0	900
Total NOI	317,048	83,408	85,930	89,044	92,911	351,293	95,916	99,102	102,549	105,478	403,045
Corporate Expenses											
General and administrative expense	25,613	7,462	7,013	7,013	7,013	28,500	7,700	7,171	7,171	7,171	29,213
G&A as % of rental revenues	9.6%	10.6%	9.6%	9.3%	8.8%	9.5%	9.4%	8.4%	8.2%	7.9%	8.5%
G&A as % of NOI	8.1%	8.9%	8.2%	7.9%	7.5%	8.1%	8.0%	7.2%	7.0%	6.8%	7.2%
% of G&A that is stock comp	25.4%	27.0%	27.0%	27.0%	27.0%	28.1%	27.0%	27.0%	27.0%	27.0%	27.0%
Costs associate with loan re-fi	6,166	0	0	0	0	0	0	0	0	0	0
Interest expense	81,056	19,899	20,270	20,438	21,062	81,669	22,565	24,069	24,153	24,057	94,844
Transaction costs	1,955	(3,180)	0	0	0	(3,180)	0	0	0	0	0
Provision/impairment loss	(4,539)	0	0	0	0	0	0	0	0	0	0
Real estate related depreciation	53,946	15,327	15,780	16,453	17,183	64,744	17,734	18,304	19,048	19,654	74,740
Income tax (benefit) expense	(14,176)	925	925	925	925	3,700	1,063	1,063	1,063	1,063	4,250
Other	658	98	98	98	98	392	200	200	200	200	800
Subtotal corporate expenses	150,679	40,531	44,086	44,927	46,281	175,825	49,261	50,807	51,634	52,145	203,847
Income from operations	166,369	42,877	41,844	44,117	46,630	175,468	46,655	48,295	50,915	53,333	199,197
+ Equity in JV income	1,398	311	311	311	311	1,244	250	250	250	250	1,000
+ Gain on acquisition	3,017	0	0	0	0	0	0	0	0	0	0
Income from continuing operations	170,784	43,188	42,155	44,428	46,941	176,712	46,905	48,545	51,165	53,583	200,197
Income from discontinued operations:											
Income (loss) from discontinued ops	333	15	0	0	0	15	0	0	0	0	0
Gain (loss) on sale of real estate	4,256	330	0	0	0	330	0	0	0	0	0
Impairment charges	0	0	0	0	0	0	0	0	0	0	0
Net income	175,373	43,533	42,155	44,428	46,941	177,057	46,905	48,545	51,165	53,583	200,197
- Preferred stock dividends	(23,806)	(5,952)	(5,952)	(5,952)	(5,952)	(23,807)	(5,952)	(5,952)	(5,952)	(5,952)	(23,806)
- Preferred share redemption costs	0	0	0	0	0	0	0	0	0	0	0
+/- Net loss (gain) to minority interest	0	0	0	0	0	0	0	0	0	0	0
Net income available to common	\$151,567	\$37,581	\$36,203	\$38,477	\$40,989	\$153,250	\$40,953	\$42,593	\$45,213	\$47,632	\$176,391
EPS, diluted	\$3.14	\$0.71	\$0.68	\$0.72	\$0.76	\$2.88	\$0.75	\$0.77	\$0.80	\$0.83	\$3.15
% increase	58.8%	-4.9%	20.4%	-9.3%	-32.2%	-8.5%	5.6%	13.8%	11.8%	9.1%	9.7%
FUNDS FROM OPERATION (FFO)											
Net income available to common	\$156,420	\$37,581	\$36,203	\$38,477	\$40,989	\$153,250	\$40,953	\$42,593	\$45,213	\$47,632	\$176,391
+/- Loss/(gain) on acquisition	(7,273)	0	0	0	0	0	0	0	0	0	0
+ RE Depreciation & Amortization	54,564	15,049	15,502	16,175	16,905	63,632	17,454	18,024	18,768	19,374	73,620
- Minority Interest	0	0	0	0	0	0	0	0	0	0	0
+ Share of JV Depreciation	547	54	54	54	54	216	54	54	54	54	216
+/- Provision/impairment loss	(4,853)	0	0	0	0	0	0	0	0	0	0
Funds From Operations (FFO)	\$199,405	\$52,684	\$51,759	\$54,706	\$57,949	\$217,098	\$58,461	\$60,671	\$64,035	\$67,060	\$250,227
FFO/sh, diluted - NAREIT	\$4.14	\$1.00	\$0.97	\$1.02	\$1.07	\$4.07	\$1.07	\$1.09	\$1.13	\$1.17	\$4.47
+ Transaction costs	1,955	(3,180)	0	0	0	(3,180)	0	0	0	0	0
+/- Deferred income tax	(14,787)	407	698	698	698	2,500	625	625	625	625	2,500
+ Loan refi and preferred redemption costs	1,627	0	0	0	0	0	0	0	0	0	0
- Gain on sale of land	0	(330)	0	0	0	(330)	0	0	0	0	0
Funds From Operations (FFO) - as Adjusted	\$188,200	\$49,581	\$52,457	\$55,403	\$58,646	\$216,088	\$59,086	\$61,296	\$64,660	\$67,685	\$252,727
FFO/sh as Adjusted - First Call & Comp Table	\$3.90	\$0.94	\$0.98	\$1.03	\$1.09	\$4.05	\$1.09	\$1.11	\$1.15	\$1.18	\$4.52
% increase	5.7%	0.3%	-0.2%	1.9%	11.7%	3.9%	15.5%	13.1%	11.0%	8.4%	11.4%
ADJUSTED FUNDS FROM OPERATION (AFFO)											
Funds From Operations (FFO)	\$188,199	\$49,581	\$52,457	\$55,403	\$58,646	\$216,088	\$59,086	\$61,296	\$64,660	\$67,685	\$252,727
+ Amortization of above market lease	48	48	48	48	48	192	50	50	50	50	200
- Non-RE depreciaton/amortization	1,109	278	278	278	278	1,112	280	280	280	280	1,120
+ Amortization of deferred financing	4,041	1,015	915	815	715	3,460	715	715	715	715	2,860
+ Stock compensation	6,515	2,328	1,893	1,893	1,893	8,008	2,079	1,936	1,936	1,936	7,887
- Maintenance CapEx	(4,050)	(1,154)	(750)	(750)	(750)	(3,404)	(850)	(850)	(850)	(850)	(3,400)
- Effect of straight line rents	(4,846)	(1,111)	(1,067)	(1,024)	(983)	(4,184)	(944)	(906)	(870)	(835)	(3,554)
- Non-cash portion of mortgage & fin income	(5,275)	(1,286)	(1,286)	(1,286)	(1,286)	(5,144)	(1,286)	(1,286)	(1,286)	(1,286)	(5,144)
- Straight line rents from acqs, sales, and devs	0	0	157	(28)	(259)	(130)	(375)	(483)	(645)	(777)	(2,281)
EPR Reported - Adj. Funds from Operation (AFFO)	\$185,741	\$49,699	\$52,646	\$55,350	\$58,303	\$215,998	\$58,755	\$60,753	\$63,990	\$66,918	\$250,416
EPR Reported AFFO/Sh - First Call	\$3.85	\$0.94	\$0.98	\$1.03	\$1.08	\$4.05	\$1.08	\$1.10	\$1.13	\$1.17	\$4.48
- Capitalized interest expense	(2,619)	(1,287)	(844)	(952)	(827)	(3,910)	(687)	(1,068)	(763)	(611)	(3,129)
Adjusted Funds from Operation (AFFO)	\$183,122	\$48,412	\$51,802	\$54,399	\$57,475	\$212,088	\$58,068	\$59,684	\$63,227	\$66,307	\$247,287
AFFO/sh - Comp Table	\$3.80	\$0.92	\$0.97	\$1.01	\$1.07	\$3.98	\$1.07	\$1.08	\$1.12	\$1.15	\$4.42
% increase	4.8%	-1.2%	-1.2%	2.9%	17.1%	4.8%	16.2%	11.5%	10.6%	8.3%	11.1%

