ENTERTAINMENT PROPERTIES TRUST
Form 424B5
January 12, 2005

Table of Contents

This filing is made pursuant to
Rule 424(b)(5) of the Securities Act of 1933 with
respect to Registration Statement No. 333-113626

Prospectus Supplement
(To prospectus dated March 26, 2004)

3,200,000 Preferred Shares

Entertainment Properties Trust

7.75% Series B Cumulative Redeemable Preferred Shares of Beneficial Interest

Liquidation Preference $25.00 per Share

We are offering and selling 3,200,000 shares of our 7.75% Series B cumulative redeemable preferred shares of beneficial interest, par value $0.01 per share, which we refer to as our Series B Preferred Shares. We will receive all of the net proceeds from the sale of the Series B Preferred Shares.

We will pay cumulative dividends on the Series B Preferred Shares from (and including) the date of original issuance in the amount of $1.9375 per share each year, which is equivalent to 7.75% of the $25.00 liquidation preference per share. Dividends on the Series B Preferred Shares will be payable quarterly in arrears, beginning on April 15, 2005.

We may not redeem the Series B Preferred Shares before January 19, 2010, except in limited circumstances to preserve our status as a real estate investment trust. On and after January 19, 2010, we may, at our option, redeem the Series B Preferred Shares in whole at any time or in part from time to time, by paying $25.00 per share, plus any accrued and unpaid dividends up to and including the date of redemption. The Series B Preferred Shares have no stated maturity, will not be subject to any sinking fund or mandatory redemption and will not be convertible into any of our other securities. Owners of the Series B Preferred Shares generally will have no voting rights, but will have limited voting rights if we fail to pay dividends for six or more quarters (whether or not consecutive) and in certain other events.

There is currently no public market for the Series B Preferred Shares. We have applied to list the Series B Preferred Shares on the New York Stock Exchange under the symbol EPR PrB, subject to official notice of issuance. We expect that trading on the New York Stock Exchange will commence within 30 days after the initial delivery of the Series B Preferred Shares. Our common shares of beneficial interest trade on the NYSE under the symbol EPR.

Investing in the Series B Preferred Shares involves certain risks. See Risk Factors on page S-10 of this prospectus supplement and page 3 of the accompanying prospectus for a discussion of risks relevant to an investment in the shares.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement is accurate or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price(1)	$ 25.0000	$ 80,000,000
Underwriting discount	$ 0.7875	$ 2,520,000
Proceeds, before expenses, to us	$ 24.2125	$ 77,480,000

(1) Plus accrued dividends, if any, from (and including) the original date of issuance.

The underwriters are severally underwriting the shares being offered.

The Series B Preferred Shares are subject to certain restrictions on ownership and transfer designed to preserve our qualification as a real estate investment trust for federal income tax purposes. See Description of Series B Preferred Shares Ownership Limit on page S-20 of this prospectus supplement and Description of Securities Ownership Limit beginning on page 29 of the accompanying prospectus for more information about these restrictions.

The underwriters expect that the Series B Preferred Shares will be ready for delivery in book-entry form through the facilities of The Depository Trust Company on or about January 19, 2005.

Bear, Stearns & Co. Inc.	**A.G. Edwards**
Sole Book-Running Manager	***Co-Lead Manager***
RBC Capital Markets	**Stifel, Nicolaus & Company Incorporated**

The date of this prospectus supplement is January 11, 2005

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus. Neither we nor the underwriters have authorized any person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein is accurate only as of their respective dates or as of other dates which are specified in those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

TABLE OF CONTENTS

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

We are providing information to you about this offering of our Series B Preferred Shares in two parts. The first part is this prospectus supplement, which provides the specific details regarding this offering. The second part is the accompanying prospectus, which provides general information. Generally, when we refer to this prospectus, we are referring to both documents combined. Some of the information in the accompanying prospectus may not apply to this offering. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

References to we, us, our, EPR or the Company refer to Entertainment Properties Trust. The term you refers to a prospective investo

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference the information we file with the SEC, which means we can disclose important information to you by referring to those documents. The information incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus. Any statement contained in a document which is incorporated by reference in this prospectus supplement or the accompanying prospectus is automatically updated and superseded if information contained in this prospectus supplement, the accompanying prospectus, or information we later file with the SEC, modifies or replaces that information.

The documents listed below have been filed by EPR under the Securities Exchange Act of 1934 (File No. 1-13561) and are incorporated by reference in this prospectus supplement:

1. Our annual report on Form 10-K for the year ended December 31, 2003 and amendment No. 1 thereto filed on April 15, 2004.

2. Our quarterly report on Form 10-Q for the quarter ended March 31, 2004; our quarterly report on Form 10-Q for the quarter ended June 30, 2004; and our quarterly report on Form 10-Q for the quarter ended September 30, 2004.

3. Our current report on Form 8-K filed on November 12, 2003 and amendment No. 1 thereto filed on January 12, 2004; our current report on Form 8-K filed on March 15, 2004 and amendment No. 1 thereto filed on March 16, 2004; our current report on Form 8-K filed on April 5, 2004; our current report on Form 8-K filed on April 21, 2004; our current report on Form 8-K filed on June 23, 2004; our current report on Form 8-K filed on June 25, 2004; our current report on Form 8-K filed on September 27, 2004; and our current report on Form 8-K filed on January 11, 2005.

4. The description of our Series A Preferred Shares included in our registration statement on Form 8-A filed on May 24, 2002.

In addition, all documents filed by us under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any information furnished pursuant to Item 2.02 or Item 7.01 in any current report on Form 8-K) after the date of this prospectus supplement and prior to the termination of the offering of the securities covered by this prospectus supplement, are incorporated by reference herein.

To obtain a free copy of any of the documents incorporated by reference in this prospectus supplement (other than exhibits, unless they are specifically incorporated by reference in the documents) please contact us at:

Investor Relations Department
Entertainment Properties Trust
30 W. Pershing Road, Suite 201
Kansas City, Missouri 64108
(816) 472-1700/FAX (816) 472-5794
Email info@eprkc.com

Table of Contents

Our SEC filings are also available at our Internet website at. www.eprkc.com. The information on our website is not, and you must not consider the information to be, a part of this prospectus supplement or the accompanying prospectus.

As you read these documents, you may find some differences in information from one document to another. If you find differences between the documents and this prospectus supplement or the accompanying prospectus, you should rely on the statements made in the most recent document.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

With the exception of historical information, this prospectus supplement and the accompanying prospectus and our reports filed under the Exchange Act and incorporated by reference in this prospectus supplement and the accompanying prospectus contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, such as those pertaining to our acquisition of properties, our capital resources and our results of operations. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of actual events. There is no assurance the events or circumstances reflected in the forward-looking statements will occur. You can identify forward-looking statements by use of words such as will be, intend, continue, believe, may, expect, hope, anticipate, goal, forecast, or other comparable terms, or by discu plans or intentions. Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise. Factors that could materially and adversely affect us include, but are not limited to the factors listed below:

The performance of lease terms by tenants;

Risk of our tenants filing for bankruptcy;

The concentration of leases with our single largest tenant;

Our continued qualification as a REIT;

Risks relating to real estate ownership and development;

Risks associated with use of leverage to acquire properties;

Risk of potential uninsured losses;

Risks involved in joint ventures;

Risks in leasing multi-tenant properties;

Risks of environmental liability;

Our ability to pay dividends on the Series B Preferred Shares; and

Certain limits on change in control imposed under law and by our charter and bylaws.

You should consider the risks described in Risk Factors on page S-10 of this prospectus supplement and beginning on page 3 of the accompanying prospectus in evaluating any forward-looking statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus.

Given these uncertainties, you should not place undue reliance on these forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements included or incorporated by reference in this prospectus supplement or the accompanying prospectus, whether as a result of new information, future events or otherwise. In light of the factors referred to above, the future events discussed or incorporated by reference in this prospectus supplement or the accompanying prospectus may not occur and actual results, performance or achievements could differ materially from those anticipated or implied in the forward-looking statements.

Table of Contents

PROSPECTUS SUPPLEMENT

SUMMARY

This summary may not contain all of the information that is important to you. Before making a decision to purchase shares, you should carefully read this entire prospectus supplement and the accompanying prospectus, especially the Risk Factors section on page S-10 of this prospectus supplement and beginning on page 3 of the accompanying prospectus, as well as the documents incorporated by reference in this prospectus supplement and in the accompanying prospectus. Unless otherwise indicated, financial information included in this prospectus supplement is presented on a historical basis.

About EPR

EPR is a self-administered real estate investment trust, or REIT. Our real estate portfolio is comprised of over $1 billion in assets and consists of 58 megaplex theatre properties (including three joint venture properties) and four theatre properties under development located in 22 states and Ontario, Canada, six entertainment retail centers (including one joint venture property) located in Westminster, Colorado, New Rochelle, New York and Ontario, Canada, other specialty properties, and land parcels leased to restaurant and retail operators adjacent to several of our theatre properties. Our theatre properties are leased to prominent theatre operators, including American Multi-Cinema, Inc. (referred to in this prospectus as AMC), Muvico Entertainment LLC, Regal Cinemas, Consolidated Theatres, Loews Cineplex Entertainment, Rave Motion Pictures, AmStar Cinemas LLC, Wallace Theatres, Crown Theatres and Southern Theatres.

As of January 10, 2005, approximately 60% of our megaplex theatre properties were leased to AMC as a result of a series of sale-leaseback transactions relating to a number of AMC megaplex theatres, and approximately 58% of our total annual lease revenues were derived from rental payments by AMC under these leases.

Beginning with our taxable year ended December 31, 1997, we have elected to be treated as a REIT for U.S. federal income tax purposes. In order to maintain our status as a REIT, we must comply with a number of requirements under federal income tax law that are discussed in Additional Federal Income Tax Consequences beginning on page S-20 of this prospectus supplement and U.S. Federal Income Tax Consequences beginning on page 18 of the accompanying prospectus.

We lease our single-tenant properties to tenants on a long-term triple-net basis that requires the tenant to assume the primary risks involved in operating the property and to pay substantially all expenses associated with the operation and maintenance of the property. We also own multi-tenant properties which are managed for us by third-party management companies.

EPR was formed on August 22, 1997 as a Maryland real estate investment trust. We completed an initial public offering of our common shares on November 18, 1997. Our executive offices are located at 30 W. Pershing Road, Suite 201, Kansas City, Missouri 64108. Our telephone number is (816) 472-1700.

Recent Developments

Increase in Authorized Preferred Shares

On January 11, 2005, we filed an amendment to our Declaration of Trust increasing the authorized number of preferred shares of beneficial interest, par value $0.01 per share, from 5 million shares to 10 million shares. We currently have 2,300,000 Series A preferred shares outstanding.

Acquisitions and Dispositions

Since January 1, 2004, we have acquired approximately $288.5 million in rental properties, increasing our rental asset base by approximately 31%.

Table of Contents

On March 1, 2004, we acquired, through our wholly-owned subsidiaries, four separate entertainment retail centers anchored by AMC megaplex theatres located in Ontario, Canada. The properties are the Mississauga Entertainment Centrum located in suburban Toronto, the Oakville Entertainment Centrum located in suburban Toronto, the Whitby Entertainment Centrum located in suburban Toronto, and the Kanata Centrum Walk located in suburban Ottawa. These properties contain an aggregate of approximately 1,046,800 gross square feet of retail and entertainment space, including the theatres. Our total aggregate acquisition price for these properties was approximately US$152 million, plus acquisition costs. Approximately US$27 million of the purchase price was paid in the form of an aggregate of 747,243 common shares of EPR then valued at US$36.25 per share. The cash portion of the purchase price was paid in Canadian dollars and financed through Canadian-dollar nonrecourse fixed-rate mortgage loans provided by GMAC Commercial Mortgage of Canada, Limited in the aggregate amount of approximately US$97 million. For more information about the acquisition and financing of these properties, see our current report on Form 8-K filed on March 15, 2004, as amended by Form 8-K/ A filed on March 16, 2004, incorporated by reference herein.

The following unaudited pro forma condensed income statements present income statement information for the year ended December 31, 2003 and the nine months ended September 30, 2004 as if the Canadian properties and our interest in New Roc Associates, L.P., which owns the New Roc City entertainment retail center in New Rochelle, New York, which we acquired on October 27, 2003, had been acquired on January 1, 2003. The unaudited pro forma information includes all adjustments considered necessary to present such information in accordance with the requirements of Article 11 of Regulation S-X under the Securities Exchange Act of 1934, as amended.

The following unaudited pro forma condensed consolidated financial data are presented for informational purposes only. The financial data have been derived from the historical consolidated financial statements included elsewhere in this prospectus supplement and the accompanying prospectus and should be read in conjunction with such financial statements including the notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations contained in our annual report on Form 10-K for the year ended December 31, 2003 and our quarterly report on Form 10-Q for the quarter ended September 30, 2004. The pro forma adjustments, as described in the notes to the following unaudited pro forma condensed consolidated financial data, are based on currently available information and certain adjustments that we believe are reasonable. The unaudited pro forma condensed consolidated financial data are not necessarily indicative of our consolidated financial position or results of operations that would have occurred had the transactions taken place on the dates indicated, nor are they necessarily indicative of our future consolidated financial position or results of operations.

