



Five Star Quality Care, Inc. Terminates Remaining Sunrise Management Contracts

NEWTON, Mass.--Five Star Quality Care, Inc. (AMEX: FVE) announced today that it has terminated the seven remaining management agreements under which Sunrise Senior Living Services, Inc. (NYSE: SRZ) managed senior living communities for Five Star.

Until December 2005, Sunrise managed 30 senior living communities for Five Star. During 2005 and 2006, Five Star terminated the management agreements for all of these communities. The termination today affects the last remaining seven communities. As part of this termination, Five Star will report \$40 million of termination fees as an expense in the quarter ended December 31, 2006.

The seven communities subject to management agreements terminated today are located in Delaware (one community), Florida (one community), New Jersey (one community), Ohio (one community), South Carolina (one community) and Texas (two communities).

Five Star Quality Care, Inc. is a healthcare services company which operates healthcare and senior living communities. Five Star owns, leases and operates 161 senior living communities with over 18,000 separate living units located in 29 states. These communities include independent living, assisted living and skilled nursing communities. Five Star also operates two rehabilitation hospitals and five institutional pharmacies, one of which also provides mail order pharmaceuticals to the general public. Five Star is headquartered in Newton, Massachusetts.

WARNING CONCERNING FORWARD LOOKING STATEMENTS

THIS PRESS RELEASE CONTAINS FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND FEDERAL SECURITIES LAWS. THESE STATEMENTS REPRESENT FIVE STAR'S PRESENT BELIEFS AND EXPECTATIONS, BUT THEY MAY NOT OCCUR FOR VARIOUS REASONS. FOR EXAMPLE, THE TERMINATION OF THE SEVEN MANAGEMENT AGREEMENTS WITH SUNRISE MAY IMPLY THAT FIVE STAR'S FINANCIAL RESULTS WILL IMPROVE IN THE FUTURE. HOWEVER, THE TERMINATION OF THE SEVEN MANAGEMENT AGREEMENTS MAY NOT IMPROVE FIVE STAR'S FINANCIAL RESULTS OR MAY CAUSE IT TO EXPERIENCE OPERATING LOSSES. ALTHOUGH ITS EXPECTATION IS OTHERWISE, FIVE STAR MAY BE UNABLE TO OPERATE THE COMMUNITIES THAT ARE THE SUBJECT OF THESE SEVEN MANAGEMENT AGREEMENTS FOR ITS OWN ACCOUNT IN A MANNER WHICH IS AS PROFITABLE AS, OR MORE PROFITABLE THAN, THEY HAVE BEEN OPERATED BY SUNRISE. YOU SHOULD NOT PLACE UNDUE RELIANCE UPON FIVE STAR'S FORWARD LOOKING STATEMENTS. EXCEPT AS MAY BE REQUIRED BY APPLICABLE LAW, FIVE STAR DOES NOT INTEND TO IMPLY THAT IT WILL RELEASE PUBLICLY THE RESULT OF ANY REVISION TO THE FORWARD LOOKING STATEMENTS CONTAINED IN THIS PRESS RELEASE TO REFLECT THE FUTURE OCCURRENCE OF PRESENTLY UNANTICIPATED EVENTS.

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