Entertainment Properties Trust (EPR)**FFO Growth Model**

Source: Ladenburg Thalmann Equity Research

(in thousands, except per share amounts)	2013A	1Q14A	2Q14E	3Q14E	4Q14E	2014E	1Q15E	2Q15E	3Q15E	4Q15E	2015E
CASH AVAILABLE FOR DISTRIBUTION (CAD)											
Adjusted Funds from Operation	\$183,122	\$48,412	\$51,802	\$54,399	\$57,475	\$212,088	\$58,068	\$59,684	\$63,227	\$66,307	\$247,287
- Amortization of principal on secured debt	(17,439)	(2,728)	(1,818)	(1,818)	(1,818)	(8,183)	(2,738)	(2,738)	(2,738)	(2,738)	(10,951)
Cash Available for Distribution (CAD)	\$165,683	\$45,684	\$49,984	\$52,580	\$55,657	\$203,905	\$55,331	\$56,946	\$60,489	\$63,570	\$236,336
CAD/Share, diluted	\$3.44	\$0.87	\$0.93	\$0.98	\$1.03	\$3.83	\$1.02	\$1.03	\$1.07	\$1.11	\$4.23
% increase	11.2%	4.6%	14.3%	4.9%	20.2%	11.3%	17.3%	10.2%	9.4%	7.2%	10.4%
Weighted average shares, diluted, for EPS	48,214	52,719	53,626	53,674	53,924	53,296	54,414	55,422	56,430	57,430	55,934
Weighted average shares, diluted, for FFO	48,214	52,719	53,626	53,674	53,924	53,296	54,414	55,422	56,430	57,430	55,934
Dividend	\$3.16	\$0.86	\$0.86	\$0.86	\$0.86	\$3.42	\$0.92	\$0.92	\$0.92	\$0.92	\$3.66
% increase	5.3%	8.2%	8.2%	8.2%	8.2%	8.2%	7.0%	7.0%	7.0%	7.0%	7.0%
<u>PAYOUT RATIOS</u>											
FFO Payout Ratio	76.4%	85.6%	88.6%	83.9%	79.6%	84.0%	85.2%	83.6%	80.6%	78.4%	81.8%
Core FFO Payout Ratio	81.0%	90.9%	87.4%	82.8%	78.6%	84.4%	84.3%	82.7%	79.9%	77.6%	81.0%
AFFO Payout Ratio	82.0%	90.7%	87.1%	82.9%	79.1%	84.4%	84.7%	83.5%	80.7%	78.5%	81.8%
CAD ex Prin Amort. Payout Ratio	83.2%	93.1%	88.5%	84.4%	80.2%	85.9%	85.7%	85.0%	81.7%	79.2%	82.8%
CAD Payout Ratio	92.0%	98.7%	91.7%	87.3%	82.8%	89.4%	90.0%	89.1%	85.4%	82.7%	86.6%
<u>EBITDA</u>											
Total operating income	\$318,113	\$83,408	\$85,930	\$89,044	\$92,911	\$351,293	\$95,916	\$99,102	\$102,549	\$105,478	\$403,045
- G&A expense	(25,613)	(7,462)	(7,013)	(7,013)	(7,013)	(28,500)	(7,700)	(7,171)	(7,171)	(7,171)	(29,213)
- Other items	(1,723)	(98)	0	0	0	(98)	0	0	0	0	0
EBITDA	\$290,777	\$75,848	\$78,917	\$82,032	\$85,898	\$322,695	\$88,216	\$91,931	\$95,378	\$98,307	\$373,832
EBITDA/Share, diluted	\$6.03	\$1.44	\$1.47	\$1.53	\$1.59	\$6.05	\$1.62	\$1.66	\$1.69	\$1.71	\$6.68
EBITDA Growth YoY	7.0%	9.1%	10.7%	10.4%	12.1%	11.0%	\$0.15	\$0.15	\$0.15	\$0.14	\$0.15
<u>COVERAGE RATIOS</u>											
Total Interest*	\$79,634	\$20,171	\$20,199	\$20,575	\$21,175	\$82,119	\$22,537	\$24,423	\$24,201	\$23,953	\$95,114
Interest Coverage Ratio	3.7 x	3.7 x	3.8 x	3.9 x	3.9 x	3.9 x	4.0 x	3.9 x	3.9 x	3.9 x	3.9 x
Fixed Charges [^]	\$103,440	\$26,123	\$26,150	\$26,527	\$27,126	\$105,926	\$28,488	\$30,374	\$30,153	\$29,904	\$118,920
Fixed Charge Coverage	2.8 x	2.9 x	2.9 x	3.0 x	3.0 x	3.0 x	3.1 x	3.1 x	3.1 x	3.1 x	3.1 x

APPENDIX A: IMPORTANT RESEARCH DISCLOSURES

ANALYST CERTIFICATION

I, Daniel P. Donlan, attest that the views expressed in this research report accurately reflect my personal views about the subject security and issuer. Furthermore, no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report, provided, however, that:

The research analyst primarily responsible for the preparation of this research report has or will receive compensation based upon various factors, including the volume of trading at the firm in the subject security, as well as the firm's total revenues, a portion of which is generated by investment banking activities.

Additional information regarding the contents of this publication will be furnished upon request. Please contact Ladenburg Thalmann, Compliance Department, 570 Lexington Avenue, 11th floor, New York, New York 10022 (or call 212-409-2000) for any information regarding current disclosures, and where applicable, relevant price charts, in regard to companies that are the subject of this research report.

COMPANY BACKGROUND

Headquartered in Kansas City, MO, EPR Properties is a real estate investment trust (REIT) that develops, owns, leases, and finances consumer-preferred, high-quality entertainment, recreational, and specialty properties. EPR typically acquires or develops, on a build-to-suit basis, single-tenant properties that are leased under long-term, triple-net leases with the tenant responsible for property taxes, insurance, and maintenance.

VALUATION METHODOLOGY

We value EPR on a Price to AFFO basis as well as its current dividend yield vs. its net lease peers, the average REIT, and other income producing securities.

RISKS

Risks to our recommendation and price target where applicable include, but are not limited to the following: 1.) Tenant Risk – the company relies on its tenants for its revenue and therefore is dependent on the success and economic viability of its tenants; 2.) Interest Rate Risk – an increase in interest rates could increase the amount of debt payments and limit the company's ability to pay distributions to its shareholders; 3.) Counter-Party Risk – The REIT is reliant on counter-parties to provide acquisition financing. If the company has to obtain financing from other sources, it may be forced to do so at increased rates; 4.) Debt Maturity Risk – Because REIT's use debt to leverage their portfolios; they are dependent on the banking community and other providers of credit. If the REIT is unable to procure financing as their debt matures, the REIT could be forced to sell assets at distressed prices and/or raise common equity at highly dilutive levels. 5.) Shareholder Dilution – As REITs are required to pay the majority of their earnings to shareholders in the form of dividends, growth is typically achieved through additional issuances of equity. If this is done at or below net asset value, it could lower the REIT's net asset value for existing shareholders; 6.) Regulatory Risk – The REIT may be subject to adverse legislative or regulatory tax changes that could increase its tax liability, reduce its operating flexibility and reduce the market price of its common stock.