Table of Contents

Entertainment Properties Trust

Unaudited Condensed Consolidated Pro Forma Income Statement

For the Year Ended December 31, 2003

	Historical Entertainment Properties Trust	Historical Courtney Square LP	Historical Kanata Centrum LP	Historical Whitby Centrum LP	Historical Oakville Centrum LP	Pro Forma Adjustments	Pro Forma Adjustments New Roc Associates, LP January 1 to October 27, 2003 (note 4)	Pro Forma Entertainment Properties Trust
	(In thousands except per share data)							
Rental revenue	$ 89,965	$ 2,686	$ 5,232	$ 3,220	$ 4,270	$	$ 7,304	$ 112,677
Other income	1,195	34	21	8	19			1,277
Total income	91,160	2,720	5,253	3,228	4,289		7,304	113,954
Property operating expense	698	369	144	262	75		771	2,319
General and administrative expense	3,859						180	4,039
Interest expense, net	30,570					6,343(1)	2,521	39,434
Depreciation and amortization	17,285					4,059(2)	2,445	23,789
Income before minority interest and income from joint venture	38,748	2,351	5,109	2,966	4,214	(10,402)	1,387	44,373
Equity in income from joint venture	401							401
Minority interest	(1,555)						(397)	(1,952)
Net income	$ 37,594	$ 2,351	$ 5,109	$ 2,966	$ 4,214	$ (10,402)	$ 990	$ 42,822
Preferred dividend requirements	(5,463)							(5,463)
Net income available to common shareholders	$ 32,131	$ 2,351	$ 5,109	$ 2,966	$ 4,214	$ (10,402)	$ 990	$ 37,359
Basic net income per common share	$ 1.81							$ 2.02
Diluted net income per common share	$ 1.77							$ 1.96
Shares used for computation:								
Basic	17,780					747(3)		18,527
Diluted	19,051					747(3)		19,798

Notes:

(1) We did not assume any of the existing debt on the Canadian properties; however, the purchase price was financed, in part, with debt of Cdn $128.6 million with a fixed rate of 6.85% and a term of 10 years. Pro forma interest expense is computed using the average 2003 conversion rate of 0.72 to convert the annual interest expense of the debt from Canadian dollars to US dollars.

(2) We purchased approximately US $152 million in buildings and land with the acquisition of the properties in Ontario, Canada on March 1, 2004. Based on appraisals dated October 1, 2003 and management analysis, $31.6 million, $110.7 million and $9.7 million were allocated to land, buildings and in-place leases, respectively. For the purpose of calculating pro forma depreciation and amortization, buildings are being depreciated over a 40-year life and in-place leases are being amortized over a 10- to 13-year life on a straight-line basis. In addition, term debt fee amortization related to the financing of the properties is being calculated based on $1.2 million in term debt fees amortized over the term of the debt of 10 years.

(3) We issued 747,243 common shares to the sellers of the Canadian properties.

(4) We acquired an ownership interest in New Roc Associates, L.P. (New Roc) on October 27, 2003. Pro forma information related to New Roc for the period from January 1, 2003 to October 27, 2003, as if it had been acquired on January 1, 2003, is presented above. For additional information regarding New Roc, see our current report on Form 8-K/ A dated October 27, 2003. Certain reclassifications of pro forma information as presented in that Form 8-K/ A have been made in the tabular presentation set forth above.

Table of Contents

Entertainment Properties Trust

Condensed Consolidated Pro Forma Income Statement

For the Nine Months Ended September 30, 2004

	Historical Entertainment Properties Trust	Historical Courtney Square LP	Historical Kanata Centrum LP	Historical Whitby Centrum LP	Historical Oakville Centrum LP	Pro Forma Adjustments January 1, 2004 to February 29, 2004	Pro Forma Entertainment Properties Trust
	(In thousands except per share data)						
Rental revenue	$ 91,273	$ 434	$ 877	$ 514	$ 735	$	$ 93,833
Other income	393		1		1		395
Total income	91,666	434	878	514	736		94,228
Property operating expense	1,590	53	101	77	11		1,832
General and administrative expense	3,685						3,685
Interest expense, net	29,435					1,116(1)	30,551
Depreciation and amortization	18,057					677(2)	18,734
Income before minority interest and income from joint ventures	38,899	381	777	437	725	(1,793)	39,426
Equity in income from joint ventures	482						482
Minority interest	(982)						(982)
Net income	$ 38,399	$ 381	$ 777	$ 437	$ 725	$ (1,793)	$ 38,926
Preferred dividend requirements	(4,097)						(4,097)
Net income available to common shareholders	$ 34,302	$ 381	$ 777	$ 437	$ 725	$ (1,793)	$ 34,829
Basic net income per common share	$ 1.56						$ 1.57
Diluted net income per common share	$ 1.51						$ 1.53
Shares used for computation:							
Basic	21,997					125(3)	22,122
Diluted	23,159					125(3)	23,284

Notes:

(1) We did not assume any of the existing debt on the Canadian properties; however, the purchase price was financed, in part, with debt of Cdn $128.6 million with a fixed rate of 6.85% and a term of 10 years. Pro forma interest expense for the two months ended February 29, 2004 is computed using the average conversion rate for that period of 0.76 to convert the annual interest expense on the debt from Canadian dollars to U.S. dollars.

(2) We purchased approximately US $152 million in buildings and land with the acquisition of the properties in Ontario, Canada on March 1, 2004. Based on appraisals dated October 1, 2003 and management analysis, $31.6 million, $110.7 million and $9.7 million were allocated to land, buildings and in-place leases, respectively. For the purpose of calculating pro forma depreciation and amortization, buildings are being depreciated over a 40-year life and in-place leases are being amortized over a 10- to 13-year life on a straight-line basis. In addition, term debt fee amortization related to the financing of the properties was calculated based on $1.2 million in term debt fees amortized over the term of the debt of 10 years.

(3) We issued 747,243 common shares to the sellers of the Canadian properties on March 1, 2004. Pro forma shares were calculated for the two months ended February 29, 2004.

Table of Contents

On March 31, 2004, we acquired three megaplex theatre properties from AMC for an aggregate purchase price of approximately $64.2 million. These theatres are the AMC Hamilton 24 theatre in suburban Trenton, New Jersey, the AMC Deer Valley 30 theatre in suburban Phoenix, Arizona and the AMC Mesa Grand 24 theatre in Mesa, Arizona. The theatres contain an aggregate of 78 screens and have been leased-back to AMC under long-term triple-net leases.

On July 28, 2004, we acquired an 18-screen Rave megaplex theatre constructed on real estate owned by us in Peoria, Illinois for a purchase price of approximately $10.9 million, and a 16-screen Southern Theatres megaplex theatre constructed on real estate of which we are ground lessee in Lafayette, Louisiana for a purchase price of approximately $8.3 million. The theatres have been leased-back to the operators under long-term triple-net leases.

We provided development financing for an 18-screen Rave megaplex theatre on property we own in Hurst, Texas. The theatre opened on November 16, 2004. Our total development cost, including land, was approximately $16.7 million. The theatre has been leased to the operator under a long-term triple-net lease.

We provided development financing for a 14-screen Southern Theatres megaplex theatre on property we own in Biloxi, Mississippi. The theatre opened on December 14, 2004. Our total development cost, including land, was approximately $10 million. The theatre has been leased to the operator under a long-term triple-net lease.

We provided development financing for a 16-screen Rave megaplex theatre on property we own in Melbourne, Florida. The theatre opened on December 17, 2004. Our total development cost, including land, was approximately $12.6 million. The theatre has been leased to the operator under a long-term triple-net lease.

We provided development financing for a 16-screen Consolidated Theatres megaplex theatre on property we own in Wilmington, North Carolina. The theatre is scheduled to open in January 2005. Our total development cost, including land, was approximately $8.5 million. The theatre has been leased to the operator under a long-term triple-net lease.

On September 30, 2004, we sold 100% of our interest in the Hawaiian Falls Adventure Water Park in Garland, Texas for $3.3 million in cash.

Development Projects

We had a total of four theatre development projects as of January 10, 2005 for which we have agreed to either finance the development costs or purchase the theatre upon completion. The properties are being developed by the prospective tenants. The theatres are expected to have a total of 58 screens and their total development cost (including land) is expected to be approximately $39.9 million. We have purchased the underlying land on three theatre projects for an aggregate of $6.6 million, and intend to fund the remaining development costs through our Bank of America credit facility and/or additional debt or equity financing, including the Series B Preferred Shares. Development costs are advanced by us either in periodic draws or upon successful completion of construction. If we determine that construction is not being completed in accordance with the terms of a development agreement, we can discontinue funding construction draws or refuse to purchase the completed theatre. We have agreed to lease the theatres to the operators at pre-determined rates.

Common Share Offerings

On April 26, 2004, we completed an offering of 2,250,000 common shares. The underwriters also exercised an over-allotment option for 337,500 additional shares for a total issuance of 2,587,500 shares. Net proceeds of the offering were approximately $81.9 million and were used to finance the three AMC properties referred to above, reduce borrowings under our Bank of America credit facility and for other corporate purposes.

On June 28, 2004, we completed an offering of 1,000,000 common shares. Net proceeds of this offering were approximately $35.4 million and were used for general corporate purposes, including reducing borrowings under our Bank of America credit facility.

Table of Contents

Conversion of Preferred Interest in EPT Gulf States, LLC

On September 20, 2004, the preferred interest in our consolidated subsidiary, EPT Gulf States, LLC, which was originally issued to the sellers of five megaplex theatres in Louisiana, was converted into an aggregate of 857,145 common shares of EPR. As a result, $15 million of minority interest in a consolidated subsidiary was converted to common shares and additional paid-in capital.

Financings and Lines of Credit

On February 27, 2004, we entered into a second general partnership joint venture with Atlantic of Hamburg, Germany (referred to in this prospectus as Atlantic). We contributed the AMC Tampa Veterans 24 theatre to the partnership in exchange for a 20% interest in the partnership and $8.24 million in cash. Atlantic has an 80% interest in the partnership. Commencing January 1, 2007, Atlantic will have the right to exchange up to 10% of its interest in the partnership annually for common shares of EPR valued at the then current market price or, at our option, we may pay Atlantic the cash value of those shares based on that market price.

On March 29, 2004, we entered into an amendment to our secured revolving credit facility with Fleet National Bank (now Bank of America) (referred to in this prospectus as the Bank of America credit facility), which increased the maximum amount available for borrowing from $50 million to $150 million, subject to compliance with the borrowing base and other covenants contained in the Bank of America credit facility, extended the term to three years plus a one-year extension option and reduced the cost of the facility to a pricing grid of LIBOR plus 1.75% to 2.50% or the Applicable Base Rate plus 0.25% to 1.00%. On April 1, 2004, we used approximately $20 million in borrowings under the Bank of America credit facility to pay off our secured credit facility with iStar Financial and terminated the iStar credit facility. As a result of terminating the iStar credit facility, we paid a prepayment penalty of $404,000 and recorded a non-cash expense during the second quarter of 2004 to write-off approximately $730,000 of unamortized financing fees related to the iStar credit facility. We intend to use future borrowings under the Bank of America credit facility for the acquisition of properties and to fund ongoing development projects.

Dividends

On December 13, 2004, our Board of Trustees declared a common share dividend of $0.5625 per share for the fourth quarter of 2004, payable on January 14, 2005. The aggregate dividend paid on our common shares for 2004 was $2.25 per share, compared to an aggregate dividend of $2.00 per common share paid in 2003. We have paid the regular quarterly 9.50% fixed dividend on our Series A Preferred Shares.

Executive Officer 10b5-1 Plans

David M. Brain, our President and Chief Executive Officer, and Gregory K. Silvers, our Vice President, Secretary, General Counsel and Chief Development Officer, have adopted, for estate planning purposes, common share sale plans under SEC Rule 10b5-1, pursuant to which common shares owned by them may be sold on a periodic basis in accordance with the provisions of their respective plans. Mr. Brain s plan originally covered 50,000 shares and Mr. Silvers plan originally covered 16,000 shares. All of the shares covered by Mr. Silvers plan have been sold. The shares covered by each officer s 10b5-1 plan were acquired by him under our 1997 Share Incentive Plan.

Recent Tax Law Changes

The 2004 American Jobs Creation Act (P.L. 108-357), signed into law October 22, 2004, amended and added several provisions of federal income tax law that affect REITs generally, including EPR. Some of these changes have retroactive effect. These changes, along with other relevant provisions of federal income tax law, are discussed in Additional Federal Income Tax Consequences beginning on page S-20 of this prospectus supplement. Any statement in US Federal Income Tax Consequences beginning on page 18 of the accompanying prospectus, to the extent such statement is modified by information in Additional Federal Income Tax Consequences in this prospectus supplement, is updated and superceded by the information in Additional Federal Income Tax Consequences.

