



NEWS RELEASE

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SUNRISE TO ACQUIRE TRINITY HOSPICE FOR \$68 MILLION

**-- Acquisition of Eighth Largest U.S. Hospice Provider Will Allow Sunrise
to Provide Hospice Services --**

-- New Scalable Business Line Expands Opportunities to Serve More Seniors—

-- Transaction to be Accretive in 2007 --

MCLEAN, Va. - Sunrise Senior Living, Inc. (NYSE: SRZ) today announced that it has signed a definitive agreement to acquire Trinity Hospice, Inc. (Trinity), the eighth largest hospice care provider in the United States with expected revenue of \$60 million in 2006. Through this acquisition, Sunrise will enter the fast-growing hospice care industry, which grew at a 26 percent compounded annual growth rate between 2000 and 2004 and is expected to grow to over \$10 billion in 2006.

“Both the hospice movement and Sunrise were born out of a shared vision to deinstitutionalize elder care and both have thrived over the past 25 years as consumers have sought higher quality of life alternatives,” said Paul Klaassen, chairman and CEO of Sunrise Senior Living. “Trinity is a perfect complement to our growing portfolio of services enabling seniors to age with dignity.”

Sunrise has been interested in entering the hospice business for some time and has been seeking the right platform with a strong management team, both of which Trinity provides in this acquisition. Several other advantages include:

- The ability to provide hospice services to residents at Sunrise communities. Each year thousands of seniors in Sunrise communities utilize hospice care through external providers. Sunrise will now have the opportunity to provide hospice services through Trinity to its network of more than 420 communities with a capacity for 50,000 residents.
- Accelerated growth at Trinity should help Sunrise to maintain its historically rapid growth rate.

- Trinity's high quality hospice and palliative care services fit Sunrise's resident-centered model of senior living, allowing residents to determine how, where and when to receive care and services. The common mission of each company will strengthen each organization's focus on customer quality of life.

Once the acquisition closes, which is expected in the third or fourth quarter of 2006, Trinity will join Sunrise as a wholly-owned subsidiary and will focus on growing and aligning its operations with Sunrise in major markets across the United States. Trinity's success in recruiting and retaining results-driven team members with a keen understanding of the hospice business provides the perfect platform to successfully grow and carefully manage the specialized nature of hospice care.

Trinity, a Dallas, Texas-based provider of comprehensive hospice care was founded in 1998 and operates 24 hospice programs in nine states (Ariz., La., Kan., Mo., Miss., Okla., Pa., Tenn. and Texas). The hospice provider is currently a portfolio company of KRG Capital Partners, L.L.C., a Denver-based middle market private equity firm. In aggregate, Trinity's locations have an average daily census of approximately 1,400 patients and are expected to generate approximately \$60 million in revenue during 2006, which represents less than 4 percent of Sunrise's total revenues. Approximately 94 percent of Trinity's revenue consists of payments from Medicare.

"Although Trinity is a regional company today, our strategy over the next several years will be to expand its operations into markets where Sunrise already has a significant number of communities," said Tiffany Tomasso, Chief Operating Officer at Sunrise Senior Living. "Combining Trinity's hospice expertise with Sunrise's national presence in all of the largest U.S. major metropolitan markets provides us with another growth engine."

"Hospice utilization is growing, but not nearly enough people are aware of the valuable benefits it can provide to those approaching the end of life," said Dino Eliopoulos, COO and CFO of Trinity Hospice, Inc. "As part of Sunrise, Trinity will have the resources and a national platform to reach more people who seek quality end of life care."

The aggregate purchase price for this transaction is \$68 million plus approximately \$3 million in transaction costs for a total of approximately \$71 million, subject to various adjustments as set forth in the acquisition agreement. Sunrise expects the transaction to be accretive to EPS in 2007 and expects to fund this acquisition through its existing cash balances and corporate credit facility. The acquisition agreement has been approved by the Boards of Directors of both Sunrise and Trinity and the transaction is expected to close promptly upon completion of customary closing conditions and regulatory approvals.

About Sunrise Senior Living

Sunrise Senior Living, a McLean, Va. based company, employs more than 40,000 people. As of June 30, 2006, Sunrise operated 422 communities in the United States, Canada, Germany and the United Kingdom with a combined capacity for approximately 50,000 residents. Sunrise also had 43 communities under construction in these countries with a combined capacity for more than 6,000 additional residents. Sunrise offers a full range of personalized senior living services, including independent living, assisted living, care for individuals with Alzheimer's and other forms of memory loss, as well as nursing and rehabilitative care and home health care in select markets. Sunrise's senior living services are delivered by staff trained to encourage the independence, preserve the dignity, enable freedom of choice and protect the privacy of residents. To learn more about Sunrise, please visit <http://www.sunriseseniorliving.com>.

Forward Looking Statements

Estimates of future earnings are by definition, and certain other matters discussed in this press release may be, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Although Sunrise believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, there can be no assurances that its expectations will be realized. Sunrise's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to, its ability to successfully complete the Trinity transaction (and the other recently announced transactions) and integrate them into the Company's operations, completion of Sunrise's accounting review and finalization of the restatement of its financial statements, the actual performance of the Company's other recent acquisitions, development and construction risks, acquisition risks, licensing risks, business conditions, competition, changes in interest rates, our ability to manage our expenses, market factors that could affect the value of our properties, the risks of downturns in general economic conditions, satisfaction of closing conditions and availability of financing for development and acquisitions. These and other risks are detailed in the Company's annual report on Form 10-K filed with the Securities and Exchange Commission. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

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