STOCK RATING DEFINITIONS

Buy: The stock's return is expected to exceed 12.5% over the next twelve months.

Neutral: The stock's return is expected to be plus or minus 12.5% over the next twelve months.

Sell: The stock's return is expected to be negative 12.5% or more over the next twelve months.

Investment Ratings are determined by the ranges described above at the time of initiation of coverage, a change in risk, or a change in target price. At other times, the expected returns may fall outside of these ranges because of price movement and/or volatility. Such interim deviations from specified ranges will be permitted but will become subject to review.

RATINGS DISPERSION AND BANKING RELATIONSHIPS AS OF (May 1, 2014)

Rating	%	IB %
BUY	75.2	54.6
NEUTRAL	24.8	42.0
SELL	0.0	0.0

COMPANIES UNDER ANALYST'S COVERAGE

Agree Realty Corp. (ADC)
Chambers Street Properties (CSG)

American Realty Capital Properties (ARCP)
EPR Properties (EPR)

Gladstone Commercial Corp. (GOOD)
 Independence Realty Trust (IRT)
 Lexington Realty Trust (LXP)
 Realty Income Corp. (O)
 STAG Industrial (STAG)
 W. P. Carey Inc. (WPC)

Gramercy Property Trust (GPT)
 Gladstone Land Corp. (LAND)
 National Retail Properties (NNN)
 Spirit Realty Capital (SRC)
 Trade Street Residential (TSRE)
 Whitestone REIT (WSR)

COMPANY SPECIFIC DISCLOSURES

Ladenburg Thalmann & Co. Inc had an investment banking relationship with the American Realty Capital Properties within the last 12 months. Ladenburg Thalmann & Co. Inc received compensation for investment banking services from American Realty Capital Properties within the past 12 months.

Ladenburg Thalmann & Co. Inc. has managed or co-managed a public offering for American Realty Capital Properties within the past 12 months.

Ladenburg Thalmann & Co. Inc. makes a market in American Realty Capital Properties.

Ladenburg Thalmann & Co. Inc had a non-investment banking securities related services relationship with American Realty Capital Properties in the last 12 months.

Ladenburg Thalmann & Co. Inc received compensation for products or services, other than investment banking services, from American Realty Capital Properties within the past 12 months.

OTHER COMPANIES MENTIONED

American Realty Capital Properties (ARCP - \$13.09 NEUTRAL)

INVESTMENT RATING AND PRICE TARGET HISTORY

EPR Properties Rating History as of 04/30/2014

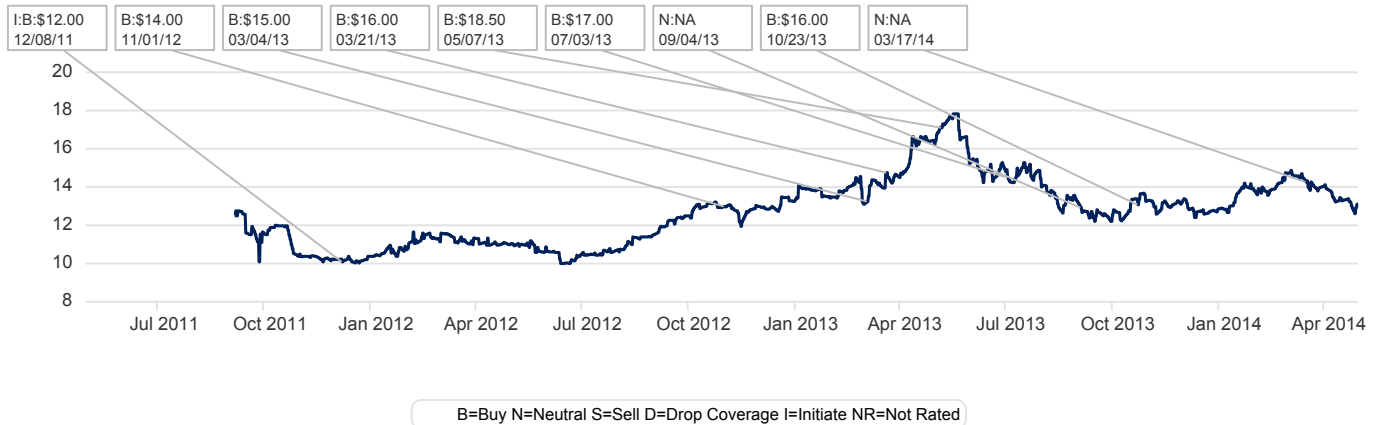
powered by: BlueMatrix



B=Buy N=Neutral S=Sell D=Drop Coverage I=Initiate NR=Not Rated

American Realty Capital Properties Rating History as of 04/30/2014

powered by: BlueMatrix

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The MSCI U.S. REIT Index (RMS) broadly and fairly represents the equity REIT opportunity set with proper investability screens to ensure that the index is investable and replicable; it represents approximately 85% of the US REIT universe. The FTSE NAREIT Equity REITs Index

is a free float adjusted market capitalization weighted index that includes all tax qualified equity REITs (excluding timber REITs) listed in the NYSE MKT and NASDAQ National Market. The SNL Equity REIT Index represents the 154 publicly traded U.S. Equity REITs covered by SNL Financial weighted by market cap. The S&P 500 is an index that includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. The RMS, FTSE NAREIT Equity REITs Index, SNL Equity REIT Index, and S&P 500 are provided for comparison purposes only. Investors cannot invest directly in an index.

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Additional Information Available Upon Request

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April 29, 2014

EPR Properties

\$0.02 light in 1Q14; lowering earnings estimates, raising NAV; tgt remains \$61

Our view: EPR reported 1Q14 results that were largely in line with our expectations net of one-time items. The sale of four charter schools is a positive for the company and offers validation of the charter school concept. We've lowered 2014/2015 FFO/share estimates as a result, but a strong investment outlook has driven our NAV/share estimate higher.

Key points:

- EPR posted 1Q14 FFO/share of \$1.00/share. Excluding the reversal of a previous liability of \$0.06, the \$0.01 gain on a land sale and a -\$0.01 deferred income tax expense, the company would have earned \$0.94/share which missed our estimate and consensus by \$0.02.
- Details of the quarter along with a complete analysis of key income statement line items that differed materially from our expectations are included in seven exhibits below. We note that the company beat us by a penny of better than expected mortgage income offset by \$0.03 of higher than expected interest expense.
- Business activity in the company's three major segments remained healthy with the operating margin holding steady at 92.7% and NOI yield on gross book value stable at a strong 10.3%. The company saw improvement in the occupancy of its entertainment segment which is now 99% leased. Theaters along with the company's entire education and recreation segments remained 100% leased.
- The company continues to drive forward on its 2014 investment guidance of \$500-\$550 million. During the quarter, EPR invested \$68.5 million in the development of four megaplex theaters, two megaplex redevelopments, two family entertainment centers, 14 public charter schools, three private schools, six early childhood education centers, nine TopGolf facilities and a ski property. The company also acquired one childhood education center and invested \$117.7 million in the acquisition of 11 theaters with 139 screens and remaining lease term of ~13 years. With scheduled spend of ~\$265 million for the remainder of 2014, the company's investments of ~\$186 million brings the investment outlook to ~\$451 million – well on track to meet guidance.
- In early 2Q14, the company sold four charter schools for \$45.9 million at a cap rate of slightly over 9%. Balance sheet metrics remain very healthy with fixed charges coverage of 3.1x, debt/total market capitalization of 31.7%, and an expanded credit line of \$535 million with no balance.
- Due largely to the sale of the charter schools and a weakening in the Canadian dollar exchange rate, we have lowered our 2014 and 2015 estimates for FFO/share to \$4.03 and \$4.45 from \$4.16 and \$4.51 previously. Management has lowered its 2014 guidance to \$4.00-\$4.10 from \$4.12-\$4.22. We have, however, raised our YE14 NAV/share estimate to \$60.89 from \$60.12 at a 7.0% cap rate.
- We continue to rate shares of EPR at Outperform with a \$61 target. Additional analysis of the quarter along with our key takeaways from the conference call are detailed below.