Table of Contents

THE OFFERING

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the Series B Preferred Shares, see Description of Series B Preferred Shares in this prospectus supplement.

Issuer	Entertainment Properties Trust
Securities Offered	3,200,000 shares of 7.75% Series B cumulative redeemable preferred shares of beneficial interest, par value $0.01 per share (referred to in this prospectus as Series B Preferred Shares).
Dividends	Dividends on the Series B Preferred Shares are cumulative from (and including) the date of original issue by us and are payable quarterly in arrears on or about the 15th day of January, April, July and October of each year (or if not a business day, on the next succeeding business day), when and as declared by our Board of Trustees. We will pay cumulative dividends on the Series B Preferred Shares in the amount of $1.9375 per share each year, which is equivalent to 7.75% of the $25.00 per share liquidation preference. We will pay the first dividend on April 15, 2005. That first dividend (which will reflect a short dividend period) and any dividend payable on the Series B Preferred Shares for any partial dividend period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends on the Series B Preferred Shares will continue to accrue even if any of our agreements prohibit the current payment of dividends, we do not have earnings or funds legally available to pay such dividends, or we do not declare the payment of dividends.
Liquidation Preference	$25.00 per Series B Preferred Share, plus an amount equal to accrued and unpaid dividends, whether or not declared, if we liquidate, dissolve or wind up, subject to the rights of creditors and any future senior security holders. The rights of holders of Series B Preferred Shares to receive their liquidation preference will be subject to the proportionate rights of each other series or class of our shares ranked on a parity with the Series B Preferred Shares.
Optional Redemption	We may not redeem the Series B Preferred Shares prior to January 19, 2010, except in limited circumstances to preserve our qualification as a REIT. On and after January 19, 2010, we may, at our option, redeem the Series B Preferred Shares, in whole or from time to time in part, by paying $25.00 per share plus any accrued and unpaid dividends up to and including the redemption date.
No Maturity	The Series B Preferred Shares have no maturity date and we are not required to redeem the Series B Preferred Shares at any time. Accordingly, the Series B Preferred Shares will remain outstanding indefinitely, unless we decide at our option to redeem the Series B Preferred Shares after January 19, 2010. We are not required to set aside funds to redeem the Series B Preferred Shares.
Ranking	The Series B Preferred Shares will rank senior to our common shares and on a parity with our existing 9.50% Series A cumulative redeemable preferred shares (referred to in this prospectus as Series A Preferred Shares) and any other parity securities we may issue in the future. Such ranking applies to the

Table of Contents

	payment of dividends and amounts upon liquidation, dissolution or winding up.
Voting Rights	Holders of the Series B Preferred Shares generally have no voting rights. However, if we do not pay dividends on the Series B Preferred Shares for six or more quarterly periods (whether or not consecutive), the holders of the Series B Preferred Shares and the holders of all other shares of beneficial interest of any class or series ranking on a parity with the Series B Preferred Shares which are entitled to similar voting rights (voting together as a single group) will be entitled to elect two additional trustees to our Board of Trustees to serve until all unpaid dividends have been paid or declared and set apart for payment. In addition, the affirmative vote or consent of holders of at least two-thirds of the outstanding Series B Preferred Shares and each other class or series ranking on a parity with the Series B Preferred Shares which have similar voting rights (voting together as a single group) is required for us to authorize, create or increase capital shares ranking senior to the Series B Preferred Shares or to amend our Declaration of Trust in a manner which materially and adversely affects the rights of holders of our Series B Preferred Shares.
Listing	We have applied to list the Series B Preferred Shares on the New York Stock Exchange (referred in this prospectus as the NYSE) under the symbol EPR PrB . If this application is approved, we expect that trading on the NYSE will commence within 30 days after the initial delivery of the Series B Preferred Shares.
Settlement Date	Delivery of the Series B Preferred Shares will be made against payment therefor on or about January 19, 2005, which will be the fifth business day after pricing of the Series B Preferred Shares.
Form	The Series B Preferred Shares will be issued and maintained in book-entry form registered in the name of the nominee of The Depository Trust Company.
Restrictions on Ownership	For us to qualify as a REIT under the Internal Revenue Code of 1986, as amended, not more than 50% in value of our outstanding shares of beneficial interest may be owned, directly or constructively, by five or fewer individuals, as defined in the Internal Revenue Code to include certain entities, during the last half of any taxable year. To preserve our qualification as a REIT, we have imposed restrictions on the transfer of the Series B Preferred Shares. See Description of Series B Preferred Shares Ownership Limit on page S-20 of this prospectus supplement, and Description of Securities Ownership Limit beginning on page 29 of the accompanying prospectus.
Conversion	The Series B Preferred Shares are not convertible into, or exchangeable for, any other property or securities.
Use of Proceeds	We intend to use the net proceeds of this offering for general corporate purposes, which may include acquisitions of properties

Table of Contents

	and funding of ongoing development projects. Pending this application, we may use a portion of the net proceeds from this offering to reduce indebtedness under our Bank of America credit facility. See Use of Proceeds.
Risk Factors	See Risk Factors on page S-10 of this prospectus supplement and beginning on page 3 of the accompanying prospectus for other information you should consider before buying our Series B Preferred Shares.

For additional information regarding the terms of the Series B Preferred Shares, see Description of Series B Preferred Shares beginning on page S-15 of this prospectus supplement.

Table of Contents

RISK FACTORS

Before you decide to purchase our Series B Preferred Shares, you should be aware that there are risks in making this investment. You should carefully consider these risk factors, as well as Risk Factors beginning on page 3 of the accompanying prospectus, together with all of the information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before you decide to invest in our Series B Preferred Shares.

The Series B Preferred Shares do not have an established trading market, which may negatively impact their market value and your ability to transfer or sell your shares, and the Series B Preferred Shares have no stated maturity date.

The Series B Preferred Shares are a new issue of securities with no established trading market. Because the Series B Preferred Shares do not have a stated maturity date, investors seeking liquidity will be limited to selling their shares in the secondary market. We have applied to list the Series B Preferred Shares on the NYSE; however, we cannot assure you that the Series B Preferred Shares will be approved for listing. If approved, trading is not expected to begin until 30 days after the initial delivery of the Series B Preferred Shares. In any event, an active trading market for the Series B Preferred Shares may not develop or, even if it develops, may not last, in which case the trading price of the Series B Preferred Shares could be adversely affected. We have been advised by the underwriters that they intend to make a market in the Series B Preferred Shares, but they are not obligated to do so and may discontinue market-making any time without notice.

The market value of the Series B Preferred Shares could be substantially affected by various factors.

As with other publicly-traded securities, the trading price for the Series B Preferred Shares will depend on many factors, which may change from time to time, including but not limited to:

the market price for our common shares and Series A Preferred Shares;

any increases in prevailing interest rates, which may negatively affect the market for the Series B Preferred Shares;

the market for similar securities;

additional issuances of other series or classes of preferred shares;

general economic conditions or conditions in the financial or real estate markets; and

our financial condition, performance and prospects.

The Series B Preferred Shares have not been rated and are subordinated to our existing and future debt, and there is no restriction on the issuance of parity preferred securities.

The Series B Preferred Shares have not been rated by any nationally recognized statistical rating organization, which may negatively affect their market value and your ability to sell them. The payment of amounts due on the Series B Preferred Shares will be subordinated to all of our existing and future debt, including our Bank of America credit facility. The Series B Preferred Shares will be on a parity with our existing Series A Preferred Shares. We may also issue additional preferred shares in the future which are on a parity with (or, upon the affirmative vote or consent of the holders of two-thirds of the outstanding Series B Preferred Shares and each other class or series of preferred shares ranking on a parity with the Series B Preferred Shares which are entitled to similar voting rights, voting as a single class, senior to) the Series B Preferred Shares with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up. Any of these factors may affect the trading price for the Series B Preferred Shares.

Table of Contents

USE OF PROCEEDS

The net proceeds to us from the sale of the Series B Preferred Shares offered hereby are expected to be approximately $77,230,000, after deducting the underwriting discount and commissions and our estimated offering expenses. We intend to use the net proceeds from this offering for general corporate purposes, which may include acquisitions of properties and funding ongoing development projects.

Pending application of net proceeds to the uses described above, we may use a portion of the net proceeds to reduce indebtedness under our Bank of America credit facility, or invest net proceeds in interest-bearing accounts and short-term interest-bearing securities which are consistent with our qualification as a REIT.

The Bank of America credit facility bears interest at LIBOR plus 1.75% to 2.50% or the Applicable Base Rate plus 0.25% to 1.00% depending on our leverage ratio at the time of each advance. The Bank of America credit facility matures on March 29, 2007 and may be extended for an additional year at our option. For additional information regarding the Bank of America credit facility, see Recent Developments Financings and Lines of Credit.

Table of Contents

CAPITALIZATION

The following table describes our actual capitalization as of September 30, 2004, and our capitalization on an as adjusted basis to reflect (i) the increase in our authorized preferred shares on January 11, 2005 from 5,000,000 to 10,000,000 shares, and (ii) the issuance and sale of the 3,200,000 Series B Preferred Shares offered by this prospectus supplement and the application of the net proceeds as described in Use of Proceeds. This information should be read in conjunction with, and is qualified in its entirety by, the consolidated financial statements and schedules and notes thereto included in our quarterly report on Form 10-Q for the quarter ended September 30, 2004, incorporated by reference in this prospectus supplement.

	September 30, 2004	
	Actual	As Adjusted
	(Dollars in thousands)	
Debt:(1)		
Bank of America credit facility	$ 25,000	$ 25,000
Other long-term debt	564,127	564,127
Total debt	589,127	589,127
Minority interest	6,144	6,144
Shareholders equity		
Common shares, $0.01 par value, 50,000,000 shares authorized; 25,401,267 shares issued	254	254
Preferred shares, $0.01 par value, 5,000,000 shares authorized actual and 10,000,000 shares authorized, as adjusted; shares issued 2,300,000 Series A cumulative redeemable preferred shares actual and 2,300,000 Series A cumulative redeemable preferred shares and 3,200,000 Series B cumulative redeemable preferred shares, as adjusted	23	55
Additional paid-in capital	615,735	692,933
Treasury shares, at cost, 472,200 shares	(6,533)	(6,533)
Loans to shareholders	(3,525)	(3,525)
Accumulated other comprehensive income	3,615	3,615
Non-vested shares	(2,686)	(2,686)
Distributions in excess of net income	(24,724)	(24,724)
Total shareholders equity	582,159	659,389
TOTAL CAPITALIZATION	$ 1,177,430	$ 1,254,660

(1) At December 31, 2004, we had $27.0 million of indebtedness outstanding under our Bank of America credit facility and approximately $567.3 million in other long-term indebtedness.

Table of Contents

SELECTED FINANCIAL DATA

This table includes selected historical financial data of EPR. You should read carefully the consolidated financial statements and schedules, and Management s Discussion and Analysis of Financial Condition and Results of Operations, included in our annual report on Form 10-K for the year ended December 31, 2003 and our quarterly report on Form 10-Q for the quarter ended September 30, 2004. The selected financial data in this table are not intended to replace the consolidated financial statements and schedules included in our annual report on Form l0-K for the year ended December 31, 2003 or quarterly report on Form 10-Q for the quarter ended September 30, 2004, which are incorporated by reference herein. Figures are in thousands except per share data. The following table does not give effect to this offering or any development cost advances made since September 30, 2004 on the theatre properties in Hurst, Texas, Biloxi, Mississippi, Melbourne, Florida and Wilmington, North Carolina described in Recent Developments. For certain financial information regarding recent acquisitions, see our current report on Form 8-K filed on November 12, 2003, as amended by amendment No. 1 thereto filed on January 12, 2004, and our current report on Form 8-K filed on March 15, 2004, as amended by amendment No. 1 thereto filed on March 16, 2004.