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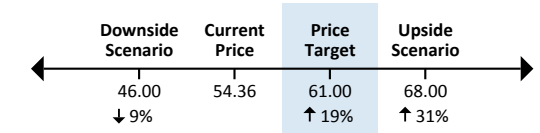
Outperform

NYSE: EPR; USD 54.36

Price Target USD 61.00

WHAT'S INSIDE	
<input type="checkbox"/> Rating/Risk Change	<input type="checkbox"/> Price Target Change
<input type="checkbox"/> In-Depth Report	<input checked="" type="checkbox"/> Est. Change
<input type="checkbox"/> Preview	<input type="checkbox"/> News Analysis

Scenario Analysis*



*Implied Total Returns

Key Statistics

Shares O/S (MM):	48.0	Market Cap (MM):	2,609
Dividend:	3.42	Yield:	6.3%
NAVPS:	60.89	P/NAVPS:	0.9x
Float (MM):	47.0	Enterprise Val. (MM):	4,622
Debt to Cap:	32%	Avg. Daily Volume (MM):	0.40

RBC Estimates

FY Dec	2013A	2014E	2015E	
Reported FFO/Share	3.91	4.03	4.45	
Prev.		4.16	4.51	
P/Reported FFO	13.9x	13.5x	12.2x	
NAREIT FFO/Share	4.13	4.08	4.45	
Prev.		4.16	4.51	
AFFO per Share	3.83	3.90	4.39	
Prev.		4.07	4.43	
P/AFFO Diluted	14.2x	13.9x	12.4x	
Reported FFO/Share		Q1	Q2	Q3
2013	0.94A	0.98A	1.01A	0.97A
2014	0.94A	0.99E	1.02E	1.08E
Prev.	0.96E	1.01E	1.06E	1.13E
2015	1.08E	1.11E	1.12E	1.14E
Prev.		1.10E	1.14E	1.19E
NAREIT FFO/Share				
2013	1.03A	0.85A	1.00A	1.23A
2014	1.00A	0.99E	1.02E	1.08E
Prev.	0.96E	1.01E	1.06E	1.13E
2015	1.08E	1.11E	1.12E	1.14E
Prev.		1.10E	1.14E	1.19E

All values in USD unless otherwise noted. \$MM except per share data.

Priced as of prior trading day's market close, EST (unless otherwise noted).

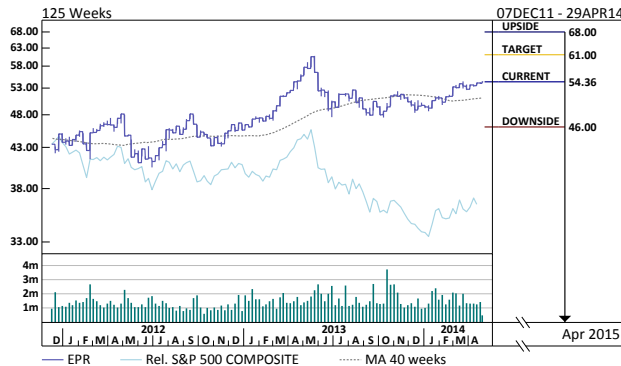
For Required Conflicts Disclosures, see Page 10.

RBC Capital Markets appreciates your consideration in the 2014 Institutional Investor All-America Research Team survey.



Target/Upside/Downside Scenarios

Exhibit 1: EPR Properties



Source: Bloomberg and RBC Capital Markets estimates for Upside/Downside/Target

Target price/ base case

For our base case scenario we assume year-end theater occupancy of 100.0% for 2014 and 100% for 2015. On the external front, we have assumed acquisition/development volume of \$585 million in 2014 and \$290 million in 2015.

Upside scenario

For our upside case scenario we assume year-end theater occupancy of 100% for 2014 and 100% for 2015. On the external front, we have assumed acquisition/development volume of \$675 million in 2014 and \$600 million in 2015. We have also assumed the cap rate for EPR's portfolio will be valued at 6.5% or 50 bps lower than our current assigned cap rate of 7.0%.

Downside scenario

For our downside case scenario we assume year-end theater occupancy of 98.0% for 2014 and 98.0% for 2015. On the external front, we have assumed acquisition/development volume of \$500 million in 2014 and \$200 million in 2015. We have also assumed the cap rate for EPR's portfolio will be valued at 8.5% or 100 bps higher than our current assigned cap rate of 7.0%.

Investment summary

EPR is a triple net real estate company focused on owning and operating assets in three major categories: Entertainment, education and recreation. Approximately 70% of the company's current EBITDA comes from movie theater assets and charter schools. We expect shares of EPR to outperform its peers over the next 12 months.

Potential Catalysts

- **The core movie theater business remains strong.** Some 70% of the company's EBITDA comes from movie theaters and retail associated with movie theater assets. Over the past 25 years, box office receipts have risen virtually every year, and the primary operators in the sector remain generally healthy. Additional rental upside is available to EPR if box office revenues at the company's assets post an unusually strong year. EPR is both a builder and buyer of theater assets.
- **Charter school assets are abundant.** The charter school industry includes over 7000 educational assets. EPR is one of the largest owners of charter schools with only a small number of assets. None of the leases on these assets expires before 2031. Given the large number of assets in the industry and the fact that some 600 charter schools are added in the U.S. annually, we believe that EPR is well-positioned to grow this business in a low risk manner.
- **EPR's investment grade balance sheet offers flexible capital sources.** Two of the three rating agencies rate EPR's senior debt as investment grade with a positive outlook from Moody's and a stable outlook from Fitch. The investment grade rating offers not only less expensive debt but is likely a positive for equity investors as well. Given the positive outlook by Moody's, we would not be surprised to see an upgrade from that agency.
- **Investor sentiment remains a contrarian positive.** We believe that investor sentiment does not yet reflect the long-term stability in cash flow that EPR has produced and should produce going forward.

Risks to Our Thesis

- Competition for theater and charter school acquisitions increases in earnest.
- Theater box office receipts become particularly weak.
- Ancillary businesses including water parks and ski areas produce sub-par results.
- The company ventures into assets that are unfamiliar to the market and perceived as excessively risky.
- Interest rates rise suddenly or substantially.