Operating Data

	Nine Months Ended September 30, 2004	Years Ended December 31				
		2003	2002	2001	2000	1999
	(Unaudited)					
Total revenue	$ 91,666	$ 91,160	$ 71,610	$ 54,667	$ 53,287	$ 48,319
Property operating expense	1,590	698	201			
General and administrative expense	3,685	3,859	2,293	2,507	1,850	2,179
Interest expense	28,301	30,570	24,475	20,334	18,909	13,278
Costs associated with loan refinancing	1,134					
Depreciation and amortization expense	17,036	16,359	12,862	10,209	10,184	9,609
Amortization of share based compensation	1,021	926	1,048	240	276	373
Income before minority interest, income from joint venture and gain on sale of real estate	38,899	38,748	30,731	21,377	22,068	22,880
Gain on sale of real estate			202			
Minority interest	(982)	(1,555)	(1,195)			
Equity in income from joint ventures	482	401	1,421	2,203	2,104	333
Preferred dividend requirements	(4,097)	(5,463)	(3,225)			
Net income available to common shareholders	$ 34,302	$ 32,131	$ 27,934	$ 23,580	$ 24,172	$ 23,213

Table of Contents

	Nine Months Ended September 30, 2004	Years Ended December 31				
		2003	2002	2001	2000	1999
	(Unaudited)					
Net income per common share:						
Basic	$ 1.56	$ 1.81	$ 1.66	$ 1.60	$ 1.63	$ 1.60
Diluted	1.51	1.77	1.64	1.60	1.63	1.60
Weighted average number of common shares outstanding:						
Basic	21,997	17,780	16,791	14,715	14,786	14,516
Diluted	23,159	19,051	17,762	14,783	14,810	14,552
Cash dividends declared per common share	$ 1.6875	$ 2.00	$ 1.90	$ 1.80	$ 1.76	$ 1.68

Balance Sheet Data

	As of September 30, 2004	As of December 31				
		2003	2002	2001	2000	1999
	(unaudited)					
Net real estate investments	$ 1,124,859	$ 900,096	$ 692,922	$ 530,280	$ 472,795	$ 478,706
Total assets	1,201,219	965,918	730,387	583,351	513,534	516,291
Common dividends payable	14,023	9,829	8,162	6,659	6,479	6,273
Preferred dividends payable	1,366	1,366	1,366			
Long-term debt	589,127	506,555	346,617	314,766	244,547	238,737
Total liabilities	612,916	521,509	361,834	325,223	252,915	249,904
Minority interest	6,144	21,630	15,375			
Shareholders equity	$ 582,159	$ 422,779	$ 353,178	$ 258,128	$ 260,619	$ 266,387

Table of Contents

RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED

SHARE DIVIDENDS

The table below presents our ratio of earnings to combined fixed charges and preferred share dividends by dividing earnings by combined fixed charges and preferred share dividends. For this purpose, earnings is the sum of net income before discontinued operations, equity in earnings of unconsolidated subsidiaries, minority interest in earnings (excluding those that have not incurred fixed charges) and fixed charges (excluding capitalized interest) plus distributed income from unconsolidated subsidiaries. Fixed charges consist of interest incurred on all indebtedness related to continuing operations (including amortization of original issue discount, if any). The ratios are based solely on historical financial information and no pro forma adjustments have been made.

	Nine Months Ended September 30, 2004	Years Ended December 31				
		2003	2002	2001	2000	1999
Ratio of earnings to combined fixed charges and preferred share dividends	2.0X	1.8X	1.9X	2.0X	2.2X	2.6X

DESCRIPTION OF SERIES B PREFERRED SHARES

The following is a summary of the material terms and provisions of the Series B Preferred Shares. This description supplements the description of the general terms and provisions of our preferred shares contained in the accompanying prospectus. To the extent the terms described herein differ from the terms described in the accompanying prospectus, you should rely on the terms set forth below. This is a summary and does not completely describe our Series B Preferred Shares. For a complete description, we refer you to our Declaration of Trust, the Articles Supplementary designating the Series B Preferred Shares and our Bylaws, each of which is incorporated by reference in this prospectus supplement and the accompanying prospectus.

General

Under our Declaration of Trust, we are authorized to issue up to 50,000,000 common shares and up to 10,000,000 preferred shares. As of January 10, 2005, a total of 25,578,472 common shares were issued and outstanding and 517,421 common shares were held in treasury, and a total of 2,300,000 Series A Preferred Shares were outstanding.

We are authorized to issue preferred shares in one or more series, with such designations, preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption, in each case as permitted by Maryland law and determined by our Board of Trustees. See Description of Securities in the accompanying prospectus.

Prior to the completion of this offering, our Board of Trustees will adopt an amendment to our Declaration of Trust describing the terms and conditions of the Series B Preferred Shares which will be available from us and will be incorporated into this prospectus supplement by reference. As of the date of this prospectus supplement, no Series B Preferred Shares are outstanding.

We have applied to list the Series B Preferred Shares on the NYSE. If the application is approved, we expect trading on the NYSE to commence within 30 days after the delivery of the Series B Preferred Shares.

Maturity

The Series B Preferred Shares have no stated maturity and will not be subject to any sinking fund or mandatory redemption.

Table of Contents

Ranking

The Series B Preferred Shares will, with respect to dividend rights and rights upon our liquidation, dissolution or winding up, rank:

- senior to all classes or series of our common shares and to all other equity securities authorized and designated by us in the future and ranking junior to the Series B Preferred Shares;
- on a parity with our Series A Preferred Shares and any other equity securities authorized or designated by us in the future, the terms of which specifically provide that such equity securities rank on a parity with the Series B Preferred Shares; and
- junior to all of our existing and future indebtedness and to any class or series of equity securities authorized or designated by us in the future, the terms of which specifically provide that such class or series ranks senior to the Series B Preferred Shares.

Dividends

Subject to the rights of any senior securities we may authorize and designate in the future, we will distribute to the record holders of our Series B Preferred Shares cumulative preferential cash dividends of $1.9375 per share each year, which is equivalent to 7.75% of the $25.00 liquidation preference per Series B Preferred Share. Dividends will be distributed when, as and if declared by our Board of Trustees and will be payable out of assets legally available for such payments.

Dividends on the Series B Preferred Shares will be cumulative from and including the date of original issue by us and will be payable quarterly in arrears on or about the 15th day of January, April, July and October of each year or, if any such day is not a business day, then on the next succeeding business day. We will pay the first dividend on or about April 15, 2005. That first dividend (which will reflect a short dividend period) and any other dividend payable on the Series B Preferred Shares for any partial dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends will be payable to holders of record as they appear in our share records at the close of business on the applicable record date, which will be the same date set for any quarterly dividend payable to holders of our common shares and Series A Preferred Shares, or on such other date designated by our Board of Trustees that is not more than 30 nor less than 10 days prior to the due date for the dividend payment.

We will not declare dividends on the Series B Preferred Shares, or pay or set apart for payment dividends on the Series B Preferred Shares, at any time if the terms and provisions of any agreement, including any agreement relating to our indebtedness, prohibits the declaration, payment or setting apart for payment or provides that the declaration, payment or setting apart for payment would constitute a breach of the agreement or a default under the agreement, or if the declaration or payment is restricted or prohibited by law.

Notwithstanding the foregoing, dividends on the Series B Preferred Shares will accrue whether or not we have earnings, whether or not there are funds legally available for the payment of those dividends, and whether or not those dividends are declared. Accrued but unpaid dividends on the Series B Preferred Shares will accumulate as of the due date on which each such dividend payment first becomes payable. Except as described in the next sentence, we will not declare or pay or set apart for payment dividends on any common shares or any other series of preferred shares ranking, as to dividends, on a parity with or junior to the Series B Preferred Shares (other than a dividend paid in common shares or in any other class of shares ranking junior to the Series B Preferred Shares as to dividends and upon liquidation) for any period unless full cumulative dividends on the Series B Preferred Shares for all past dividend periods and the then current dividend period have been or contemporaneously are (a) declared and paid in cash or (b) declared and a sum sufficient to pay them in cash is set apart for payment. When we do not pay dividends in full (or we do not set apart a sum sufficient to pay them in full) upon the Series B Preferred Shares and any other series of preferred shares ranking on a parity as to dividends with the Series B Preferred Shares, we will declare any dividends upon the Series B Preferred Shares and any other series of preferred shares ranking on a parity as to dividends with the Series B Preferred Shares proportionately so that the dividends declared per share of

Table of Contents

Series B Preferred Shares and those other series of preferred shares will in all cases bear to each other the same ratio that accrued dividends per share on the Series B Preferred Shares and those other series of preferred shares (which will not include any accrual in respect of unpaid dividends on such other series of preferred shares for prior dividend periods if those other series of preferred shares do not have cumulative dividends) bear to each other. No interest, or sum of money in lieu of interest, will be payable in respect of any dividend payment or payments on the Series B Preferred Shares which may be in arrears.

Except as provided in the immediately preceding paragraph, unless we have declared and paid or are contemporaneously declaring and paying full cumulative dividends in cash on the Series B Preferred Shares or we have declared full cumulative dividends and have set apart for payment a sum sufficient for the payment of the declared dividends for all past dividend periods and the then current dividend period, we will not declare or pay or set aside for payment dividends (other than in common shares or other shares ranking junior to the Series B Preferred Shares as to dividends and upon liquidation), nor will we declare or pay any other dividend on our common shares or any other shares ranking junior to or on a parity with the Series B Preferred Shares as to dividends or amounts upon liquidation, nor will we redeem, purchase or otherwise acquire for consideration, or pay or make available any monies for a sinking fund for the redemption of, any common shares or any other shares ranking junior to or on a parity with the Series B Preferred Shares as to dividends or upon liquidation (except by conversion into or exchange for other shares ranking junior to the Series B Preferred Shares as to dividends and upon liquidation and except for the acquisition of shares that have been designated as Excess Shares). See Description of Securities Ownership Limit in the accompanying prospectus for information about the designation of shares as Excess Shares. Record holders of our Series B Preferred Shares are not entitled to any dividend, whether payable in cash, property or shares, in excess of full cumulative dividends on the Series B Preferred Shares as provided above. Any dividend payment made on the Series B Preferred Shares will first be credited against the earliest accrued but unpaid dividends due with respect to those shares which remain payable.

Dividends on the Series B Preferred Shares will accrue from and including their original date of issuance and will be paid to the record holders of the Series B Preferred Shares on each dividend payment date, with the first dividend to be paid on April 15, 2005. All such payments will be made in accordance with our Articles Supplementary relating to the Series B Preferred Shares.

If, for any taxable year, we elect to designate any portion of the dividends, within the meaning of the Internal Revenue Code, paid or made available for the year to holders of all classes of our shares of beneficial interest as capital gain dividends, as defined in Section 857 of the Internal Revenue Code, then the portion of the dividends designated as capital gain dividends that will be allocable to the record holders of our Series B Preferred Shares will be the portion of the dividends designated as capital gain dividends multiplied by a fraction, the numerator of which will be the total dividends paid or made available to such record holders of our Series B Preferred Shares for the year and the denominator of which will be the total dividends paid or made available for the year to holders of all classes of our shares of beneficial interest.

Liquidation Preference

Upon any voluntary or involuntary liquidation, dissolution or winding-up of our affairs, the record holders of the Series B Preferred Shares will be entitled to be paid out of our assets legally available for distribution to our shareholders a liquidation preference of $25.00 per share, plus an amount equal to any accrued and unpaid dividends to the date of payment (whether or not declared), before any distribution or payment may be made to holders of our common shares or any other class or series of shares ranking junior to the Series B Preferred Shares as to liquidation rights. If, upon our voluntary or involuntary liquidation, dissolution or winding up, our available assets are insufficient to pay the amount of the liquidation distributions on all outstanding Series B Preferred Shares and the corresponding amounts payable on all other classes or series of shares ranking on a parity with the Series B Preferred Shares in the distribution of assets, then the record holders of the Series B Preferred Shares and all other classes or series of shares of that kind will share proportionately in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled. The record holders of our Series B Preferred Shares will be entitled to written notice of any liquidation. After payment of the full amount of the liquidating

Table of Contents

distributions to which they are entitled, such record holders will have no other right or claim to any of our remaining assets. Our consolidation or merger with or into any other corporation, trust or other entity, the consolidation or merger of any other corporation, trust or other entity with or into us or the sale, lease or conveyance of all or substantially all of our property or business will not be deemed to constitute our liquidation, dissolution or winding-up.

Redemption

Series B Preferred Shares are not redeemable before January 19, 2010. On or after January 19, 2010, we may, at our option upon not less than 30 nor more than 60 days written notice, redeem the Series B Preferred Shares, in whole or in part, at any time or from time to time, for cash at a redemption price of $25.00 per share, plus any accrued and unpaid dividends up to and including the date fixed for redemption (except as provided below), without interest. If we redeem fewer than all of the outstanding Series B Preferred Shares, Series B Preferred Shares will be redeemed proportionately (as nearly as may be practicable without creating fractional shares) or by lot or by any other equitable method as we may determine. Record holders of Series B Preferred Shares to be redeemed will surrender such shares at the place designated in the notice and will be entitled to the redemption price and any accrued and unpaid dividends payable upon the redemption following surrender of the Series B Preferred Shares. If notice of redemption of any Series B Preferred Shares has been given and if we have set aside in trust the funds necessary for the redemption for the benefit of the record holders of Series B Preferred Shares so called for redemption, then from and after the redemption date dividends will cease to accrue on the Series B Preferred Shares and Series B Preferred Shares will no longer be deemed outstanding, and all rights of the holders of the Series B Preferred Shares will terminate, except for the right to receive the redemption price plus any accrued and unpaid dividends payable upon the redemption.