EPR posted another quarter of solid results in 1Q14

Exhibit 2: EPR Missed Us And Consensus By \$0.02 In 1Q14

	2014 1Q	2013 1Q	YoY Change	RBC	1Q14E Consensus
Reported FFO/Share	\$1.00	\$1.03	-2.7%	\$0.96	
Operating FFO/Share	\$0.94	\$0.94	0.2%	\$0.96	\$0.96
FAD/Share	\$0.94	\$0.93	1.1%	\$0.95	

Source: Company documents, ThomsonOne and RBC Capital Markets estimates

Exhibit 3: Income Statement Line Items That Differed Materially From Our Expectations

	Earnings Comparisons (\$M)				
	1Q13	4Q13	1Q14A	1Q14E	FFO/Share
Beat our estimate					
NOI / Mortgage income	75.7	82.6	83.1	82.7	\$0.01
TOTAL					\$0.01
Missed our estimate					
Interest Expense	19.0	19.6	18.9	17.5	(\$0.03)
TOTAL					(\$0.03)
NET IMPACT					(\$0.02)

Source: Company documents and RBC Capital Markets estimates

Exhibit 4: NOI Yield And The Company's Gross Margin Remained Healthy

	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
Operating Margin	91.2%	92.8%	92.2%	91.2%	91.3%	92.5%	92.3%	92.7%	92.7%
NOI Yield on Gross Book	10.2%	10.6%	10.4%	10.5%	10.5%	10.7%	10.4%	10.4%	10.3%

Source: Company documents and RBC Capital Markets estimates

Exhibit 5: Rental Revenue Jumped Again As Did Mortgage Income

	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
Rental Revenue	57.3	59.2	59.8	61.0	60.4	60.8	62.2	66.0	66.4
Mortgage Financing Interest	14.7	15.3	17.0	17.1	17.8	18.2	19.6	18.6	18.7

Source: Company documents and RBC Capital Markets estimates

Exhibit 6: Balance Sheet Metrics Keep Getting Better

	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
EBITDA interest coverage	3.7x	3.9x	3.7x	3.7x	3.6x	3.7x	3.8x	3.9x	4.0x
EBITDA/fixed charges coverage (x)	2.8x	2.9x	2.8x	2.8x	2.8x	2.9x	2.9x	2.8x	3.1x
Debt/Total market capitalization (%)	32.8	36.0	35.6	35.3	33.1	35.2	36.5	33.8	31.7

Source: Company documents and RBC Capital Markets estimates

Sale of four charter school assets is a positive, in our view

As is often the case when EPR enters a new property type, the investment community has been skeptical of the company's investments in the charter school platform. At the end of 1Q14, the company's investments in the education sector included 56 public charter schools and two early education centers which were 100% leased representing 17% of EBITDA. Imagine Schools, the company's largest charter school tenant represented 8% of total revenue and was the operator of 27 schools. Post quarter end, the company sold four Imagine operated charter schools to a private Florida owner/operator of charter schools looking for additional Southeastern charter school investments. The company sold the schools at a cap rate in the low 9% range vs. the 10% cap rate at time of the original investment. While the total dollar volume on the transaction was modest at \$45.9 million, the fact that the sales were consummated at a favorable cap rate is a positive. Management indicated that there is no change to the structure



of the remaining master lease with Imagine and that the full letter of credit remains intact. Management also suggested that the remainder of the charter school portfolio – managed by 25 different operators and now larger than the Imagine portion of the portfolio – should see a premium level of pricing given the lack of issues with those operators. There are currently no additional planned sales of charter schools in the EPR portfolio.

Theater portfolio purchase presents little risk

During the quarter, the company purchased an 11 theater portfolio out of special servicing at a cost of \$117.7 million including a mortgage loan of \$90.3 million. The assets include a total of 139 screens with none of the 11 megaplexes containing more than 16 screens. As such, there is little concern that any of these assets would need to be downsized. The properties are located in seven States and are master leased to a subsidiary of Regal Cinemas (NYSE:RGC). The term remaining on the initial lease is 13 years. Given that this acquisition along with the planned investment in build to suit projects takes the company close to its planned investment spend for the year, there appears to be no additional acquisition activity contemplated. We believe the investment guidance will ultimately prove conservative.

The line of credit capacity has been increased

This quarter, the company exercised a portion of the accordion feature on its credit facility in order to increase the line of credit capacity to \$535 million from \$475 million previously. The line was not recast in any way and has an accordion feature that peaks at a maximum of \$600 million. At quarter end, the company had no balance on the line of credit, leading to speculation that a large acquisition might be in the works. Management indicated that it is not currently working on any significant acquisition activity.

The DSPP has been temporarily halted

Management indicated that purchases under its Direct Share Purchase Plan have been halted for the time being given the significant liquidity currently available to the company. During 1Q14, EPR issued ~1.6 million shares for total proceed of \$79.5 million. We continue to model steady equity issuances in line with the company's overall investment activity in order to maintain balance sheet neutrality.

Exhibit 7: Comparable Metrics For EPR

	P/FFO 2013E	P/FFO 2014E	P/FAD 2013E	P/FAD 2014E	YE14 NAV/Share	Implied Cap Rate	Price/ Book
EPR	13.9x	13.5x	14.2x	13.9x	\$60.89	7.68%	1.4x
Net Lease (Median)	13.1x	12.2x	13.4x	12.3x	NA	NA	1.3x

	EV/ EBITDA	FFO Growth 2013E	FFO Growth 2014E	Dividend Yield	FAD Payout Ratio 2013E	Debt / EBITDA	Fixed Charge Coverage
EPR	13.9x	9%	3%	6.3%	89%	4.4x	3.2x
Net Lease (Median)	14.6x	4.6%	6.7%	6.0%	86%	4.3x	3.5x

Source: SNL Financial and RBC Capital Markets Estimates



Valuation

FFO Multiple. Based on our 2014 AFFO estimate of \$3.90/share, EPR currently trades at a multiple of 13.9x, which is above the net lease group median.

Net Asset Value. We estimate EPR's YE14 NAV to be \$60.89/share using a 7.0% economic cap rate on 12-month forward NOI. EPR's shares currently trade at an 7.68% implied cap.

Price Target Justification. Our price target of \$61.00/share is derived from our YE14 NAV/share estimate.

Price target impediments

The greatest risks to our estimates, recommendation and price target relate to general economic trends including, but not limited to, job growth, international trade, business and consumer spending, new office and industrial supply and access to capital. Higher raw material and labor costs related to development or redevelopment activities could also negatively impact investment. Additional risks, including the threat of terrorism, weather and key personnel changes, are outlined in the company's filings with the Securities and Exchange Commission.

Company description

Entertainment Properties Trust (NYSE-EPR) is a fully integrated self-administered, self-managed, real estate investment trust (REIT) engaged exclusively in the ownership, acquisition and development of destination entertainment, recreational and entertainment-related properties throughout the United States and Canada. The Company's portfolio currently comprises megaplex theaters, charter schools, metropolitan ski areas, and waterparks spread across 33 States, Washington, D.C. and Canada. These properties are generally leased through long-term leases triple-net lease, which provide a steady stream of cash flow over the duration of the lease. Additionally, the Company has recently established a mortgage investment portfolio that allows EPR the ability to further expand its portfolio, both internationally and with regards to property type, while at the same time generating attractive yields for investors. As a REIT, EPR is generally exempt from federal and state income taxes. The company's Web site is at www.eprkc.com.