Subject to applicable law and the limitations on purchases when dividends on the Series B Preferred Shares are in arrears, we may, at any time and from time to time either at a public or a private sale, purchase Series B Preferred Shares at such price or prices as we may determine.

Unless we have declared and paid or we are contemporaneously declaring and paying full cumulative dividends on all Series B Preferred Shares and we have set aside a sum sufficient for the payment of full cumulative dividends on all such shares for all past dividend periods and the then current dividend period, we may not redeem any Series B Preferred Shares unless we simultaneously redeem all outstanding Series B Preferred Shares, and we will not purchase or otherwise acquire directly or indirectly any Series B Preferred Shares except by exchange for shares of beneficial interest ranking junior to the Series B Preferred Shares as to dividends and amounts upon liquidation; except that we may purchase, in accordance with the terms of our Declaration of Trust, Series B Preferred Shares in accordance with a purchase or exchange offer made on the same terms to holders of all Series B Preferred Shares.

We will mail a notice of redemption postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the record holders of the Series B Preferred Shares to be so redeemed, at the addresses of such holders as the same appear on our records. No failure to give the notice or any defect in the notice or in the mailing of the notice will affect the validity of the proceedings for the redemption of any Series B Preferred Shares except as to a holder to whom notice was defective or not given. Each notice will state (a) the redemption date; (b) the redemption price; (c) the number of Series B Preferred Shares to be redeemed; (d) the place or places where Series B Preferred Shares to be redeemed are to be surrendered for payment of the redemption price payable on the redemption date; and (e) that dividends on the Series B Preferred Shares to be redeemed will cease to accrue on the redemption date. If we redeem fewer than all of the Series B Preferred Shares held by any record holder, the notice mailed to that record holder will also specify the number of Series B Preferred Shares held by such holder to be redeemed.

Immediately before any redemption of the Series B Preferred Shares, we will pay, in cash, any accrued and unpaid dividends through the redemption date, unless a redemption date falls after a dividend record date and before the corresponding dividend payment date, in which case each holder of Series B Preferred Shares at the close of business on the dividend record date will be entitled to the dividend payable on the

Table of Contents

Series B Preferred Shares on the corresponding dividend payment date notwithstanding the redemption of those shares before that dividend payment date. Except as provided above, we will make no payment or allowance for unpaid dividends, whether or not in arrears, on Series B Preferred Shares for which a notice of redemption has been given.

The Series B Preferred Shares will have no stated maturity and will not be subject to any sinking fund or mandatory redemption. The Series B Preferred Shares will be subject to the transfer restrictions described in Ownership Limit below and in Description of Securities Ownership Limit in the accompanying prospectus.

Voting Rights

Holders of Series B Preferred Shares will not have any voting rights, except as described below.

If no dividends are paid on the Series B Preferred Shares for six or more quarterly periods (whether or not consecutive), a preferred dividend default will exist, and holders of the Series B Preferred Shares, voting together as a class with the holders of all other classes or series of our equity securities ranking on a parity with the Series B Preferred Shares which are entitled to similar voting rights, will be entitled at the next annual meeting of shareholders, or at a special meeting of the holders of Series B Preferred Shares and such other shares called for that purpose, to elect two additional trustees to our Board of Trustees. Notwithstanding the foregoing, if, prior to the election of any additional trustees in the manner described in this paragraph, all accumulated dividends are paid on the Series B Preferred Shares and all other classes or series of parity preferred shares upon which like voting rights have been conferred and are exercisable, no such additional trustees will be so elected. Any such additional trustees so elected will serve until all unpaid cumulative dividends have been paid or declared and set aside for payment. Upon such election, the size of our Board of Trustees will be increased by two trustees. If and when all such accumulated dividends shall have been paid on the Series B Preferred Shares and all other classes or series of parity preferred shares upon which like voting rights have been conferred and are exercisable, the term of office of each of the additional trustees so elected will terminate and the size of our Board of Trustees will be reduced accordingly. So long as a preferred dividend default continues, any vacancy in the office of additional trustee elected under this paragraph may be filled by written consent of the other additional trustee who remains in office, or if no additional trustee remains in office, by a vote of the holders of a majority of the outstanding Series B Preferred Shares when they have the voting rights described above (voting as a single class with all other classes or series of parity preferred shares upon which like voting rights have been conferred and are exercisable). Each of the trustees elected as described in this paragraph will be entitled to one vote on any matter.

The affirmative vote or consent of the holders of two-thirds of the outstanding Series B Preferred Shares and each other class or series of preferred shares ranking on a parity with respect to the payment of dividends or the distribution of assets upon our liquidation, dissolution or winding up, voting as a single class, will be required to (i) authorize or create, or increase the authorized or issued amount of, any class or series of shares ranking senior to the Series B Preferred Shares with respect to payment of dividends or the distribution of assets upon our liquidation, dissolution or winding-up or reclassify any of our authorized shares of that kind, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares; or (ii) amend, alter or repeal the provisions of our Declaration of Trust or the Articles Supplementary, whether by merger, consolidation, transfer or conveyance of substantially all of our assets or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Series B Preferred Shares or their holders; *provided, however*, that with respect to the occurrence of any of the events described in (ii) above, so long as the Series B Preferred Shares remain outstanding with the terms of the Series B Preferred Shares materially unchanged, taking into account that, upon the occurrence of an event described in (ii) above, we may not be the surviving entity, the occurrence of such event will not be deemed to materially and adversely affect the rights, preferences, privileges or voting power of holders of Series B Preferred Shares, and in such case such holders shall not have any voting rights with respect to the events described in (ii) above and *provided, further*, that (A) any increase or decrease in the total number of authorized common shares or preferred shares, (B) any increase, decrease or issuance of any series

Table of Contents

of shares including the Series B Preferred Shares or (C) the creation or issuance of any other series of shares, in each case referred to in clauses (A), (B) or (C) above, ranking on a parity with or junior to the Series B Preferred Shares with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up shall not be deemed to materially and adversely effect such rights, preferences, privileges or voting powers.

The voting rights afforded to holders of Series B Preferred Shares will not apply if, at or before the time when the act with respect to which the vote would otherwise be required is affected, all outstanding Series B Preferred Shares are redeemed or called for redemption upon proper notice and we deposit sufficient funds, in cash, in trust to effect the redemption.

Conversion

The Series B Preferred Shares are not convertible into or exchangeable for any of our other property or securities.

Form

The Series B Preferred Shares will be issued and maintained in book-entry form registered in the name of the nominee of The Depository Trust Company, except under limited circumstances.

Transfer Agent

The registrar and transfer agent for the Series B Preferred Shares will be UMB Bank, n.a.

Ownership Limit

In order to ensure that we remain qualified as a REIT for federal income tax purposes, the Series B Preferred Shares will be subject to provisions of our Declaration of Trust, under which any Series B Preferred Shares owned by a shareholder in excess of the Ownership Limit, as defined in the accompanying prospectus, will automatically be designated Excess Shares and transferred to a trust for the exclusive benefit of a charitable beneficiary which we will designate. Owners of Excess Shares are entitled to compensation for their Excess Shares in accordance with the terms of our Declaration of Trust, but such compensation may be less than the amount they paid for those Excess Shares. See Description of Securities Ownership Limit in the accompanying prospectus for more information about these transfer restrictions.

ADDITIONAL FEDERAL INCOME TAX CONSEQUENCES

The following summary of certain material U.S. federal income tax consequences is based on current law and does not address all aspects of taxation that may be relevant to particular shareholders in light of their personal investment or tax circumstances, or to certain types of shareholders (including insurance companies, financial institutions and broker-dealers) subject to special treatment under U.S. federal income tax laws.

You should consult your own tax advisor regarding the specific tax consequences of the purchase, ownership and sale of the Series B Preferred Shares.

Redemption of Series B Preferred Shares

Redemption of Series B Preferred Shares will be treated under Section 302 of the Code as a distribution taxable as a dividend (to the extent of our current and accumulated earnings and profits) unless the redemption satisfies one of the tests set forth in Section 302(b) of the Code and is therefore treated as a sale or exchange of the redeemable shares. None of these dividend distributions would be eligible for the dividends received deduction for corporate shareholders. The redemption will be treated as a sale or exchange if it (i) is substantially disproportionate with respect to you, (ii) results in a complete termination of your share interest in EPR, or (iii) is not essentially equivalent to a dividend with respect to you, all within the meaning of Section 302(b) of the Code. In determining whether any of these tests have been met, common

Table of Contents

shares considered to be owned by you by reason of certain constructive ownership rules set forth in the Code, as well as common shares actually owned by you, must generally be taken into account. If you do not own (actually or constructively) any common shares of EPR, or an insubstantial percentage of our outstanding common shares, a redemption of your Series B Preferred Shares is likely to qualify for sale or exchange treatment because the redemption would not be essentially equivalent to a dividend. However, because the determination as to whether any of the alternative tests of Section 302(b) of the Code will be satisfied with respect to your Series B Preferred Shares depends upon the facts and circumstances at the time the determination must be made, you are advised to consult your own tax advisor to determine such tax treatment.

If a redemption of Series B Preferred Shares is not treated as a distribution taxable as a dividend to you, it will be treated as a taxable sale or exchange of the shares. As a result, you will recognize gain or loss for federal income tax purposes in an amount equal to the difference between (i) the amount of cash and the fair market value of any property received (less any portion thereof attributable to accumulated and declared but unpaid dividends, which will be taxable as a dividend to the extent of our current and accumulated earnings and profits), and (ii) your adjusted basis in the Series B Preferred Shares for tax purposes. Such gain or loss will be capital gain or loss if the Series B Preferred Shares have been held as a capital asset, and will be long-term gain or loss if the Series B Preferred Shares have been held for more than one year. If a redemption of Series B Preferred Shares is treated as a distribution taxable as a dividend, the amount of the distribution will be measured by the amount of cash and the fair market value of any property received by you. Your adjusted basis in the redeemable Series B Preferred Shares for tax purposes will be transferred to your remaining shares in EPR. If you do not own any of our other shares, such basis may, under certain circumstances, be transferred to a related person or it may be lost entirely.

Disposition of Series B Preferred Shares

If you are a U.S. Shareholder (as defined below) and you sell or dispose of your Series B Preferred Shares, you will recognize gain or loss for federal income tax purposes in an amount equal to the difference between the amount of cash and the fair market value of any property you receive on the sale or other disposition and your adjusted basis in the Series B Preferred Shares for tax purposes. This gain or loss will be capital gain or loss if you have held the Series B Preferred Shares as a capital asset and, if you are a U.S. Shareholder, will be long-term capital gain or loss if you have held the Series B Preferred Shares for more than one year at the time of disposition.

In general, if you are a U.S. Shareholder and you recognize loss upon the sale or other disposition of Series B Preferred Shares that you have held for six months or less, after applying the holding period rules set forth in the Code, the loss you recognize will be treated as a long-term capital loss to the extent you received distributions from us which were required to be treated as long-term capital gains.

Taxation of Shareholders

Taxation of Taxable Domestic Shareholders

As used herein, the term U.S. Shareholder means a holder of Series B Preferred Shares who (for U.S. federal income tax purposes) (i) is a citizen or resident of the United States, (ii) is a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, the Treasury provides otherwise by regulations), (iii) is an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) is a trust whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust, or has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

As long as EPR qualifies as a REIT, distributions made out of our current or accumulated earnings and profits (and not designated as capital gain dividends) will generally constitute dividends taxable to our taxable corporate U.S. Shareholders as ordinary income taxed at a maximum rate of 35% and such U.S. Shareholders will not be eligible for the dividends received deduction otherwise available with respect to dividends received

Table of Contents

by corporate U.S. Shareholders. It is not likely that a significant amount of our dividends paid to individual U.S. Shareholders will constitute qualified dividend income eligible for the current reduced tax rate of 15%. Dividends received from a REIT generally are treated as qualified dividend income eligible for the reduced tax rate to the extent that the REIT has received qualified dividend income from other non-REIT corporations, such as taxable REIT subsidiaries. In addition, if a REIT pays U.S. federal income tax on its undistributed net taxable income or on certain gains from the disposition of assets acquired from C corporations, the excess of the income subject to tax over the taxes paid will be treated as qualified dividend income in the subsequent taxable year.

Distributions made by us that are properly designated as capital gain dividends will be taxable to U.S. Shareholders as gains (to the extent they do not exceed our actual net capital gain for the taxable year) from the sale or disposition of a capital asset. Depending on the period of time we held the assets which produced the gains, and on certain designations, if any, which may be made by us, such gains may be taxable to noncorporate U.S. Shareholders at a 15% or 25% rate, without regard to the period for which the U.S. Shareholder has held the Series B Preferred Shares. U.S. Shareholders that are corporations may, however, be required to treat up to 20% of certain capital gain dividends as ordinary income. To the extent we make distributions (not designated as capital gain dividends) in excess of our current and accumulated earnings and profits, such distributions will be treated first as a tax-free return of capital to each U.S. Shareholder, reducing the adjusted basis which such U.S. Shareholder has in his Series B Preferred Shares for tax purposes by the amount of such distribution (but not below zero), with distributions in excess of a U.S. Shareholder s adjusted basis in his shares taxable as capital gain (provided that the shares have been held as a capital asset) and will be taxable as long-term capital gain if the Series B Preferred Shares have been held for more than one year. Dividends declared by us in October, November or December of any year and payable to a shareholder of record on a specified date in any such month shall be treated as both paid by us and received by the shareholder on December 31st of that year; provided the dividend is actually paid by us on or before January 31st of the following calendar year. Shareholders may not include in their own income tax returns any net operating losses or capital losses of EPR.