EPR Properties															
Model Assumptions															
	2013					2014E					2015E				
	1Q	2Q	3Q	4Q	FY	1Q	2QE	3QE	4QE	FYE	1QE	2QE	3QE	4QE	FYE
Revenue Estimates															
Theater & Retail															
Occupancy															
Portfolio Theater Occupancy	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Growth in rental revenue	0.1%	0.1%	0.1%	0.1%	0.5%	0.2%	0.2%	0.2%	0.2%	0.9%	0.2%	0.2%	0.2%	0.2%	0.9%
Property Yields															
NOI yield, development	9.00%	9.00%	9.00%	9.00%	9.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
NOI yield, acquisitions	9.00%	9.00%	9.00%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
NOI yield, dispositions	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Property Changes															
To be built & opened (\$)	24	67	20	20	131	7	72	80	122	281	30	50	50	30	160
To be acquired (\$)	4	2	26	120	152	18	145	60	60	283	20	20	20	20	80
To be sold (\$)	24	0	-3	-5	15	0	0	0	0	0	0	0	0	0	0
Total \$ of property change	4	70	49	145	268	25	217	140	182	564	50	70	70	50	240
Property Change Consolidated Properties															
Wt. Avg for property change	27%	97%	50%	32%	<>	50%	14%	33%	33%	<>	50%	50%	50%	50%	<>
Mortgage & Other Financing															
End Of Period Total Investment Balance Net	468.6	482.3	514.1	486.3		490.8	494.1	497.3	500.6		504.0	507.5	511.0	514.5	
Mortgage Financing Interest (forecast)	17.5	18.2	18.8	18.8		18.6	18.4	18.5	19.7		20.3	20.8	21.8	22.3	
Mortgage Financing Interest (actual)	17.8	18.2	19.6	18.6		18.7	18.4	18.5	19.7		20.3	20.8	21.8	22.3	
Expense Estimates															
NOI margin	89.0%	90.4%	89.8%	90.7%	90.0%	90.8%	91.7%	91.3%	91.9%	91.4%	91.9%	91.9%	91.9%	91.9%	91.9%
Operating expense recovery ratio	66.0%	71.4%	67.1%	70.9%	69.0%	70.1%	72.0%	68.1%	71.9%	70.5%	71.1%	72.0%	69.1%	72.9%	71.3%
G&A growth rate	3%	4%	23%	14%	11%	12%	11%	3%	12%	9%	3%	3%	3%	4%	3%
G&A % of revenue	8%	7%	8%	7%	7%	8%	7%	7%	7%	7%	7%	6%	6%	6%	7%
Bad debt expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average cost of debt	5.59	5.49	5.14	4.70	4.70	5.12	4.97	4.77	4.67	4.67	4.67	4.67	4.67	4.67	4.67
Increase in overall debt costs	-0.30	-0.10	-0.36	-0.44	-1.19	0.42	-0.15	-0.20	-0.10	-0.03	0.00	0.00	0.00	0.00	0.00
Interest expense	19.0	19.0	19.4	19.6	77.0	18.9	20.0	19.7	20.6	79.1	20.6	20.3	20.3	19.9	81.1
Securities Issued															
Equity issued during period (\$M)	0	0	0	204	228	65	83	85	90	352	92	94	96	98	390
Number of Shares Issued (M)	0.00	0.00	0.00	4.14	4.14	1.30	1.56	1.50	1.50	5.86	1.50	1.50	1.50	1.50	6.00
Price Less Underwriter Discount	52.05	50.27	48.74	49.16	55.00	50.00	53.33	56.67	60.00	60.00	61.25	62.50	63.75	65.00	65.00

Source: RBC Capital Markets



EPR Properties
NAV Analysis

Current Share Price	\$54.36
YE14 NAV/Share Est.	\$60.89

	Implied Cap Rate
Assumed Cap Rate	7.68%
YE14 NAV/Share estimate	
Share price premium(discount) to NAV	
NOI, forward looking 12-months	324
(-) Straight Line Rents	4
(-) Recurring Cap Ex	5
Adjusted NOI for NAV Calculation	315
Market value of owned properties	4,101
Forward 12 Month Net Investment Income (NII)	85
NOI Capitalization Rate	9.5%
Value Of Investment Portfolio	897
(+) Cash and cash equivalents	20
(+) Total accounts receivable	42
(+) Restricted cash	20
(+) Assets held for sale	0
(+) Other assets	64
(+) Investments in joint ventures	6
(+) Land held for development	0
(+) Development projects at costs	341
Gross Market Value of Assets	5,490
(-) Total Liabilities	1,818
(-) Convertible Preferred C	135
(-) Convertible Preferred E	86
Net Market Asset Value	3,326
EOP common shares & units	61.2

NAV Sensitivity Analysis							
6.25%	6.50%	6.75%	7.00%	7.25%	7.50%	7.75%	
\$69.71	\$66.54	\$63.61	\$60.89	\$58.35	\$55.98	\$53.77	
(\$15.35)	(\$12.18)	(\$9.25)	(\$6.53)	(\$3.99)	(\$1.62)	\$0.59	
324	324	324	324	324	324	324	324
4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5
315	315	315	315	315	315	315	315
4,101	5,040	4,846	4,667	4,500	4,345	4,200	4,064
85	85	85	85	85	85	85	85
9.5%	10%	10%	10%	10%	10%	10%	10%
897	897	897	897	897	897	897	897
20	20	20	20	20	20	20	20
42	42	42	42	42	42	42	42
20	20	20	20	20	20	20	20
0	0	0	0	0	0	0	0
64	64	64	64	64	64	64	64
6	6	6	6	6	6	6	6
0	0	0	0	0	0	0	0
341	341	341	341	341	341	341	341
5,490	6,429	6,236	6,056	5,889	5,734	5,589	5,454
1,818	1,818	1,818	1,818	1,818	1,818	1,818	1,818
135	135	135	135	135	135	135	135
86	86	86	86	86	86	86	86
3,326	4,266	4,072	3,892	3,726	3,570	3,426	3,290
61.2	61.2	61.2	61.2	61.2	61.2	61.2	61.2

Source: RBC Capital Markets



Richard C. Moore II, CFA 440.715.2646 Wes Golladay, CFA 440.715.2650															
4/29/2014															
EPR Properties (EPR-NYSE)															
(In \$M except per share data or as otherwise specified)															
NAREIT FFO/share-unit															
Y-Q-Y Reported FFO Growth															
EPR Core FFO/share-unit															
Y-Q-Y Operating FFO Growth															
FAD/Share-unit primary															
Y-Q-Y FAD Growth															
2013					2014E					2015E					
1Q	2Q	3Q	4Q	FY	1Q	2Q	3QE	4QE	FYE	1QE	2QE	3QE	4QE	FYE	
Income Statement															
Revenues															
Rental Revenue	60.4	60.8	62.2	66.0	248.7	66.4	70.8	73.9	78.2	289.3	80.5	82.1	84.0	85.6	332.1
Tenant reimbursements	4.7	4.5	4.6	4.7	18.4	4.6	4.5	4.7	4.8	18.6	4.9	5.1	5.0	5.3	20.3
Mortgage Financing Interest	17.8	18.2	19.6	18.6	74.3	18.7	18.4	18.5	19.7	75.2	20.3	20.8	21.8	22.3	85.2
Interest and other income	0.0	0.1	1.4	0.1	1.7	0.2	0.2	0.2	0.2	0.7	0.2	0.2	0.2	0.2	0.7
Total revenues	83.0	83.6	87.8	89.4	343.1	89.9	93.8	97.3	102.8	383.8	105.9	108.2	110.9	113.4	438.3
Expenses															
Total property operating expenses	7.2	6.2	6.8	6.6	26.7	6.5	6.2	6.9	6.7	26.3	6.9	7.0	7.2	7.3	28.4
D&A	12.8	13.8	13.1	14.8	53.9	15.3	16.4	17.2	18.2	67.1	18.7	19.1	19.5	19.8	77.1
G&A	6.7	6.1	6.8	6.1	25.6	7.5	6.7	7.0	6.9	28.0	7.7	6.9	7.2	7.2	28.9
Interest Expense	19.0	19.0	19.4	19.6	77.0	18.9	20.0	19.7	20.6	79.1	20.6	20.3	20.3	19.9	81.1
Amortization of deferred financing costs	1.0	1.0	1.0	1.0	4.0	1.0	1.0	1.0	1.0	4.1	1.0	1.0	1.0	1.0	4.1
Total expenses	47.0	46.3	47.4	49.2	189.2	49.4	50.6	51.7	53.4	205.2	55.0	54.4	55.1	55.2	219.7
Income															
Income	36.0	37.3	40.4	40.1	153.8	40.4	43.3	45.5	49.4	178.7	50.9	53.8	55.7	58.1	218.5
Net income	41.2	32.5	43.5	63.0	180.2	43.5	43.6	45.9	49.7	182.7	51.2	54.1	56.1	58.5	219.9
Net income available to common	35.3	26.5	37.6	57.1	156.4	37.6	37.6	39.9	43.8	158.9	45.3	48.2	50.1	52.5	196.1
Net operating income (NOI)	57.9	59.0	60.0	64.0	240.4	64.5	69.1	71.7	76.3	281.6	78.5	80.1	81.7	83.6	323.9
EBITDA	69.1	71.3	74.3	76.6	290.8	75.8	80.9	83.5	89.3	329.5	91.3	94.2	96.5	98.9	380.9
Operating margin (%)	91.3	92.5	92.3	92.7	92.2	92.7	93.3	93.0	93.5	93.1	93.5	93.5	93.5	93.5	93.5
Net margin (%)	43.4	44.6	46.0	44.9	44.8	45.0	46.1	46.8	48.1	46.5	48.1	49.7	50.3	51.3	49.9
Funds From Operations (FFO)															
FFO as reported by the Company	48.3	40.2	47.6	63.3	199.4	52.7	53.9	56.9	61.8	225.2	63.8	67.0	69.4	72.1	272.2
Funds Available For Distribution (FAD)															
FAD	43.6	46.6	47.5	46.9	184.6	49.4	53.7	56.2	59.6	215.0	64.2	66.8	68.7	70.0	268.8
Weighted Average Shares & Units															
Common shares	46.9	47.1	47.3	50.8	48.0	52.5	54.2	55.8	57.3	54.9	58.8	60.3	61.8	63.3	61.0
Share-units	46.9	47.1	47.3	50.8	48.0	52.5	54.2	55.8	57.3	54.9	58.8	60.3	61.8	63.3	61.0
Total dilutive shares FFO	47.0	47.3	47.5	52.9	50.2	52.7	54.4	55.9	57.4	55.1	58.9	60.4	61.9	63.4	61.2
Per Weighted Average Share-unit															
FFO/share as reported by the Company	1.03	0.85	1.00	1.23	4.13	1.00	0.99	1.02	1.08	4.08	1.08	1.11	1.12	1.14	4.45
FAD+/Share-unit	0.91	0.99	1.01	0.93	3.84	0.94	0.99	1.01	1.04	3.92	1.09	1.11	1.11	1.11	4.41
FFO payout ratio as reported by the Company(%)	76.9	93.0	78.8	64.1	76.5	85.6	86.4	84.1	79.5	83.7	81.4	79.4	78.6	77.4	79.1
FAD payout ratio (Dividends/FAD) (%)	85.2	80.2	79.0	85.6	82.4	91.2	86.6	85.1	82.4	87.7	80.8	79.7	79.4	79.8	80.1
EOP,book value/share fully diluted	38.38	39.22	39.42	40.61	40.61	40.84	41.84	41.63	41.58	41.58	42.21	42.39	42.60	43.28	43.28
EOP,NAV/share-unit	52.38	53.39	53.85	54.78	54.78	57.48	58.48	59.71	60.89	60.89	<>	<>	<>	<>	<>
Balance Sheet Data															
Total non-property assets	855	876	912	877	877	908	908	908	908	908	908	908	908	908	908
Retained FAD	6	10	10	7	33	5	8	9	11	28	13	14	15	15	55
EOP,operating property at cost	2209	2259	2335	2514	2514	2512	2729	2869	3051	3051	3101	3171	3241	3291	3291
Accumulated depreciation	348	395	398	410	410	422	439	456	473	473	492	511	530	549	549
Total Assets	2952	3016	3135	3272	3272	3339	3540	3663	3827	3827	3859	3910	3961	3991	3991
Liabilities															
Total long term debt	1383	1475	1546	1475	1475	1483	1581	1669	1792	1792	1742	1738	1731	1674	1674
Total liabilities	1494	1562	1642	1584	1584	1579	1677	1765	1888	1888	1838	1834	1827	1770	1770
Shareholder's equity	1458	1454	1493	1688	1688	1760	1862	1897	1939	1939	2020	2075	2133	2220	2220
Total liabilities & shareholder's equity	2952	3016	3135	3272	3272	3339	3540	3663	3827	3827	3859	3910	3961	3991	3991
Common shareholders equity	1457	1454	1493	1687	1687	1760	1862	1897	1938	1938	2020	2075	2133	2220	2220
Capital Structure Analysis															
EBITDA interest coverage (x)	3.6	3.7	3.8	3.9	3.8	4.0	4.0	4.2	4.3	4.2	4.4	4.6	4.8	5.0	4.7
EBITDA/fixed charges coverage (x)	2.8	2.9	2.9	2.8	2.7	3.1	3.1	3.3	3.4	3.2	3.4	3.6	3.7	3.8	3.6
Debt / NOI coverage	4.7x	4.6x	4.6x	4.5x	4.5x	<>	<>	<>	<>	<>	<>	<>	<>	<>	<>
Debt/Total market capitalization (%)	33.1	35.2	36.5	33.8	33.8	31.7	32.5	32.0	31.9	31.9	30.4	29.5	28.6	27.1	27.1
EV/EBITDA (Trailing 12 months)	15.0	14.9	14.7	14.9	14.9	15.6	15.7	16.4	17.0	17.0	16.6	16.4	16.3	16.2	16.2
Profitability Statistics (%)															
G&A/Total revenues	8.0	7.2	7.7	6.9	7.5	8.3	7.2	7.2	6.7	7.3	7.3	6.4	6.5	6.3	6.6
NOI Yield Historical	11.1	11.0	10.8	10.7	10.9	10.6	10.5	10.4	10.5	10.5	10.6	10.7	10.7	10.8	10.7
NOI Yield on average gross book value	10.5	10.7	10.4	10.4	10.5	10.3	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2
Operating expense recovery ratio	66.0	71.4	67.1	70.9	69.0	70.1	72.0	68.1	71.9	70.5	71.1	72.0	69.1	72.9	71.3
Capex as a % of total base rent	0.9	0.5	1.0	4.0	1.6	1.7	0.7	1.4	3.2	1.8	0.6	0.6	1.2	2.9	1.4
Year-over-year growth(%)															
Revenues	8.0	5.9	7.7	7.2	6.6	8.3	12.3	10.8	15.1	11.9	17.8	15.3	13.9	10.3	14.2
Property operating expenses	6.8	9.8	6.1	-10.4	-1.1	-8.9	0.2	1.0	1.9	-1.3	5.2	12.5	4.9	9.5	7.9
FFO/share as reported by the Company	19.7	-7.3	6.3	41.4	15.1	-2.7	16.5	1.5	-12.8	-1.1	8.2	12.0	10.1	5.8	8.9

Source: Company Reports and RBC-Capital Markets



All values in USD unless otherwise noted. \$MM except per share data.