Distributions made by us and gain arising from the sale or exchange by a U.S. Shareholder of shares will not be treated as passive activity income, and, as a result, U.S. Shareholders generally will not be able to apply any passive losses against such income or gain. Distributions made by us (to the extent they do not constitute a return of capital) generally will be treated as investment income for purposes of computing the investment interest limitation. Gain arising from the sale or other disposition of Series B Preferred Shares and certain qualifying dividends (or distributions treated as such), will not be treated as investment income under certain circumstances.

Backup Withholding

We will report to our domestic shareholders and to the IRS the amount of dividends paid during each calendar year, and the amount of tax withheld, if any from those dividends. Under the backup withholding rules, a shareholder may be subject to backup withholding at the rate equal to the fourth lowest rate of tax under Section 1(c) of the Code (which is currently 28%) with respect to dividends paid and redemption proceeds unless the shareholder (a) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (b) provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with applicable requirements of the backup withholding rules. Notwithstanding the foregoing, we will institute backup withholding with respect to a shareholder when instructed to do so by the IRS. A shareholder that does not provide us with his correct taxpayer identification number may also be subject to penalties imposed by the IRS. Any amount paid as backup withholding will be creditable against the shareholder s U.S. federal income tax liability.

Taxation of Tax-Exempt Shareholders

The IRS has issued a revenue ruling in which it held that amounts distributed by a REIT to a tax-exempt employees pension trust do not constitute unrelated business taxable income (UBTI). Revenue rulings, however, are interpretive in nature and are subject to revocation or modification by the IRS. Based upon the

Table of Contents

ruling and the analysis therein, distributions by us to a shareholder that is a tax-exempt entity should not constitute UBTI, provided the tax exempt entity has not financed the acquisition of its Series B Preferred Shares with acquisition indebtedness within the meaning of the Code, and the Series B Preferred Shares are not otherwise used in an unrelated trade or business of the tax-exempt entity. In addition, REITs generally treat the beneficiaries of qualified pension trusts as the beneficial owners of REIT shares owned by such pension trusts for purposes of determining if more than 50% of the REIT s shares are owned by five or fewer individuals. However, if a pension trust owns more than 10% of the REIT s shares (by value), it can be subject to UBTI on all or a portion of REIT dividends made to it, if the REIT is treated as a pension-held REIT. A pension-held REIT is any REIT if more than 25% (by value) of its shares are owned by one pension trust, or one or more pension trusts each owns 10% (by value) of such shares, and in the aggregate, such pension trusts own more than 50% (by value) of its shares. We do not expect to be treated as a pension-held REIT. However, because our common shares are publicly traded, and it is anticipated the Series B Preferred Shares will be publicly traded, no assurance can be given in this regard.

For social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts and qualified group legal services plans exempt from U.S. federal income tax under Section 501(c)(7), (9), (17) and (20) of the Code, respectively, income from an investment in EPR will constitute UBTI. However, income from an investment in EPR will not constitute UBTI for voluntary employee benefit associations, supplemental unemployment trusts and qualified group legal services plans if the organization is able to deduct amounts set aside or placed in reserve for certain purposes so as to offset the UBTI generated by its investment in EPR. Such prospective shareholders should consult with their own tax advisors concerning these set aside and reserve requirements.

Taxation of Foreign Shareholders

The rules governing U.S. federal income taxation of the ownership and disposition of Series B Preferred Shares by persons who are not U.S. Shareholders (Non-U.S. Shareholders) are complex and no attempt is made in this prospectus supplement to provide more than a summary of these rules. Prospective Non-U.S. Shareholders should consult with their own tax advisors to determine the impact of federal, state, local and any foreign income tax laws with regard to an investment in EPR, including any reporting requirements.

Distributions that are not attributable to gain from sales or exchanges by us of United States real property interests (USRPIs), as defined in the Code, and not designated by us as capital gain dividends will be treated as dividends of ordinary income to the extent they are made out of our current or accumulated earnings and profits. Unless such distributions are effectively connected with the Non-U.S. Shareholder s conduct of a U.S. trade or business (or, if an income tax treaty applies, are attributable to a U.S. permanent establishment of the Non-U.S. Shareholder), the gross amount of the distributions will ordinarily be subject to U.S. withholding tax at a 30% or lower treaty rate, if applicable. In general, Non-U.S. Shareholders will not be considered engaged in a U.S. trade or business (or, in the case of an income tax treaty, as having a U.S. permanent establishment) solely by reason of their ownership of Series B Preferred Shares. If income on Series B Preferred Shares is treated as effectively connected with the Non-U.S. Shareholder s conduct of a U.S. trade or business (or, if an income tax treaty applies, is attributable to a U.S. permanent establishment of the Non-U.S. Shareholder), the Non-U.S. Shareholder generally will be subject to a tax at graduated rates, in the same manner as U.S. Shareholders are taxed with respect to such distributions (and may also be subject to the 30% branch profits tax in the case of a shareholder that is a foreign corporation). We expect to withhold U.S. income tax at the rate of 30% on the gross amount of any distributions of ordinary income made to a Non-U.S. Shareholder unless the Non-U.S. Shareholder provides us with a (i) properly executed IRS Form W-8BEN claiming an exemption from or reduction in the rate of withholding under the benefit of a tax treaty, or (ii) IRS Form W-8ECI claiming that the distribution is not subject to withholding because it is effectively connected with the Non-U.S. Shareholder s conduct of a U.S. trade or business (or, if an income tax treaty applies, is attributable to a U.S. permanent establishment of the Non-U.S. Shareholder).

Unless the Series B Preferred Shares constitute USRPIs, distributions in excess of our current and accumulated earnings and profits will not be taxable to a shareholder to the extent such distributions do not

Table of Contents

exceed the adjusted basis of the shareholder s Series B Preferred Shares but rather will reduce the adjusted basis of the shares. To the extent such distributions exceed the adjusted basis of a Non-U.S. Shareholder s Series B Preferred Shares, such distributions will give rise to tax liability if the Non-U.S. Shareholder would otherwise be subject to tax on any gain from the sale or disposition of his shares, as described below. If it cannot be determined at the time a distribution is made whether or not the distribution will be in excess of our current and accumulated earnings and profits, the distributions will be subject to withholding at the same rate as dividends. If, however, Series B Preferred Shares are treated as USRPIs, then, unless otherwise treated as a dividend for withholding tax purposes as described below, any distributions in excess of our current or accumulated earnings and profits will generally be subject to 10% withholding and to the extent such distributions also exceed the adjusted basis of a Non-U.S. Shareholder s Series B Preferred Shares, they will also give rise to gain from the sale or exchange of the shares, the tax treatment of which is described below.

Distributions that are designated by us at the time of distribution as capital gain dividends (other than those arising from the disposition of a USRPI) generally will not be subject to taxation, unless (i) investment in the Series B Preferred Shares is effectively connected with the Non-U.S. Shareholder s U.S. trade or business (or, if an income tax treaty applies, is attributable to a U.S. permanent establishment of the Non-U.S. Shareholder), in which case the Non-U.S. Shareholder will be subject to the same treatment as U.S. Shareholders with respect to such gain (except that a shareholder that is a foreign corporation may also be subject to the 30% branch profits tax), or (ii) the Non-U.S. Shareholder is a non-resident alien individual who is present in the U.S. for 183 days or more during the taxable year and either has a tax home in the U.S. or sold his shares under circumstances in which the sale was attributable to a U.S. office, in which case the non-resident alien individual will be subject to a 30% tax on the individual s capital gains.

For each tax year beginning on or before October 22, 2004 in which we qualify as a REIT, distributions that are attributable to gain from sales or exchanges by us of USRPIs (USRPI Capital Gains), such as properties beneficially owned by us, will be taxed to a Non-U.S. Shareholder under the provisions of the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA). Under FIRPTA, such distributions are taxed to a Non-U.S. Shareholder as gain effectively connected with a U.S. trade or business regardless of whether such dividends are designated as capital gain dividends. Non-U.S. Shareholders would thus be taxed at the normal capital gain rates applicable to U.S. Shareholders (subject to applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals) on such distributions. Also, distributions of USRPI Capital Gains may be subject to a 30% branch profits tax in the hands of a foreign corporate shareholder not entitled to treaty exemption or rate reduction. We are required by applicable Treasury Regulations to withhold a portion of any distribution consisting of USRPI Capital Gains. This amount may be creditable against the Non-U.S. Shareholder s FIRPTA tax liability.

Pursuant to the American Jobs Creation Act of 2004, discussed in more detail below, for each tax year beginning after October 22, 2004 in which we qualify as a REIT, distributions of USRPI Capital Gains will no longer automatically be treated as income effectively connected with a U.S. trade or business (and, thus, a non-U.S. Shareholder no longer would have to file a U.S. federal income tax return solely by reason of receiving such a distribution). Instead, such distributions will be treated as dividends that are not capital gains (and are not subject to the branch profits tax in the hands of a foreign corporate shareholder), *provided that* the non-U.S. Shareholder recipient does not own more than 5% of the Series B Preferred Shares at any time

during the tax year in which the distribution is received and (as is anticipated to be the case) the Series B Preferred Shares are regularly traded on an established U.S. securities market.

Gain recognized by a Non-U.S. Shareholder upon a sale of Series B Preferred Shares will generally not be taxed under FIRPTA if the shares do not constitute USRPIs. Series B Preferred Shares will not be considered USRPIs if we qualify as a domestically controlled REIT, or if the Series B Preferred Shares are part of a class that is regularly traded on an established securities market and the holder owned less than 5% of the class sold during a specified testing period. A domestically controlled REIT is defined generally as a real estate investment trust in which at all times during a specified testing period less than 50% in value of its shares was held directly or indirectly by foreign persons. We believe we are a domestically controlled REIT, and therefore the sale of Series B Preferred Shares will not be subject to taxation under FIRPTA. If the gain on the sale of Series B Preferred Shares were to be subject to taxation under FIRPTA, the Non-U.S. Shareholder

Table of Contents

would be subject to the same treatment as U.S. Shareholders with respect to such gain (subject to applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals), and the purchaser of the shares may be required to withhold 10% of the purchase price and remit such amount to the IRS. However, since our common shares are publicly traded and it is anticipated our Series B Preferred Shares will be publicly traded as well, no assurance can be given in this regard.

Gain not subject to FIRPTA will be taxable to a Non-U.S. Shareholder if (i) investment in the Series B Preferred Shares is effectively connected with a U.S. trade or business of the Non-U.S. Shareholder (or, if an income tax treaty applies, is attributable to a U.S. permanent establishment of the Non-U.S. Shareholder), in which case the Non-U.S. Shareholder will be subject to the same treatment as U.S. Shareholders with respect to such gain, or (ii) the Non-U.S. Shareholder is a nonresident alien individual who was present in the U.S. for 183 days or more during the taxable year and has a tax home in the U.S., in which case the nonresident alien individual will be subject to a 30% tax on the individual s capital gains. If the gain on the sale of Series B Preferred Shares were to be subject to taxation under FIRPTA, the Non-U.S. Shareholder would be subject to the same treatment as U.S. Shareholders with respect to such gain (subject to applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals).

If the proceeds of a disposition of Series B Preferred Shares are paid by or through a U.S. office of a broker, the payment is subject to information reporting and backup withholding unless the disposing Non-U.S. Shareholder certifies as to his name, address and non-U.S. status or otherwise establishes an exemption. Generally, U.S. information reporting and backup withholding will not apply to a payment of disposition proceeds if the payment is made outside the U.S. through a non-U.S. office of a non-U.S. broker. U.S. information reporting requirements (but not backup withholding) will apply, however, to a payment of disposition proceeds outside the U.S. if (i) the payment is made through an office outside the U.S. of a broker that is either (a) a U.S. person, (b) a foreign person that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the U.S., (c) a controlled foreign corporation for U.S. federal income tax purposes, or (d) a foreign partnership more than 50% of the capital or profits of which is owned by one or more U.S. persons or which engages in a U.S. trade or business, and (ii) the broker fails to obtain documentary evidence that the shareholder is a Non-U.S. Shareholder and that certain conditions are met or that the Non-U.S. Shareholder otherwise is entitled to an exemption.