VALUATION	2013	2014E	2015E
Reported FFO/Share	3.91	4.03	4.45
NAREIT FFO/Share	4.13	4.08	4.45
P/Reported FFO	13.9x	13.5x	12.2x
TEV/EBITDA	15.6x	14.2x	14.0x
AFFO per Share	3.83	3.90	4.39
P/AFFO Diluted	14.2x	13.9x	12.4x
AFFO Payout Ratio	82.4%	87.7%	80.1%
Dividend/Share	3.16	3.42	3.52
NAV/Share	54.78	60.89	
P/NAV	1.0x	0.9x	--
Implied Capitalization Rate	7.4%	7.3%	
INCOME STATEMENT	2013	2014E	2015E
Operating Revenues	267.1	307.9	352.4
Operating Expenses	26.7	26.3	28.4
Net Operating Income (NOI)	240.4	281.6	323.9
Corporate G&A	25.6	28.0	28.9
EBITDA	290.8	329.5	380.9
Interest Expense (incl converts)	77.0	79.1	81.1
Preferred Divs	23.8	23.8	23.8
Reported FFO	199.4	225.2	272.2
CASH FLOW	2013	2014E	2015E
Cash flow from operations	231.2	322.0	380.9
Capex	4.1	5.2	4.5
Free Cash Flow	227.2	316.9	376.4
Dividends/Other Distributions	183.3	211.7	238.6
Free Cash Flow post Dividends	43.8	105.2	137.8
Net Issuance Debt/Preferred	106.5	0	0
Net Issuance Equity	227.7	351.8	390.0
Net Change in Cash	(2.7)	12.4	0
BALANCE SHEET	2013	2014E	2015E
Cash	8.0	20.4	20.4
Properties - Gross	2,804.6	3,392.5	3,632.5
Total Assets	3,272.3	3,827.1	3,991.2
Total Debt	1,475.3	1,792.2	1,674.4
Preferreds + Convertible Debs	346.3	346.3	346.3
Minority Interest & Other LT Liab	0.4	0.4	0.4
Common Equity	1,687.6	1,938.6	2,220.4
Total Liabilities & Equity	3,272.3	3,827.1	3,991.2
Common Shares	48.0	54.9	61.0
FFO Shares (common shares+ operating units)	50.2	55.1	61.2
KEY PERFORMANCE METRICS	2013	2014E	2015E
NOI Margin	90.0%	91.4%	91.9%
Cash NOI Yield (ROIC)	10.5%	10.2%	10.2%
G&A as % of Revenues	7.5%	7.3%	6.6%
Expense Recovery Ratio	69.0%	70.5%	71.3%
Fixed Charge Coverage	2.7x	3.2x	3.6x
Net Debt / EBITDA	4.5x	4.7x	
Net + Pref & Converts / EBITDA	6.0x	5.6x	5.4x
Net Debt/GBV	40.1%	41.7%	36.9%

Source: Company reports, RBC Capital Markets estimates



Required disclosures

Conflicts disclosures

The analyst(s) responsible for preparing this research report received compensation that is based upon various factors, including total revenues of the member companies of RBC Capital Markets and its affiliates, a portion of which are or have been generated by investment banking activities of the member companies of RBC Capital Markets and its affiliates.

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RBC Capital Markets has provided EPR Properties with investment banking services in the past 12 months.

RBC Capital Markets has provided EPR Properties with non-securities services in the past 12 months.

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An analyst's 'sector' is the universe of companies for which the analyst provides research coverage. Accordingly, the rating assigned to a particular stock represents solely the analyst's view of how that stock will perform over the next 12 months relative to the analyst's sector average. Although RBC Capital Markets' ratings of Top Pick (TP)/Outperform (O), Sector Perform (SP), and Underperform (U) most closely correspond to Buy, Hold/Neutral and Sell, respectively, the meanings are not the same because our ratings are determined on a relative basis.

Ratings

Top Pick (TP): Represents analyst's best idea in the sector; expected to provide significant absolute total return over 12 months with a favorable risk-reward ratio.

Outperform (O): Expected to materially outperform sector average over 12 months.

Sector Perform (SP): Returns expected to be in line with sector average over 12 months.

Underperform (U): Returns expected to be materially below sector average over 12 months.

Risk Rating

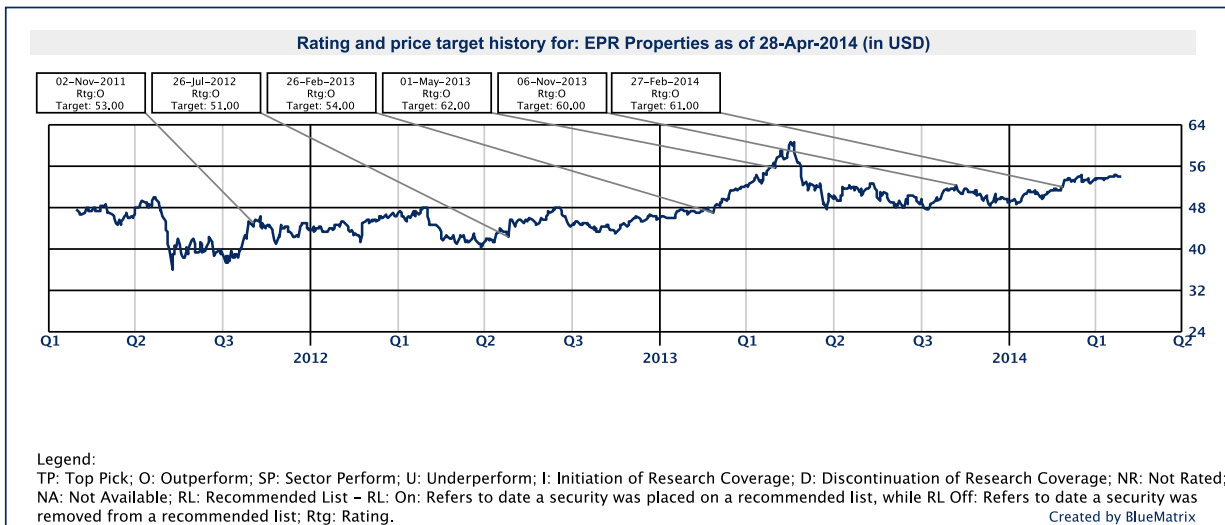
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For the purpose of ratings distributions, regulatory rules require member firms to assign ratings to one of three rating categories - Buy, Hold/Neutral, or Sell - regardless of a firm's own rating categories. Although RBC Capital Markets' ratings of Top Pick(TP)/ Outperform (O), Sector Perform (SP), and Underperform (U) most closely correspond to Buy, Hold/Neutral and Sell, respectively, the meanings are not the same because our ratings are determined on a relative basis (as described below).

Distribution of ratings RBC Capital Markets, Equity Research As of 31-Mar-2014				
Rating	Count	Percent	Investment Banking Serv./Past 12 Mos.	
			Count	Percent
BUY [Top Pick & Outperform]	822	52.49	303	36.86
HOLD [Sector Perform]	654	41.76	170	25.99
SELL [Underperform]	90	5.75	11	12.22



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