Recent Tax Developments

On October 22, 2004, the President signed into law Public Law 108-357, also known as the American Jobs Creation Act of 2004 (the AJCA). The AJCA contains several tax provisions that affect REITs generally, including EPR. Some of these provisions are discussed below.

The AJCA expands the applicable definition of straight debt and provides that certain assets will be excluded for purposes of qualifying under one of the applicable REIT asset tests. The relevant REIT asset test requires generally that EPR cannot hold securities having a value of more than 10% of the total value of the outstanding securities of any one issuer. For purposes of compliance with this test, certain obligations, including loans to an individual or estate, certain loans to governments, tenant obligations to pay rent and certain contingent payment obligations, may now be disregarded if requirements are met. The AJCA s expanded definition of straight debt and excluded assets is generally applicable retroactively for tax years beginning after December 31, 2000, although a related provision establishing a new look-through rule for determining a REIT partner s share of partnership securities for purposes of the 10% asset value test is effective for tax years beginning after October 22, 2004.

The AJCA also prevents a REIT from losing its REIT status for failing to satisfy the 5% and 10% asset tests in a quarter if the failure is due to the ownership of assets the total value of which does not exceed the lesser of one percent of the total value of the REIT s assets at the end of the quarter or $10 million, *provided that* in either case the REIT either disposes of the assets within six months after the last day of the quarter in with the REIT identifies the failure (or such other time period as prescribed by the Treasury) or otherwise meets the requirements of those asset tests by the end of that period. A failure that exceeds the de minimis thresholds described above will not cause a REIT to lose its REIT status only if the failure was due to

Table of Contents

reasonable cause (and not willful neglect), the REIT files a schedule describing each asset that caused the failure in accordance with IRS regulations, the REIT disposes of the assets within six months after the last day of the quarter in which the REIT identifies the failure (or the tests are otherwise met within such period), and the REIT pays a tax on such failure ($50,000 minimum tax). These new AJCA provisions are effective for tax years beginning after October 22, 2004.

The AJCA also conforms the reporting and reasonable cause standards for failure to meet REIT income tests to these new asset test standards described above. The rule that assesses a tax for income test failures based on a fraction of the disqualified gross income survives, although the AJCA changes the formula for calculating the tax for failure to meet the 95% income test to a fraction based on 95%, rather than 90% of gross income. For failure to meet certain other requirements for REIT qualification, the AJCA permits a REIT to retain its REIT qualification if such failure was due to reasonable cause (and not willful neglect) and the REIT pays a $50,000 penalty for each such failure. These new AJCA provisions are effective for tax years beginning after October 22, 2004.

Other AJCA provisions effective for tax years beginning after October 22, 2004 include provisions (i) expanding the applicable definition of a hedging transaction and providing that certain such hedging transactions entered into to reduce interest rate risk on real estate debt will be disregarded for purposes of the REIT income tests; (ii) eliminating a safe harbor from the 100% excise tax on deductions improperly shifted between a REIT and its taxable REIT subsidiary; and (iii) modifying the FIRPTA rules for REITs (these FIRPTA-related modifications are discussed in the Taxation of Foreign Shareholders above). Additional AJCA provisions may apply.

Possible Legislative or Other Actions Affecting Tax Consequences

Prospective investors should recognize that the present U.S. federal income tax treatment of an investment in our shares may be modified by legislative, judicial or administrative action at any time, and that any such action may affect investments and commitments previously made. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department, resulting in revisions or regulations and revised interpretations of established concepts as well as statutory changes. Revisions in U.S. federal tax laws and interpretations thereof could adversely affect the tax consequences of an investment in our shares.

State Tax Consequences and Withholding

We and our shareholders may be subject to state or local taxation in various state or local jurisdictions, including those in which we or they transact business or reside. The state and local tax treatment of EPR and our shareholders may not conform to the U.S. federal income tax consequences discussed above. Several states in which we may own properties may treat REITs as ordinary corporations. We do not believe, however, that shareholders will be required to file state tax returns, other than in their respective states of residence, as a result of the ownership of shares. However, you should consult your own tax advisor regarding the effect of state and local tax laws on an investment in our shares.

You are advised to consult with your own tax advisor regarding the specific tax consequences to you of the ownership and sale of shares in an entity electing to be taxed as a real estate investment trust, including the federal, state, local, foreign, and other tax consequences of such purchase, ownership, sale, and election and of potential changes in applicable tax laws.

Table of Contents

UNDERWRITING

We and the underwriters for this offering named below have entered into an underwriting agreement concerning the Series B Preferred Shares being offered by this prospectus supplement and the accompanying prospectus. The underwriters obligations are several and not joint, which means that each underwriter is required to purchase a specified number of shares, but is not responsible for the commitment of any other underwriter to purchase shares. Subject to the terms and conditions of the underwriting agreement, each underwriter has severally agreed to purchase the number of Series B Preferred Shares set forth opposite its name below.

Underwriters	Number of Shares
Bear, Stearns & Co. Inc.	1,024,000
A.G. Edwards & Sons, Inc.	1,024,000
RBC Dain Rauscher Inc.	584,000
Stifel, Nicolaus & Company, Incorporated	568,000
Total	3,200,000

The underwriting agreement provides that the obligations of the underwriters are conditional and may be terminated at their discretion based on their assessment of the state of the financial markets. The obligations of the underwriters may also be terminated upon the occurrence of the events specified in the underwriting agreement. The underwriters are severally committed to purchase all of the Series B Preferred Shares being offered if any shares are purchased.

The following table provides information regarding the per share and total underwriting discounts and commissions that we will pay to the underwriters in connection with this offering.

	Per Share	Total
Underwriting discounts and commissions payable by us	$ 0.7875	$ 2,520,000

We estimate that the total expenses of this offering payable by us, excluding underwriting discounts and commissions, will be approximately $250,000.

The underwriters propose to offer the Series B Preferred Shares directly to the public initially at the public offering price set forth on the cover page of this prospectus supplement and to selected dealers at such price less a concession not to exceed $0.50 per share. The underwriters may allow, and such selected dealers may reallow, a concession not to exceed $0.45 per share. The Series B Preferred Shares will be available for delivery, when, as and if accepted by the underwriters and subject to prior sale and to withdrawal, cancellation or modification of the offering without notice. The underwriters reserve the right to reject any order for purchase of the shares in whole or in part. After the commencement of this offering, the underwriters may change the public offering price and other selling terms.

We have agreed in the underwriting agreement to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, and, where such indemnification is unavailable, to contribute to payments that the underwriters may be required to make in respect of such liabilities.

The Series B Preferred Shares are a new issue of securities and, prior to acceptance of the Series B Preferred Shares for listing on the NYSE, there will be no established trading market for the Series B Preferred Shares. We have applied to list the Series B Preferred Shares on the NYSE under the symbol, EPR PrB. If this application is approved, we expect trading in the Series B Preferred Shares to commence within a 30-day period after the initial delivery of the Series B Preferred Shares. In order to meet the requirements for listing the Series B Preferred Shares on the NYSE, the underwriters have undertaken to sell (i) Series B Preferred Shares to ensure a minimum of 100 beneficial holders with a minimum of 100,000 Series B Preferred Shares outstanding and (ii) a sufficient number of Series B Preferred Shares so that following this offering, the Series B Preferred Shares have a minimum aggregate market value of $2 million. The underwriters have advised us that they intend to make a market in the Series B Preferred Shares, but they are not obligated to

Table of Contents

do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Series B Preferred Shares.

In order to facilitate this offering of Series B Preferred Shares, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the market price of the Series B Preferred Shares in accordance with Regulation M under the Securities Exchange Act of 1934, as amended.

The underwriters may over-allot the Series B Preferred Shares in connection with this offering, thus creating a short position for their own account. Short sales involve the sale by the underwriters of a greater number of shares than they are committed to purchase in this offering. To cover these short sales positions or to stabilize the market price of the Series B Preferred Shares, the underwriters may bid for, and purchase, Series B Preferred Shares in the open market. These transactions may be effected on the NYSE or otherwise. Additionally, the representatives, on behalf of the underwriters, may also reclaim selling concessions allowed to another underwriter or dealer. Similar to other purchase transactions, the underwriters purchases to cover the syndicate short sales or to stabilize the market price of our Series B Preferred Shares may have the effect of raising or maintaining the market price of our Series B Preferred Shares or preventing or mitigating a decline in the market price of our Series B Preferred Shares. As a result, the price of the Series B Preferred Shares may be higher than the price that might otherwise exist in the open market. No representation is made as to the magnitude or effect of any such stabilization or other activities. The underwriters are not required to engage in these activities and, if commenced, may discontinue any of these activities at any time.

We have agreed, with exceptions, not to offer, sell, contract to sell or otherwise dispose of any Series B Preferred Shares or securities on parity with or senior to the Series B Preferred Shares (as to dividend rights, or rights upon liquidation, dissolution or winding up), including, but not limited to, any securities that are convertible into or exchangeable for, or that represent the right to receive, any such securities, for a period of 30 days after the date of this prospectus supplement without first obtaining the written consent of Bear, Stearns & Co. Inc.

From time to time, the underwriters and/or their affiliates have engaged in, and may in the future engage in, investment banking, and other commercial dealings in the ordinary course of business with us for which they have received, and expect to receive, customary fees and commissions for these transactions. An affiliate of RBC Capital Markets, an underwriter in this offering, is a lender under our Bank of America credit facility.

It is expected that delivery of the Series B Preferred Shares will be made on or about January 19, 2005, which will be the fifth business day following the date of pricing of the Series B Preferred Shares.

LEGAL MATTERS

Sonnenschein Nath & Rosenthal LLP has issued an opinion regarding the validity of the Series B Preferred Shares offered by this prospectus supplement. In addition, the discussion in Additional Federal Income Tax Consequences in this prospectus supplement and U.S. Federal Income Tax Consequences in the accompanying prospectus (as amended and supplemented by Additional Federal Income Tax Consequences in this prospectus supplement) is based on the tax opinion of Sonnenschein Nath & Rosenthal LLP. Certain legal matters in connection with this offering will be passed upon for the underwriters by Dechert LLP.

EXPERTS

Our consolidated financial statements and schedules as of and for the years ended December 31, 2003 and 2002 have been incorporated by reference in this prospectus supplement and the accompanying prospectus and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, incorporated by reference herein and upon the authority of that firm as experts in accounting and auditing.

Ernst & Young LLP, independent registered public accounting firm, have audited our consolidated financial statements for the year ended December 31, 2001 included in our annual report on Form 10-K for

Table of Contents

the year ended December 31, 2003, as set forth in their report, which is incorporated by reference in this prospectus supplement and accompanying prospectus and elsewhere in the registration statement. These financial statements for the year ended December 31, 2001 are incorporated by reference in this prospectus supplement and accompanying prospectus and in the registration statement in reliance on Ernst & Young LLP s report, given upon their authority as experts in accounting and auditing.

The audited historical statement of revenues and certain operating expenses of New Roc Associates, L.P. for the year ended December 31, 2002, has been incorporated by reference in this prospectus supplement and accompanying prospectus and in the registration statement in reliance upon the report of BDO Seidman LLP, independent registered public accounting firm, given upon their authority as experts in accounting and auditing.

The audited historical statements of revenues and certain expenses of Courtney Square Limited Partnership, Oakville Centrum Limited Partnership, Whitby Centrum Limited Partnership and Kanata Centrum Limited Partnership, respectively, for the year ended December 31, 2003, have been incorporated by reference in this prospectus supplement and accompanying prospectus and in the registration statement in reliance on the report of BDO Dunwoody LLP, independent registered public accounting firm, upon the authority of such firm as experts in accounting and auditing.

AVAILABLE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance with those requirements, we file reports and other information with the SEC. The reports and other information can be inspected and copied at the public reference facilities maintained by the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of this material can be obtained by mail from the Public Reference Section of the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. The SEC maintains a Web site (http://www.sec.gov) that contains reports, proxy and information statements and other materials that are filed through the SEC Electronic Data Gathering, Analysis and Retrieval (EDGAR) system. In addition, our common shares and Series A Preferred Shares are listed on the New York Stock Exchange and we are required to file reports, proxy and information statements and other information with the New York Stock Exchange. These documents can be inspected at the principal office of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

We have filed with the SEC a registration statement on Form S-3 covering the securities offered by this prospectus supplement. You should be aware that this prospectus supplement does not contain all of the information contained or incorporated by reference in that registration statement and its exhibits and schedules. You may inspect and obtain the registration statement, including exhibits, schedules, reports and other information that we have filed with the SEC, as described in the preceding paragraph. Statements contained in this prospectus supplement concerning the contents of any document we refer you to are not necessarily complete and in each instance we refer you to the applicable document filed with the SEC for more complete information.

Table of Contents

PROSPECTUS

$400,000,000

Entertainment Properties Trust

Common Shares, Preferred Shares,

Warrants and Debt Securities

Entertainment Properties Trust is a self-administered real estate investment trust formed to invest in entertainment-related properties. As of March 1, 2004, EPR s real estate portfolio was comprised of 49 megaplex movie theatre properties (including three joint venture properties) located in eighteen states and Ontario, Canada, six entertainment retail centers (including one joint venture property) located in Westminster, Colorado, New Rochelle, New York and Ontario, Canada, a water park located in Garland, Texas, and land parcels leased to restaurant and retail operators adjacent to several of our theatre properties.

To preserve our qualification as a real estate investment trust for U.S. federal income tax purposes and for other purposes, we impose restrictions on ownership of our common and preferred shares. See Description of Securities and U.S. Federal Income Tax Consequences in this prospectus.

Through this prospectus, we may periodically offer common shares of beneficial interest, preferred shares of beneficial interest, warrants or debt securities. The maximum aggregate initial public offering price of the securities we may offer through this prospectus will be $400,000,000.

The securities may be sold directly or through agents, underwriters or dealers. If any agent or underwriter is involved in selling the securities, its name, the applicable purchase price, fee, commission or discount arrangement, and the net proceeds to us from the sale of the securities will be described in a prospectus supplement. See Plan of Distribution.

Our common shares and 9.50% Series A Cumulative Redeemable Preferred Shares (Series A Preferred Shares) are traded on the New York Stock Exchange under the ticker symbols EPR and EPR PrA, respectively. The last reported sales price of our common shares on March 12, 2004 was $39.45 per share.

We have paid regular quarterly dividends to our common and preferred shareholders. See About EPR and Description of Securities.

Investing in these securities involves certain risks. See the Risk Factors beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is March 26, 2004.

TABLE OF CONTENTS

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement (No. 333-113626) that we filed with the Securities and Exchange Commission (SEC) using a shelf registration process. Under this shelf process, Entertainment Properties Trust (we, EPR or the Company) may sell any combinatio of the securities described in this prospectus in one or more offerings up to a maximum aggregate offering amount of $400,000,000.

This prospectus provides you with a general description of the securities we may offer. Each time we offer and sell securities, we will provide a prospectus supplement that contains specific information about the terms of the offering and the securities offered. The prospectus supplement may also update or change information provided in this prospectus. You should read both this prospectus and the applicable prospectus supplement and the other information described in Where You Can Find More Information and Incorporation of Certain Information by Reference prior to investing. We may only use this prospectus to sell securities if it is accompanied by a prospectus supplement.

WHERE YOU CAN FIND MORE INFORMATION

As a public company with securities listed on the New York Stock Exchange (NYSE), we must comply with the Securities Exchange Act of 1934 (Exchange Act). This requires that we file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, proxy statements or other information we file at the SEC s Public Reference Rooms at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington D.C. 20549 and at the SEC s regional offices at 233 Broadway, New York, New York 10279 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Please call the SEC at 1-800-SEC-0330 for further information. Copies of these materials may be obtained by mail from the Public Reference Rooms of the SEC. You may also access our SEC filings at the SEC s Internet website at www.sec.gov. You can inspect reports and other information we file at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement which includes this prospectus plus related exhibits with the SEC under the Securities Act of 1933 (the Securities Act). The registration statement contains additional information about EPR and the securities. You may view the registration statement and exhibits on file at the SEC s website. You may also inspect the registration statement and exhibits without charge at the SEC s offices at 450 Fifth Street, N.W., Washington, D.C. 20549, and you may obtain copies from the SEC at prescribed rates.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference the information we file with the SEC, which means we can disclose important information to you by referring to those documents. The information incorporated by reference is an important part of this prospectus. Any statement contained in a document which is incorporated by reference in this prospectus is automatically updated and superseded if information contained in this prospectus, or information we later file with the SEC, modifies or replaces that information.

The documents listed below have been filed by EPR under the Exchange Act (File No. 1-13561) and are incorporated by reference in this prospectus:

1. EPR s annual report on Form 10-K for the year ended December 31, 2003.

2. EPR s current report on Form 8-K/A dated October 27, 2003 and filed on January 12, 2004, amending EPR s current report on Form 8-K, dated October 27, 2003 and filed on November 12, 2003, and EPR s current report on Form 8-K, dated March 1, 2004 and filed on March 15, 2004, as amended by EPR s current report on Form 8-K/A, dated March 1, 2004 and filed on March 16, 2004.

3. The description of EPR s common shares of beneficial interest, $.01 par value, contained in EPR s registration statement on Form 8-A filed November 4, 1997, and the description of such common shares included in EPR s prospectus included as a part of EPR s registration statement on Form S-11 (Registration No. 333-35281) in the form in which it was filed on September 10, 1997, as amended from time to time.

Table of Contents

4. All documents filed by EPR under Section 13(a), 14 or 15(d) of the Exchange Act after the date of this prospectus (excluding any information furnished pursuant to Item 9 or Item 12 in any current report on Form 8-K) and prior to the termination of the offering of the securities covered by this prospectus. In addition, all documents filed by us pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any information furnished pursuant to Item 9 or Item 12 in any current report on Form 8-K) after the date of the initial registration statement and prior to effectiveness of the registration statement shall be deemed to be incorporated by reference into this prospectus and to be a part hereof from the date of filing of such document.

To obtain a free copy of any of the documents incorporated by reference in this prospectus (other than exhibits, unless they are specifically incorporated by reference in the documents) please contact us at:

Investor Relations Department

Entertainment Properties Trust
30 W. Pershing Road, Suite 201
Kansas City, Missouri 64108
(816) 472-1700/ 1-888-EPR-REIT/ FAX (816) 472-5794
Email info@eprkc.com

Our SEC filings are also available from our Internet website at www.eprkc.com.

As you read these documents, you may find some differences in information from one document to another. If you find differences between the documents and this prospectus, you should rely on the statements made in the most recent document.

You should rely only on the information contained in this prospectus or incorporated by reference. We have not authorized anyone to provide you with information that is different. We may only use this prospectus to sell securities if it is accompanied by a prospectus supplement describing those securities. We are only offering the securities in states where the offer is permitted. You should not assume the information in this prospectus or the applicable prospectus supplement is accurate as of any date other than the date on the front of these documents.

FORWARD-LOOKING STATEMENTS

With the exception of historical information, this prospectus and our reports filed under the Exchange Act and incorporated by reference in this prospectus contain forward-looking statements, such as those pertaining to the acquisition and leasing of properties, our capital resources and our results of operations. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of actual events. There is no assurance the events or circumstances reflected in the forward-looking statements will occur. You can identify forward-looking statements by use of words such as will be, intend, continue, believe, may, expect, hope, anticipate, goal other comparable terms, or by discussions of strategy, plans or intentions. Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise. Our actual financial condition, results of operations or business may vary materially from those contemplated by these forward-looking statements and involve various uncertainties, including but not limited to the factors described below under Risk Factors. We caution you not to place undue reliance on any forward-looking statements, which reflect our analysis only.

Table of Contents

RISK FACTORS

Before you invest in our securities, you should be aware that purchasing our securities involves various risks, including those described below. You should carefully consider these risk factors, together with the other information in this prospectus and accompanying prospectus supplement, before purchasing our securities.

Risks That May Impact Our Financial Condition or Performance

We could be adversely affected by a tenant s bankruptcy

If a tenant becomes bankrupt or insolvent, that could diminish the income we expect from that tenant s leases. We may not be able to evict a tenant solely because of its bankruptcy. On the other hand, a bankruptcy court might authorize the tenant to terminate its leases with us. If that happens, our claim against the bankrupt tenant for unpaid future rent would be subject to statutory limitations that might be substantially less than the remaining rent owed under the leases. In addition, any claim we have for unpaid past rent would likely not be paid in full.

The development of megaplex movie theatres has rendered many older multiplex theatres obsolete. To the extent our tenants own a substantial number of multiplexes, they have been, or may in the future be, required to take significant charges against earnings resulting from the impairment of those assets. Megaplex theatre operators have also been and may in the future be adversely affected by any overbuilding of megaplex theatres in their markets and the cost of financing, building and leasing megaplex theatres. Two of our tenants, Edwards Theatre Circuits, Inc. (now part of Regal Entertainment Group), which operates two of our theatres, and Loews Cineplex Entertainment, which operates two of our theatres, have filed for, and emerged from, bankruptcy reorganization. We did not incur any significant expenses or loss of revenue as a result of those bankruptcy reorganizations.

Operating risks in the entertainment industry may affect the ability of our tenants to perform under their leases

The ability of our tenants to operate successfully in the entertainment industry and remain current on their lease obligations depends on a number of factors, including the availability and popularity of motion pictures, the performance of those pictures in tenants markets, the allocation of popular pictures to tenants and the terms on which the pictures are licensed. Neither we nor our tenants control the operations of motion picture distributors. Megaplex theatres represent a greater capital investment, and generate higher rents, than the previous generation of multiplex theatres. For this reason, the ability of our tenants to operate profitably and perform under their leases could be dependent on their ability to generate higher revenues per screen than multiplex theatres typically produce.

The success of out-of-home entertainment venues such as megaplex theatres and entertainment retail centers also depends on general economic conditions and the willingness of consumers to spend time and money on out-of-home entertainment.

A single tenant represents a substantial portion of our lease revenues

As of March 1, 2004, approximately 65% of our megaplex theatre properties were leased to American Multi-Cinema, Inc. (AMC), a subsidiary of AMC Entertainment, Inc. (AMCE) and one of the nation s largest movie exhibition companies. AMCE has guaranteed AMC s performance under the leases. We have diversified and expect to continue to diversify our real estate portfolio by entering into lease transactions with a number of other leading theatre operators and acquiring other types of entertainment-related properties. Nevertheless, our revenues and our continuing ability to pay shareholder dividends and interest on any debt securities we may offer are currently substantially dependent on AMC s performance under its leases and AMCE s performance under its guaranty.

It is also possible, although not verifiable, that some theatre operators may be reluctant to lease from us because of our strong relationship with AMC. We believe AMC occupies a strong position in the industry and we intend to continue acquiring and leasing back AMC theatres. However, if for any reason AMC failed to perform

Table of Contents

under its lease obligations and AMCE did not perform under its guaranty, we could be required to reduce or suspend our shareholder dividends and any debt security interest payments, and may not have sufficient funds to support operations, until substitute tenants are obtained. If that happened, we cannot predict when or whether we could obtain substitute quality tenants on acceptable terms.

There is risk in using debt to fund property acquisitions

We have used leverage to acquire properties and expect to continue to do so in the future. Although the use of leverage is common in the real estate industry, our use of debt to acquire properties does expose us to some risks. If a significant number of our tenants fail to make their lease payments and we don t have sufficient cash to pay principal and interest on the debt, we could default on our debt obligations. Our debt financing is secured by mortgages on our properties. If we fail to make our mortgage payments, the lenders could declare a default and foreclose on those properties.

A portion of our secured debt has hyper-amortization provisions which may require us to refinance the debt or sell the properties securing the debt prior to maturity

As of December 31, 2003, we had approximately $98.1 million outstanding under a single secured mortgage loan agreement that contains a hyper-amortization feature, in which the principal payment schedule is rapidly accelerated, and our principal payments are substantially increased, if we fail to pay the balance on the anticipated prepayment date of July 11, 2008. We undertook this debt on the assumption that we can refinance the debt prior to the hyper-amortization payments becoming due. If we cannot obtain acceptable refinancing at the appropriate time, the hyper-amortization payments will require substantially all of the revenues from those properties securing the debt to be applied to the debt repayment, which would substantially reduce our common share dividend rate and could adversely affect our financial condition and liquidity.

We must obtain new financing in order to grow

As a REIT, we are required to distribute at least 90% of our net income to shareholders in the form of dividends. This means we are limited in our ability to use internal capital to acquire properties and must continually raise new capital in order to continue to grow and diversify our real estate portfolio. Our ability to raise new capital depends in part on factors beyond our control, including conditions in equity and credit markets, conditions in the cinema exhibition industry and the performance of real estate investment trusts generally. We continually consider and evaluate a variety of potential transactions to raise additional capital, but we cannot assure that attractive alternatives will always be available to us, nor that our common share price will increase or remain at a level that will permit us to continue to raise equity capital privately or publicly.

If we fail to qualify as a REIT we would be taxed as a corporation, which would substantially reduce funds available for payment of dividends to our shareholders

If we fail to qualify as a REIT for U.S. federal income tax purposes, we will be taxed as a corporation. We are organized and believe we qualify as a REIT, and intend to operate in a manner that will allow us to continue to qualify as a REIT. However, we cannot assure you that we will remain qualified in the future. This is because qualification as a REIT involves the application of highly technical and complex provisions of the Internal Revenue Code on which there are only limited judicial and administrative interpretations, and depends on facts and circumstances not entirely within our control. In addition, future legislation, new regulations, administrative interpretations or court decisions may significantly change the tax laws, the application of the tax laws to our qualification as a REIT or the U.S. federal income tax consequences of that qualification.

If we fail to qualify as a REIT we will face tax consequences that will substantially reduce the funds available for payment of dividends: