UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 11, 2013 (February 11, 2013)

Brookdale Senior Living Inc.
(Exact name of registrant as specified in its charter)

Delaware	001-32641	20-3068069
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

111 Westwood Place, Suite 400, Brentwood, Tennessee	37027
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (615) 221-2250

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 — Financial Information

Item 2.02 Results of Operations and Financial Condition.

On February 11, 2013, Brookdale Senior Living Inc. (the "Company") issued a press release announcing its fourth quarter and full year 2012 financial results and announcing a conference call to review these results. A copy of the press release is furnished herewith as Exhibit 99.1.

Supplemental information relating to the Company's fourth quarter and full year 2012 results is furnished herewith as Exhibit 99.2.

The information furnished pursuant to this Current Report on Form 8-K (including the exhibits hereto) shall not be considered "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any filing by the Company under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended, unless the Company expressly sets forth by specific reference in such filing that such information is to be considered "filed" or incorporated by reference therein.

Section 7 — Regulation FD

Item 7.01 Regulation FD Disclosure.

The information set forth in Item 2.02 of this report is incorporated herein by reference.

Section 9 — Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release dated February 11, 2013

99.2 Supplemental Information

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BROOKDALE SENIOR LIVING INC.

Date: February 11, 2013		By:	/s/ T. Andrew Smith
		Name:	T. Andrew Smith
		Title:	Executive Vice President, General Counsel and Secretary

EXHIBIT INDEX

Exhibit No.	Exhibit
99.1	Press Release dated February 11, 2013.
99.2	Supplemental Information.

FOR IMMEDIATE RELEASE

Contact:

Brookdale Senior Living Inc.
Ross Roadman 615-564-8104

Brookdale Announces Fourth Quarter and Full Year 2012 Results

Nashville, TN. February 11, 2013 – Brookdale Senior Living Inc. (NYSE: BKD) (the "Company") today reported financial and operating results for the fourth quarter and full year 2012.

- Cash From Facility Operations ("CFFO") was $68.7 million, or $0.56 per share, excluding $7.2 million of integration, transaction-related and electronic medical records ("EMR") roll-out costs in the fourth quarter of 2012.
- Average occupancy was 88.7%, a 70 basis point sequential increase from the third quarter of 2012 and a 90 basis point increase from the fourth quarter of 2011.
- Average monthly revenue per unit for the senior housing portfolio improved by 2.9% to $4,282 for the fourth quarter of 2012 from $4,160 for the fourth quarter of 2011.
- Entry Fee CCRCs completed 121 independent living entry fee unit closings and produced $15.1 million of net cash flow, an increase of $5.7 million over the fourth quarter of 2011.
- Adjusted EBITDA was $109.2 million, a 4.7% increase from $104.4 million in the fourth quarter of 2011, excluding integration, transaction-related and EMR roll-out costs in both periods.

Bill Sheriff, Brookdale's CEO, said, "We had a strong finish to the year as evidenced by the fourth quarter's occupancy increases across our segments and another good entry fee sales quarter. We are seeing some signs of improvements in the general economy that lend themselves to driving demand for our products. At the same time, we are positioning the Company to maximize its opportunities with an empowered, resident-focused field organization and a sales and marketing organization with the appropriate resources. With the Company positioned for success, we are excited about our prospects for 2013."

Mark Ohlendorf, Co-President and CFO of Brookdale, commented, "A 70 basis point sequential increase in the fourth quarter occupancy is very strong for a portfolio our size. We experienced it across all of our segments and across multiple geographies. In fact, we saw occupancy increases in 16 of our top 20 markets during the quarter. The strong occupancy increases were a result of improving fundamentals, focused execution and the benefit of the capital we have invested and continue to spend on our portfolio."

Financial Results

Total revenue for the fourth quarter was $699.7 million, an increase of $27.8 million, or 4.1%, from the fourth quarter of 2011. Revenue for the full year 2012 was $2.8 billion, a 12.7% increase from $2.5 billion for the full year 2011. Fourth quarter 2012 total revenue is comprised of resident fee revenue of $609.1 million, which increased $24.5 million, or 4.2%, from the fourth quarter of 2011, management fee revenue of $8.4 million, which increased $1.1 million, or 14.8%, from the fourth quarter of 2011, and managed community reimbursed costs of $82.2 million.

Resident fee revenue increased primarily as a result of an increase in the average monthly revenue per unit compared to the prior year period and an increase in occupancy. Average monthly revenue per unit for the senior housing portfolio was $4,282 in the fourth quarter, an increase of $122, or 2.9%, over the fourth quarter of 2011. Average occupancy for all consolidated communities for the fourth quarter of 2012 was 88.7%, compared to 87.8% for the fourth quarter of 2011 and 88.0% for the third quarter of 2012. For the managed community portfolio, which includes a number of pre-stabilized communities in the initial fill-up phase, average occupancy for the fourth quarter was 85.4%, a 110 basis point increase from 84.3% in the third quarter of 2012.

For the full year of 2012, resident fee revenue increased from $2.3 billion to $2.4 billion. Average monthly revenue per unit increased to $4,271 for the full year of 2012, a 1.9% increase over the full year of 2011. Average occupancy for all consolidated communities for the full year was 88.0%, compared to 87.3% for the full year of 2011.

Facility operating expenses for the fourth quarter were $417.2 million, an increase of $27.2 million, or 7.0%, from the fourth quarter of 2011, primarily due to additional expense related to occupancy increases, inflationary cost increases and increases in health and property insurance expenses. Facility operating expenses for the full year 2012 were $1.6 billion, an 8.1% increase from $1.5 billion for the full year 2011.

General and administrative expenses for the fourth quarter were $44.6 million. Excluding integration, transaction-related and EMR roll-out costs of $7.2 million and $8.0 million in the fourth quarters of 2012 and 2011, respectively, and non-cash stock-based compensation expense from both periods, general and administrative expenses were $31.0 million in the fourth quarter of 2012 versus $28.8 million for the prior year same period. Demonstrating the Company's efficient platform, general and administrative expenses were 4.0% of resident fee revenue (including resident fee revenues under management) in the fourth quarter of 2012.

Brookdale's management utilizes Adjusted EBITDA and CFFO to evaluate the Company's performance and liquidity because these metrics exclude non-cash items such as depreciation and amortization, asset impairment charges, non-cash stock-based compensation expense, gain on facility lease termination and straight-line lease expense, net of deferred gain amortization. Adjusted EBITDA and Cash From Facility Operations include integration, transaction-related and EMR roll-out costs of $7.2 million and $23.5 million for the three months and year ended December 31, 2012, respectively, and $8.0 million and $14.4 million for the three months and year ended December 31, 2011, respectively. Brookdale also uses Facility Operating Income to assess the performance of its communities.

For the quarter ended December 31, 2012, Facility Operating Income was $187.3 million, a decrease of $0.8 million, or 0.4%, over the fourth quarter of 2011, and Adjusted EBITDA, excluding integration, transaction-related and EMR roll-out costs in 2012 and 2011, was $109.2 million, an increase of $4.9 million, or 4.7%, over the fourth quarter of 2011. For the year ended December 31, 2012, Facility Operating Income was $758.8 million, an increase of $1.1 million, or 0.1%, over the full year of 2011, and Adjusted EBITDA, excluding integration, transaction-related and EMR roll-out costs in 2012 and 2011, was $433.4 million, an increase of $16.4 million, or 3.9%, over the full year of 2011.

Cash From Facility Operations was $61.4 million for the fourth quarter of 2012, or $0.50 per share. CFFO, excluding integration, transaction-related and EMR roll-out costs for both periods, was $68.7 million for the fourth quarter of 2012, or $0.56 per share, an increase of $3.9 million, or 6.0%, over CFFO of $64.8 million, or $0.54 per share, for the fourth quarter of 2011. CFFO, excluding integration, transaction-related and EMR roll-out costs for both periods, was $262.4 million for the year ended December 31, 2012, or $2.15 per share, an increase of $8.1 million, or 3.2%, over CFFO of $254.3 million, or $2.11 per share, for the full year of 2011.

Net loss for the fourth quarter of 2012 was $(24.5) million, or $(0.20) per diluted common share. The loss for the quarter includes non-cash items for depreciation and amortization, asset impairment, non-cash stock-based compensation expense, gain on facility lease termination and straight-line lease expense, net of deferred gain amortization.

Operating Activities

The Company reports information on six segments. Four segments (Retirement Centers, Assisted Living, CCRCs – Rental and CCRCs – Entry Fee) constitute the Company's consolidated senior housing portfolio. The fifth segment, Innovative Senior Care, includes the Company's outpatient therapy, home health and hospice services. The sixth segment, Management Services, includes the services provided to unconsolidated communities that are operated under management agreements.

Senior Housing

Revenue for the consolidated senior housing portfolio was $553.1 million for the fourth quarter of 2012, an increase of 4.2% from the fourth quarter of 2011. Revenue was positively impacted by a 90 basis point increase in occupancy and a 2.9% increase in rate over the fourth quarter of 2011. Operating income for the senior housing portfolio for the fourth quarter of 2012 decreased by $0.2 million from the fourth quarter of 2011.

Same community results for the consolidated senior housing portfolio for the three months ended December 31, 2012 showed revenues grew 3.9% over the corresponding period in 2011 as revenue per unit increased by 2.8% and occupancy grew by 100 basis points. Same community expenses grew by 5.4% and included a $2.0 million increase in expense related to the Company's employee health insurance programs over the fourth quarter of 2011. Same community Facility Operating Income for the senior housing portfolio increased by 0.9% over the fourth quarter of 2011.

Innovative Senior Care

Revenue for the Company's ISC segment increased $2.3 million, or 4.2%, to $56.1 million, for the fourth quarter of 2012, primarily due to the roll-out of the Company's ancillary services programs to additional units. In comparison to the fourth quarter of 2011, a volume increase in home health was partially offset by a reduction in volume in outpatient therapy and a reduction in Medicare reimbursement rates. ISC operating expenses increased $4.7 million, or 11.7%, primarily due to an increase in expenses incurred in connection with the continued expansion of the Company's ancillary services programs and an increase in home health direct labor expenses. As a result, ISC operating income was $11.1 million, a decrease of $2.5 million, or 18.3%, versus the fourth quarter of 2011.

By the end of the fourth quarter, the Company's ancillary services programs provided outpatient therapy services to approximately 38,000 Brookdale units and the Company's home health agencies were serving approximately 32,200 units across the consolidated Brookdale portfolio. Including non-consolidated communities served by ISC, the Company's outpatient therapy and home health operations serve approximately 51,400 and 45,800 units, respectively. By the end of the fourth quarter, the Company had reached approximately 12,200 Horizon Bay units for therapy and approximately 11,200 Horizon Bay units for home health. The Company had four markets where hospice services were provided during the fourth quarter.

Liquidity

Brookdale had $69.2 million of unrestricted cash and cash equivalents and $105.9 million of restricted cash on its balance sheet at the end of the fourth quarter. As of December 31, 2012, the Company had an available secured line of credit with a $230.0 million commitment and $191.4 million of availability (of which $80.0 million had been drawn as of that date). The Company also had secured and unsecured letter of credit facilities of up to $92.5 million in the aggregate as of December 31, 2012. Letters of credit totaling $78.1 million had been issued under these facilities as of that date.

Transactions

During the fourth quarter, the Company acquired the underlying real estate interest in 12 communities that the Company previously leased for an aggregate purchase price of $162.1 million. The results of operations of the previously leased communities are included in the consolidated financial statements from the effective dates of the respective lease agreements and are reported in the Assisted Living and Retirement Centers segments.

On December 28, 2012, the Company obtained a $171.3 million first mortgage loan secured by nine of the Company's communities, including eight of the recently-acquired communities. The loan has a ten-year term and bears interest at a variable rate of 30 day LIBOR plus 259 basis points. In connection with the transaction, the Company repaid $37.4 million of mortgage loans scheduled to mature in 2013.

2013 Outlook

For the full year 2013, the Company expects Cash From Facility Operations to range between $2.30 and $2.40 per share, excluding integration, transaction-related and EMR roll-out costs. These estimates do not include the impact on operating results from possible future acquisitions or dispositions.

Supplemental Information

The Company will shortly post on the Investor Relations section of the Company's website at www.brookdaleliving.com supplemental information relating to the Company's fourth quarter and full year 2012 results. This information will also be furnished in a Form 8-K to be filed with the SEC.

Earnings Conference Call

Brookdale's management will conduct a conference call to review the financial results of its fourth quarter and full year ended December 31, 2012 on Tuesday, February 12, 2013 at 9:00 AM ET. The conference call can be accessed by dialing (866) 900-2996 (from within the U.S.) or (706) 643-2685 (from outside of the U.S.) ten minutes prior to the scheduled start and referencing the "Brookdale Senior Living Fourth Quarter Earnings Call."

A webcast of the conference call will be available to the public on a listen-only basis at www.brookdaleliving.com. Please allow extra time prior to the call to visit the site and download the necessary software required to listen to the internet broadcast. A replay of the webcast will be available through the website for three months following the call.

For those who cannot listen to the live call, a replay will be available until 11:59 PM ET on February 26, 2013 by dialing (855) 859-2056 (from within the U.S.) or (404) 537-3406 (from outside of the U.S.) and referencing access code "96030240". A copy of this earnings release is posted on the Investor Relations page of the Brookdale website (www.brookdaleliving.com).

About Brookdale Senior Living

Brookdale Senior Living Inc. is a leading owner and operator of senior living communities throughout the United States. The Company is committed to providing an exceptional living experience through properties that are designed, purpose-built and operated to provide the highest-quality service, care and living accommodations for residents. Currently the Company operates independent living, assisted living, and dementia-care communities and continuing care retirement centers, with 647 communities in 36 states and the ability to serve approximately 66,700 residents. Through its Innovative Senior Care program, the Company also offers a range of outpatient therapy, home health and hospice services, primarily to residents of its communities.

Safe Harbor

Certain items in this press release and the associated earnings conference call may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Those forward-looking statements are subject to various risks and uncertainties and include all statements that are not historical statements of fact and those regarding our intent, belief or expectations, including, but not limited to, statements relating to our operational initiatives and our expectations regarding their effect on our results; our expectations regarding the economy, occupancy, revenue, cash flow, expenses, capital expenditures, Program Max opportunities, cost savings, the demand for senior housing, the home resale market, expansion and development activity, acquisition opportunities, asset dispositions, our share repurchase program, taxes, capital deployment, returns on invested capital and CFFO; our expectations regarding returns to shareholders and our growth prospects; our expectations concerning the future performance of recently acquired communities and the effects of acquisitions on our financial results; our expectations regarding the CEO transition process; our ability to secure financing or repay, replace or extend existing debt at or prior to maturity; our ability to remain in compliance with all of our debt and lease agreements (including the financial covenants contained therein); our expectations regarding liquidity and leverage; our expectations regarding financings and refinancings of assets (including the timing thereof) and their effect on our results; our expectations regarding changes in government reimbursement programs and their effect on our results; our plans to generate growth organically through occupancy improvements, increases in annual rental rates and the achievement of operating efficiencies and cost savings; our plans to expand our offering of ancillary services (therapy, home health and hospice); our plans to expand, redevelop and reposition existing communities; our plans to acquire additional communities, asset portfolios, operating companies and home health agencies; the expected project costs for our expansion, redevelopment and repositioning program; our expected levels of expenditures and reimbursements (and the timing thereof); our expectations regarding our sales, marketing and branding initiatives; our expectations for the performance of our entrance fee communities; our ability to anticipate, manage and address industry trends and their effect on our business; our expectations regarding the payment of dividends; and our ability to increase revenues, earnings, Adjusted EBITDA, Cash From Facility Operations, and/or Facility Operating Income. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "overestimate," "underestimate," "believe," "could," "would," "project," "predict," "continue," "plan" or other similar words or expressions. Forward-looking statements are based on certain assumptions or estimates, discuss future expectations, describe future plans and strategies, contain projections of results of operations or of financial condition, or state other forward-looking information. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, actual results and performance could differ materially from those set forth in the forward-looking statements. Factors which could have a material adverse effect on our operations and future prospects or which could cause events or circumstances to differ from these forward-looking statements include, but are not limited to, the risk associated with the current global economic situation and its impact upon capital markets and liquidity; changes in governmental reimbursement programs; our inability to extend (or refinance) debt (including our credit and letter of credit facilities) as it matures; the risk that we may not be able to satisfy the conditions precedent to exercising the extension options associated with certain of our debt agreements; events which adversely affect the ability of seniors to afford our monthly resident fees or entrance fees; the conditions of housing markets in certain geographic areas; our ability to generate sufficient cash flow to cover required interest and long-term operating lease payments; the effect of our indebtedness and long-term operating leases on our liquidity; the risk of loss of property pursuant to our mortgage debt and long-term lease obligations; the possibilities that changes in the capital markets, including changes in interest rates and/or credit spreads, or other factors could make financing more expensive or unavailable to us; our determination from time to time to purchase any shares under the repurchase program; our ability to fund any repurchases; our ability to effectively manage our growth; our ability to maintain consistent quality control; delays in obtaining regulatory approvals; the risk that we may not be able to expand, redevelop and reposition our communities in accordance with our plans; our ability to complete acquisitions and integrate them into our operations; competition for the acquisition of assets; our ability to obtain additional capital on terms acceptable to us; a decrease in the overall demand for senior housing; our vulnerability to economic downturns; acts of nature in certain geographic areas; terminations of our resident agreements and vacancies in the living spaces we lease; early terminations or non-renewal of management agreements; increased competition for skilled personnel; increased union activity; departure of our key officers; increases in market interest rates; environmental contamination at any of our facilities; failure to comply with existing environmental laws; an adverse determination or resolution of complaints filed against us; the cost and difficulty of complying with increasing and evolving regulation; and other risks detailed from time to time in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in such SEC filings. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our management's views as of the date of this press release and/or the associated earnings conference call. The factors discussed above and the other factors noted in our SEC filings from time to time could cause our actual results to differ significantly from those contained in any forward-looking statement. We cannot guarantee future results, levels of activity, performance or achievements and we expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

Consolidated Statements of Operations
(*in thousands, except per share data*)

	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Years Ended December 31, 2012	Years Ended December 31, 2011
:venue				
Resident fees	$ 609,143	$ 584,640	$ 2,414,283	$ 2,291,757
Management fees	8,436	7,349	30,786	13,595
Reimbursed costs incurred on behalf of managed communities	82,169	79,982	325,016	152,566
Total revenue	699,748	671,971	2,770,085	2,457,918
(pense				
Facility operating expense (excluding depreciation and amortization of $56,090, $56,754, $229,072 and $230,414, respectively)	417,168	389,961	1,630,919	1,508,571
General and administrative expense (including non-cash stock-based compensation expense of $6,335, $5,540, $25,520 and $19,856, respectively)	44,627	42,392	178,829	148,327
Facility lease expense	70,785	74,164	284,025	274,858
Depreciation and amortization	62,500	62,076	252,281	268,506
Asset impairment	19,348	2,046	27,677	16,892
Loss (gain) on acquisition	-	1,538	636	(1,982)
Costs incurred on behalf of managed communities	82,169	79,982	325,016	152,566
Gain on facility lease termination	(8,804)	-	(11,584)	-
Total operating expense	687,793	652,159	2,687,799	2,367,738
Income from operations	11,955	19,812	82,286	90,180
terest income	1,792	969	4,012	3,538
terest expense:				
Debt	(31,595)	(32,206)	(128,338)	(124,873)
Amortization of deferred financing costs and debt discount	(4,479)	(4,403)	(18,081)	(13,427)
Change in fair value of derivatives and amortization	7	273	(364)	(3,878)
oss on extinguishment of debt, net	-	-	(221)	(18,863)
quity in (loss) earnings of unconsolidated ventures	(3,277)	1,137	(3,488)	1,432
her non-operating income (expense)	201	(204)	593	56
oss before income taxes	(25,396)	(14,622)	(63,601)	(65,835)
enefit (provision) for income taxes	909	(253)	(2,044)	(2,340)
Net loss	$ (24,487)	$ (14,875)	$ (65,645)	$ (68,175)
Basic and diluted net loss per share	$ (0.20)	$ (0.12)	$ (0.54)	$ (0.56)
Weighted average shares used in computing basic and diluted net loss per share	122,608	120,951	121,991	121,161

Consolidated Balance Sheets

(*in thousands*)

	December 31, 2012	December 31, 2011
Cash and cash equivalents	$ 69,240	$ 30,836
Cash and escrow deposits - restricted	43,096	45,903
Accounts receivable, net	100,401	98,697
Other current assets	96,301	105,439
Total current assets	309,038	280,875
Property, plant, and equipment and leasehold intangibles, net	3,879,977	3,694,064
Other assets, net	476,963	491,122
Total assets	$ 4,665,978	$ 4,466,061
Current liabilities	$ 1,121,503	$ 620,950
Long-term debt, less current portion	2,169,826	2,415,971
Other liabilities	371,932	388,932
Total liabilities	3,663,261	3,425,853
Stockholders' equity	1,002,717	1,040,208
Total liabilities and stockholders' equity	$ 4,665,978	$ 4,466,061

Consolidated Statements of Cash Flows
(*in thousands*)

	Years Ended December 31, 2012	2011
Cash Flows from Operating Activities		
Net loss	$ (65,645)	$ (68,175)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Loss on extinguishment of debt	221	18,863
Depreciation and amortization	270,362	281,933
Asset impairment	27,677	16,892
Equity in loss (earnings) of unconsolidated ventures	3,488	(1,432)
Distributions from unconsolidated ventures from cumulative share of net earnings	1,507	1,282
Amortization of deferred gain	(4,372)	(4,373)
Amortization of entrance fees	(26,709)	(25,401)
Proceeds from deferred entrance fee revenue	40,105	38,378
Deferred income tax provision	-	943
Change in deferred lease liability	6,668	8,608
Change in fair value of derivatives and amortization	364	3,878
Loss (gain) on sale of assets	332	(1,180)
Loss (gain) on acquisition	636	(1,982)
Gain on facility lease termination	(11,584)	-
Lessor cash reimbursement for tenant incentive	-	1,251
Change in future service obligation	2,188	-
Non-cash stock-based compensation	25,520	19,856
Other	(487)	-
Changes in operating assets and liabilities:		
Accounts receivable, net	(3,415)	(5,367)
Prepaid expenses and other assets, net	8,687	(22,934)
Accounts payable and accrued expenses	4,854	13,721
Tenant refundable fees and security deposits	(1,547)	(2,186)
Deferred revenue	12,119	(4,148)
Net cash provided by operating activities	290,969	268,427
Cash Flows from Investing Activities		
Increase in lease security deposits and lease acquisition deposits, net	(7,999)	(3,088)
(Increase) decrease in cash and escrow deposits — restricted	(4,810)	56,176
Purchase of marketable securities — restricted	(1,557)	(32,724)
Sale of marketable securities — restricted	35,124	1,431
Additions to property, plant, and equipment and leasehold intangibles, net of related payables	(208,412)	(160,131)
Acquisition of assets, net of related payables and cash received	(272,523)	(88,682)
Purchase of Horizon Bay Realty, L.L.C., net of cash acquired	-	5,516
Payment on notes receivable, net	131	1,484
Investment in unconsolidated ventures	(5,368)	(13,990)
Distributions received from unconsolidated ventures	350	206
Proceeds from the sale of assets, net	9,243	30,817
Other	487	(914)
Net cash used in investing activities	(455,334)	(203,899)
Cash Flows from Financing Activities		
Proceeds from debt	372,291	482,669
Repayment of debt and capital lease obligations	(191,835)	(898,565)
Proceeds from line of credit	375,000	225,000
Repayment of line of credit	(360,000)	(160,000)
Proceeds from issuance of convertible notes, net	-	308,212
Issuance of warrants	-	45,066
Purchase of bond hedge	-	(77,007)
Payment of financing costs, net of related payables	(5,563)	(8,712)
Other	(342)	(1,287)
Refundable entrance fees:		
Proceeds from refundable entrance fees	42,600	29,611
Refunds of entrance fees	(27,356)	(25,754)
Cash portion of loss on extinguishment of debt	(118)	(17,040)
Recouponing and payment of swap termination	(1,908)	(99)
Purchase of treasury stock	-	(17,613)
Net cash provided by (used in) financing activities	202,769	(115,519)
Net increase (decrease) in cash and cash equivalents	38,404	(50,991)
Cash and cash equivalents at beginning of year	30,836	81,827
Cash and cash equivalents at end of year	$ 69,240	$ 30,836

Non-GAAP Financial Measures

Adjusted EBITDA

Adjusted EBITDA is a measure of operating performance that is not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Adjusted EBITDA should not be considered in isolation or as a substitute for net income, income from operations or cash flows provided by or used in operations, as determined in accordance with GAAP. Adjusted EBITDA is a key measure of the Company's operating performance used by management to focus on operating performance and management without mixing in items of income and expense that relate to long-term contracts and the financing and capitalization of the business. We define Adjusted EBITDA as net income (loss) before provision (benefit) for income taxes, non-operating (income) expense items, (gain) loss on sale or acquisition of communities (including gain (loss) on facility lease termination), depreciation and amortization (including non-cash impairment charges), straight-line lease expense (income), amortization of deferred gain, amortization of deferred entrance fees, non-cash stock-based compensation expense, and change in future service obligation and including entrance fee receipts and refunds (excluding (i) first generation entrance fee receipts from the sale of units at a recently opened entrance fee CCRC prior to stabilization and (ii) first generation entrance fee refunds not replaced by second generation entrance fee receipts at the recently opened community prior to stabilization).

In the first quarter of 2012, we revised the definition of Adjusted EBITDA to clarify the point at which first generation entrance fee receipts and refunds at recently opened entrance fee CCRCs will be included. We determine the stabilization date of recently opened entrance fee communities to be the first day of the first full fiscal quarter occurring two years subsequent to the community's opening date for occupancy of all levels of care on the campus.

As a result of this change, beginning in the first quarter of 2012, we include all net entrance fee activity from a recently opened entrance fee CCRC in our non-GAAP financial measures. For the year ended December 31, 2012, first generation net entrance fee receipts which would have been excluded under the previous definition of Adjusted EBITDA were $3.6 million. There were no first generation net entrance fee receipts for the three months ended December 31, 2012.

We believe Adjusted EBITDA is useful to investors in evaluating our performance, results of operations and financial position for the following reasons:

- It is helpful in identifying trends in our day-to-day performance because the items excluded have little or no significance to our day-to-day operations;
- It provides an assessment of controllable expenses and affords management the ability to make decisions which are expected to facilitate meeting current financial goals as well as achieve optimal financial performance; and
- It is an indication to determine if adjustments to current spending decisions are needed.

The table below reconciles Adjusted EBITDA from net loss for the three months and years ended December 31, 2012 and 2011 (*in thousands*):

	Three Months Ended December 31(1),		Years Ended December 31(1),	
	2012	**2011**	**2012**	**2011**
Net loss	$ (24,487)	$ (14,875)	$ (65,645)	$ (68,175)
(Benefit) provision for income taxes	(909)	253	2,044	2,340
Other non-operating (income) expense	(201)	204	(593)	(56)
Equity in loss (earnings) of unconsolidated ventures	3,277	(1,137)	3,488	(1,432)
Loss on extinguishment of debt, net	-	-	221	18,863
Interest expense:				
Debt	24,492	24,467	98,183	93,229
Capitalized lease obligation	7,103	7,739	30,155	31,644
Amortization of deferred financing costs and debt discount	4,479	4,403	18,081	13,427
Change in fair value of derivatives and amortization	(7)	(273)	364	3,878
Interest income	(1,792)	(969)	(4,012)	(3,538)
Income from operations	11,955	19,812	82,286	90,180
Gain on facility lease termination	(8,804)	-	(11,584)	-
Loss (gain) on acquisition	-	1,538	636	(1,982)
Depreciation and amortization	62,500	62,076	252,281	268,506
Asset impairment	19,348	2,046	27,677	16,892
Straight-line lease expense	1,344	3,592	6,668	8,608
Amortization of deferred gain	(1,093)	(1,093)	(4,372)	(4,373)
Amortization of entrance fees	(6,863)	(6,536)	(26,709)	(25,401)
Non-cash stock-based compensation expense	6,335	5,540	25,520	19,856
Change in future service obligation	2,188	-	2,188	-
Entrance fee receipts(2)	22,890	22,920	82,705	67,989
First generation entrance fees received (3)	-	(5,440)	-	(12,617)
Entrance fee disbursements	(7,801)	(8,107)	(27,356)	(24,993)
Adjusted EBITDA	$ 101,999	$ 96,348	$ 409,940	$ 402,665

(1) The calculation of Adjusted EBITDA includes integration, transaction-related and EMR roll-out costs of $7.2 million and $23.5 million for the three months and year ended December 31, 2012, respectively. The calculation of Adjusted EBITDA includes integration, transaction-related and EMR roll-out costs of $8.0 million and $14.4 million for the three months and year ended December 31, 2011, respectively.

(2) Includes the receipt of refundable and non-refundable entrance fees.

(3) First generation entrance fees received represents initial entrance fees received from the sale of units at a recently opened entrance fee CCRC prior to stabilization.

Cash From Facility Operations

Cash From Facility Operations (CFFO) is a measurement of liquidity that is not calculated in accordance with GAAP and should not be considered in isolation as a substitute for cash flows provided by or used in operations, as determined in accordance with GAAP. We define CFFO as net cash provided by (used in) operating activities adjusted for changes in operating assets and liabilities, deferred interest and fees added to principal, refundable entrance fees received, first generation entrance fee receipts at a recently opened entrance fee CCRC prior to stabilization, entrance fee refunds disbursed adjusted for first generation entrance fee refunds not replaced by second generation entrance fee receipts at the recently opened community prior to stabilization, lease financing debt amortization with fair market value or no purchase options, gain (loss) on facility lease termination, recurring capital expenditures (net), distributions from unconsolidated ventures from cumulative share of net earnings, CFFO from unconsolidated ventures, and other. Recurring capital expenditures include routine expenditures capitalized in accordance with GAAP that are funded from current operations. Amounts excluded from recurring capital expenditures consist primarily of major projects, renovations, community repositionings, expansions, systems projects or other non-recurring or unusual capital items (including integration capital expenditures) or community purchases that are funded using lease or financing proceeds, available cash and/or proceeds from the sale of communities that are held for sale.

In the first quarter of 2012, we revised the definition of CFFO to clarify the point at which first generation entrance fee receipts and refunds at recently opened entrance fee CCRCs will be included. We determine the stabilization date of recently opened entrance fee communities to be the first day of the first full fiscal quarter occurring two years subsequent to the community's opening date for occupancy of all levels of care on the campus.

As a result of this change, beginning in the first quarter of 2012, we include all net entrance fee activity from a recently opened entrance fee CCRC in our non-GAAP financial measures. For the year ended December 31, 2012, first generation net entrance fee receipts which would have been excluded under the previous definition of CFFO were $3.6 million. There were no first generation net entrance fee receipts for the three months ended December 31, 2012.

We believe CFFO is useful to investors in evaluating our liquidity for the following reasons:

- It provides an assessment of our ability to facilitate meeting current financial and liquidity goals.
- To assess our ability to:
  - (i) service our outstanding indebtedness;
  - (ii) pay dividends; and
  - (iii) make regular recurring capital expenditures to maintain and improve our facilities.

The table below reconciles CFFO from net cash provided by operating activities for the three months and years ended December 31, 2012 and 2011 (*in thousands*):

	Three Months Ended December 31(1),		Years Ended December 31(1),	
	2012	2011	2012	2011
Net cash provided by operating activities	$ 82,991	$ 57,894	$ 290,969	$ 268,427
Changes in operating assets and liabilities	(14,772)	12,076	(20,698)	20,914
Refundable entrance fees received(2)	13,088	11,017	42,600	29,611
First generation entrance fees received (3)	-	(5,440)	-	(12,617)
Entrance fee refunds disbursed	(7,801)	(8,107)	(27,356)	(24,993)
Recurring capital expenditures, net	(10,168)	(8,661)	(38,306)	(33,661)
Lease financing debt amortization with fair market value or no purchase options	(3,132)	(2,700)	(12,120)	(10,465)
Distributions from unconsolidated ventures from cumulative share of net earnings	(72)	(582)	(1,507)	(582)
CFFO from unconsolidated ventures	1,279	1,249	5,376	3,289
Cash From Facility Operations	$ 61,413	$ 56,746	$ 238,958	$ 239,923

(1) The calculation of Cash From Facility Operations includes integration, transaction-related and EMR roll-out costs of $7.2 million and $23.5 million for the three months and year ended December 31, 2012, respectively. The calculation of Cash From Facility Operations includes integration, transaction-related and EMR roll-out costs of $8.0 million and $14.4 million for the three months and year ended December 31, 2011, respectively.

(2) Total entrance fee receipts for both the three months ended December 31, 2012 and 2011 were $22.9 million, including $9.8 million and $11.9 million, respectively, of non-refundable entrance fee receipts included in net cash provided by operating activities. Total entrance fee receipts for the years ended December 31, 2012 and 2011 were $82.7 million and $68.0 million, respectively, including $40.1 million and $38.4 million, respectively, of non-refundable entrance fee receipts included in net cash provided by operating activities.

(3) First generation entrance fees received represents initial entrance fees received from the sale of units at a recently opened entrance fee CCRC prior to stabilization.

The calculation of CFFO per share is based on weighted average outstanding common shares for the period, excluding any unvested restricted shares. Annual CFFO per share for all periods is calculated as the sum of the quarterly amounts for the year.

Facility Operating Income

Facility Operating Income is not a measurement of operating performance calculated in accordance with GAAP and should not be considered in isolation as a substitute for net income, income from operations, or cash flows provided by or used in operations, as determined in accordance with GAAP. We define Facility Operating Income as net income (loss) before provision (benefit) for income taxes, non-operating (income) expense items, (gain) loss on sale or acquisition of communities (including gain (loss) on facility lease termination), depreciation and amortization (including non-cash impairment charges), facility lease expense, general and administrative expense, including non-cash stock-based compensation expense, change in future service obligation, amortization of deferred entrance fee revenue and management fees.

We believe Facility Operating Income is useful to investors in evaluating our facility operating performance for the following reasons:

- It is helpful in identifying trends in our day-to-day facility performance;
- It provides an assessment of our revenue generation and expense management; and
- It provides an indicator to determine if adjustments to current spending decisions are needed.

The table below reconciles Facility Operating Income from net loss for the three months and years ended December 31, 2012 and 2011 (*in thousands*):

	Three Months Ended December 31,		Years Ended December 31,	
	2012	2011	2012	2011
Net loss	$ (24,487)	$ (14,875)	$ (65,645)	$ (68,175)
(Benefit) provision for income taxes	(909)	253	2,044	2,340
Other non-operating (income) expense	(201)	204	(593)	(56)
Equity in loss (earnings) of unconsolidated ventures	3,277	(1,137)	3,488	(1,432)
Loss on extinguishment of debt, net	-	-	221	18,863
Interest expense:				
Debt	24,492	24,467	98,183	93,229
Capitalized lease obligation	7,103	7,739	30,155	31,644
Amortization of deferred financing costs and debt discount	4,479	4,403	18,081	13,427
Change in fair value of derivatives and amortization	(7)	(273)	364	3,878
Interest income	(1,792)	(969)	(4,012)	(3,538)
Income from operations	11,955	19,812	82,286	90,180
Gain on facility lease termination	(8,804)	-	(11,584)	-
Depreciation and amortization	62,500	62,076	252,281	268,506
Asset impairment	19,348	2,046	27,677	16,892
Loss (gain) on acquisition	-	1,538	636	(1,982)
Change in future service obligation	2,188	-	2,188	-
Facility lease expense	70,785	74,164	284,025	274,858
General and administrative (including non-cash stock-based compensation expense)	44,627	42,392	178,829	148,327
Amortization of entrance fees	(6,863)	(6,536)	(26,709)	(25,401)
Management fees	(8,436)	(7,349)	(30,786)	(13,595)
Facility Operating Income	$ 187,300	$ 188,143	$ 758,843	$ 757,785

Brookdale Senior Living Inc.
Corporate Overview - selected financial information
As of December 31, 2012

Corporate Overview

Brookdale Senior Living Inc. ("BKD") is a leading owner and operator of senior living communities throughout the United States. The Company is committed to providing an exceptional living experience through properties that are designed, purpose-built and operated to provide the highest-quality service, care and living accommodations for residents. As of December 31, 2012, the Company operates independent living, assisted living, and dementia-care communities and continuing care retirement centers, with 647 communities in 36 states and the ability to serve approximately 66,700 residents. Through its Innovative Senior Care program, the Company also offers a range of outpatient therapy, home health and hospice services, primarily to residents of its communities.

Stock Listing

Common Stock
NYSE: BKD

Community Information

Ownership Type	Number of Facilities	Number of Units	Percentage of Q4 2012 Resident and Management Fees	Percentage of Q4 2012 Facility Operating Income	Percentage of FY 2012 Resident and Management Fees	Percentage of FY 2012 Facility Operating Income
Owned	221	23,029	42.3%	41.9%	40.8%	39.2%
Leased	329	25,707	47.2%	48.4%	48.7%	51.1%
Innovative Senior Care ("ISC")	N/A	N/A	9.1%	5.5%	9.2%	5.9%
Managed	97	17,998	1.4%	4.2%	1.3%	3.8%
Total	647	66,734	100.0%	100.0%	100.0%	100.0%
Operating Type - By Segment						
Retirement Centers	76	14,528	20.6%	25.5%	20.6%	25.2%
Assisted Living	433	21,594	41.3%	44.6%	41.4%	44.4%
CCRCs - Rental	27	6,748	15.9%	13.1%	15.8%	13.0%
CCRCs - Entry Fee	14	5,866	11.7%	7.1%	11.7%	7.7%
Innovative Senior Care ("ISC")	N/A	N/A	9.1%	5.5%	9.2%	5.9%
Managed	97	17,998	1.4%	4.2%	1.3%	3.8%
Total	647	66,734	100.0%	100.0%	100.0%	100.0%

CFFO Per Share

($ except where indicated)

	FY 2011					FY 2012				
	Q1	Q2	Q3	Q4	Full Year(1)	Q1	Q2	Q3	Q4	Full Year(1)
Reported CFFO	$ 0.51	$ 0.51	$ 0.49	$ 0.47	$ 1.98	$ 0.45	$ 0.51	$ 0.50	$ 0.50	$ 1.96
Add: integration, transaction-related and EMR roll-out costs	-	0.01	0.05	0.07	0.13	0.03	0.06	0.04	0.06	0.19
Adjusted CFFO	$ 0.51	$ 0.52	$ 0.54	$ 0.54	$ 2.11	$ 0.48	$ 0.57	$ 0.54	$ 0.56	$ 2.15
Weighted average shares (000's)	120,792	121,280	121,616	120,951		121,145	121,708	122,493	122,608	
Period end outstanding shares (excluding unvested restricted shares) (000's)	120,835	121,973	120,911	121,133		121,197	122,474	122,575	122,738	

(1) Full year CFFO for all periods is calculated as the sum of the quarterly amounts for the year.

Investor Relations

Ross Roadman
SVP, Investor Relations
Brookdale Senior Living Inc.
111 Westwood Place, Suite 400
Brentwood, TN 37027
Phone (615) 564-8104
rroadman@brookdaleliving.com

Note: See accompanying fourth quarter earnings release for non-GAAP financial measure definitions and reconciliations.

Brookdale Senior Living Inc.
Segment Operating Information
As of December 31, 2012

Senior Housing Operating Information

	FY 2011					FY 2012				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Retirement Centers										
Number of communities (period end)	75	74	76	76	76	76	76	76	76	76
Total average units(1)	14,104	14,050	14,131	14,468	14,188	14,452	14,451	14,445	14,433	14,445
Weighted average unit occupancy	87.3%	87.3%	88.4%	88.9%	88.0%	88.8%	88.8%	89.1%	89.7%	89.1%
Senior Housing average monthly revenue per unit(2)	$ 3,129	$ 3,150	$ 3,186	$ 3,185	$ 3,163	$ 3,235	$ 3,268	$ 3,275	$ 3,276	$ 3,263
Assisted Living										
Number of communities (period end)	428	428	433	434	434	434	434	434	433	433
Total average units(1)	21,295	21,145	21,265	21,589	21,323	21,635	21,637	21,652	21,577	21,625
Weighted average unit occupancy	88.2%	87.4%	88.4%	88.7%	88.2%	88.5%	88.6%	89.1%	89.7%	88.9%
Senior Housing average monthly revenue per unit(2)	$ 4,280	$ 4,288	$ 4,274	$ 4,260	$ 4,275	$ 4,379	$ 4,390	$ 4,393	$ 4,401	$ 4,390
CCRCs - Rental										
Number of communities (period end)	22	22	26	26	26	26	27	27	27	27
Total average units(1)	6,073	6,071	6,243	6,624	6,253	6,626	6,659	6,691	6,691	6,667
Weighted average unit occupancy	87.2%	86.3%	86.3%	86.3%	86.5%	86.5%	85.8%	85.8%	87.0%	86.3%
Senior Housing average monthly revenue per unit(2)	$ 5,681	$ 5,643	$ 5,672	$ 5,464	$ 5,612	$ 5,536	$ 5,561	$ 5,619	$ 5,639	$ 5,588
CCRCs - Entry Fee										
Number of communities (period end)	14	14	14	14	14	14	14	14	14	14
Total average units(1)	5,138	5,141	5,152	5,161	5,148	5,171	5,199	5,221	5,249	5,210
Weighted average unit occupancy	83.1%	82.3%	82.2%	83.2%	82.7%	83.7%	83.4%	83.4%	84.1%	83.7%
Senior Housing average monthly revenue per unit(2)	$ 5,079	$ 5,106	$ 5,124	$ 4,902	$ 5,052	$ 5,055	$ 4,963	$ 4,975	$ 4,921	$ 4,978
Senior Housing Totals										
Number of communities (period end)	539	538	549	550	550	550	551	551	550	550
Total average units(1)	46,610	46,407	46,791	47,842	46,912	47,884	47,946	48,009	47,950	47,947
Weighted average unit occupancy	87.2%	86.6%	87.4%	87.8%	87.3%	87.8%	87.7%	88.0%	88.7%	88.0%
Senior Housing average monthly revenue per unit(2)	$ 4,198	$ 4,203	$ 4,214	$ 4,160	$ 4,193	$ 4,257	$ 4,266	$ 4,279	$ 4,282	$ 4,271
Management Services - Total										
Number of communities (period end)	19	19	98	97	97	96	96	97	97	97
Total average units(1)	3,784	3,785	8,649	18,328	8,636	18,253	18,144	18,081	18,141	18,155
Weighted average occupancy	84.7%	84.8%	84.3%	84.4%	84.5%	84.3%	84.0%	84.3%	85.4%	84.5%
Average monthly revenue per unit(2)	$ 3,778	$ 3,836	$ 3,484	$ 3,344	$ 3,480	$ 3,373	$ 3,369	$ 3,386	$ 3,399	$ 3,382

Innovative Senior Care Operating Information

	FY 2011				FY 2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Innovative Senior Care								
Brookdale units served:								
Outpatient Therapy consolidated	35,428	35,535	35,761	36,212	35,909	36,844	38,016	37,961
Home Health consolidated	27,277	28,129	28,347	28,924	32,655	31,944	32,650	32,242
Outpatient Therapy non-consolidated	6,038	6,045	6,022	6,050	9,685	9,861	12,540	13,448
Home Health non-consolidated	3,088	2,987	2,975	2,976	4,735	10,667	12,597	13,569
Total Brookdale units served:								
Outpatient Therapy	41,466	41,580	41,783	42,262	45,594	46,705	50,556	51,409
Home Health	30,365	31,116	31,322	31,900	37,390	42,611	45,247	45,811
Outpatient Therapy treatment codes	818,122	823,539	848,205	859,988	907,816	957,364	939,241	762,233
Home Health average census	3,147	3,316	3,379	3,479	3,448	3,554	3,651	4,187

(1)Total average units operated represent the average units operated during the period, excluding equity homes.
(2)Average monthly revenue per unit represents the average of the total monthly revenues, excluding amortization of entrance fees, divided by average occupied units.

Brookdale Senior Living Inc.
Senior Housing Data by Ownership Type
As of December 31, 2012

Senior Housing Operating Information

	FY 2011				FY 2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 (1)
Owned Properties								
Number of communities (period end)	201	200	199	200	209	210	210	221
Total average units(2)	20,212	20,012	19,912	19,939	21,281	21,350	21,425	22,243
Weighted average unit occupancy	86.6%	86.0%	86.5%	87.0%	87.2%	87.4%	87.6%	89.0%
Senior Housing average monthly revenue per unit(3)	$ 4,347	$ 4,359	$ 4,376	$ 4,318	$ 4,302	$ 4,297	$ 4,318	$ 4,323
Leased Properties with Bargain Purchase Options								
Number of communities (period end)	18	18	18	18	18	18	18	9
Total average units(2)	3,263	3,261	3,261	3,264	3,263	3,263	3,261	2,948
Weighted average unit occupancy	88.5%	88.2%	88.6%	88.0%	88.4%	87.6%	88.0%	88.3%
Senior Housing average monthly revenue per unit(3)	$ 3,856	$ 3,834	$ 3,845	$ 3,797	$ 3,878	$ 3,874	$ 3,903	$ 3,802
Leased Properties with Fair Market Value Purchase Options								
Number of communities (period end)	86	86	86	86	77	77	77	74
Total average units(2)	5,226	5,226	5,226	5,224	3,929	3,927	3,927	3,364
Weighted average unit occupancy	89.0%	88.8%	89.8%	91.3%	91.1%	91.2%	92.0%	91.8%
Senior Housing average monthly revenue per unit(3)	$ 3,874	$ 3,872	$ 3,872	$ 3,835	$ 4,384	$ 4,423	$ 4,482	$ 4,549
Leased Properties without Purchase Options								
Number of communities (period end)	234	234	246	246	246	246	246	246
Total average units(2)	17,909	17,908	18,392	19,415	19,411	19,406	19,396	19,395
Weighted average unit occupancy	87.2%	86.5%	87.6%	87.7%	87.6%	87.3%	87.6%	87.9%
Senior Housing average monthly revenue per unit(3)	$ 4,189	$ 4,197	$ 4,209	$ 4,158	$ 4,241	$ 4,264	$ 4,256	$ 4,256
Senior Housing Totals								
Number of communities (period end)	539	538	549	550	550	551	551	550
Total average units(2)	46,610	46,407	46,791	47,842	47,884	47,946	48,009	47,950
Weighted average unit occupancy	87.2%	86.6%	87.4%	87.8%	87.8%	87.7%	88.0%	88.7%
Senior Housing average monthly revenue per unit(3)	$ 4,198	$ 4,203	$ 4,214	$ 4,160	$ 4,257	$ 4,266	$ 4,279	$ 4,282

(1)During the three months ended December 31, 2012, the Company acquired the underlying real estate interest in 12 communities that the Company previously leased. The results of operations of the previously leased communities are included within Owned Properties beginning in the fourth quarter of FY 2012. Prior quarters have not been recast.
(2)Total average units operated represent the average units operated during the period, excluding equity homes.
(3)Average monthly revenue per unit represents the average of the total monthly revenues, excluding amortization of entrance fees, divided by average occupied units.

Brookdale Senior Living Inc.
Segment Financial Data
As of December 31, 2012

Financial Data
($ in 000s)

	FY 2011					FY 2012				
Retirement Centers	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Revenue	115,529	115,916	119,548	122,849	473,842	124,512	125,813	126,401	127,176	503,902
Expenses	66,952	66,992	69,601	71,858	275,403	73,521	73,138	75,679	75,979	298,317
Segment Operating Income	48,577	48,924	49,947	50,991	198,439	50,991	52,675	50,722	51,197	205,585
Segment Operating Margin	*42.0%*	*42.2%*	*41.8%*	*41.5%*	*41.9%*	*41.0%*	*41.9%*	*40.1%*	*40.3%*	*40.8%*

	FY 2011					FY 2012				
Assisted Living	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Revenue	241,228	237,665	241,037	244,655	964,585	251,352	252,399	254,179	255,407	1,013,337
Expenses	155,553	151,618	158,933	158,553	624,657	160,789	162,233	163,017	166,114	652,153
Segment Operating Income	85,675	86,047	82,104	86,102	339,928	90,563	90,166	91,162	89,293	361,184
Segment Operating Margin	*35.5%*	*36.2%*	*34.1%*	*35.2%*	*35.2%*	*36.0%*	*35.7%*	*35.9%*	*35.0%*	*35.6%*

	FY 2011					FY 2012				
CCRCs - Rental	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Revenue	90,198	88,618	91,628	93,651	364,095	95,112	95,258	96,681	98,428	385,479
Expenses	60,249	58,863	62,671	65,463	247,246	67,093	68,494	71,581	72,248	279,416
Segment Operating Income	29,949	29,755	28,957	28,188	116,849	28,019	26,764	25,100	26,180	106,063
Segment Operating Margin	*33.2%*	*33.6%*	*31.6%*	*30.1%*	*32.1%*	*29.5%*	*28.1%*	*26.0%*	*26.6%*	*27.5%*

	FY 2011					FY 2012				
CCRCs - Entry Fee	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Revenue	70,843	71,390	71,571	69,651	283,455	72,056	71,195	71,750	72,047	287,048
Expenses	53,052	53,403	53,232	53,783	213,470	54,914	55,341	56,249	57,792	224,296
Segment Operating Income	17,791	17,987	18,339	15,868	69,985	17,142	15,854	15,501	14,255	62,752
Segment Operating Margin	*25.1%*	*25.2%*	*25.6%*	*22.8%*	*24.7%*	*23.8%*	*22.3%*	*21.6%*	*19.8%*	*21.9%*
Bridge to Cash Basis for CCRCs - Entry Fee segment										
Revenue	70,843	71,390	71,571	69,651	283,455	72,056	71,195	71,750	72,047	287,048
Less: revenue amortization (non-cash)	(5,762)	(6,604)	(6,499)	(6,536)	(25,401)	(6,403)	(6,647)	(6,796)	(6,863)	(26,709)
Add: net entrance fees (cash)	7,511	8,128	12,544	14,052	42,235	6,887	14,265	19,108	15,089	55,349
Adjusted revenue	72,592	72,914	77,616	77,167	300,289	72,540	78,813	84,062	80,273	315,688
Expenses	53,052	53,403	53,232	53,783	213,470	54,914	55,341	56,249	57,792	224,296
Adjusted Segment Operating Income	19,540	19,511	24,384	23,384	86,819	17,626	23,472	27,813	22,481	91,392
Adjusted Segment Operating Margin	*26.9%*	*26.8%*	*31.4%*	*30.3%*	*28.9%*	*24.3%*	*29.8%*	*33.1%*	*28.0%*	*29.0%*

Total Senior Housing	FY 2011					FY 2012				
(GAAP Basis)	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Revenue	517,798	513,589	523,784	530,806	2,085,977	543,032	544,665	549,011	553,058	2,189,766
Expenses	335,806	330,876	344,437	349,657	1,360,776	356,317	359,206	366,526	372,133	1,454,182
Operating Income	181,992	182,713	179,347	181,149	725,201	186,715	185,459	182,485	180,925	735,584
Operating Margin	*35.1%*	*35.6%*	*34.2%*	*34.1%*	*34.8%*	*34.4%*	*34.1%*	*33.2%*	*32.7%*	*33.6%*
G&A Allocation (1)	22,568	21,489	20,598	18,991	83,646	22,751	20,876	21,402	20,374	85,403
G&A Allocation as a % of revenue	*4.4%*	*4.2%*	*3.9%*	*3.6%*	*4.0%*	*4.2%*	*3.8%*	*3.9%*	*3.7%*	*3.9%*
Adjusted Operating Income	159,424	161,224	158,749	162,158	641,555	163,964	164,583	161,083	160,551	650,181
Adjusted Operating Margin	*30.8%*	*31.4%*	*30.3%*	*30.5%*	*30.8%*	*30.2%*	*30.2%*	*29.3%*	*29.0%*	*29.7%*

Brookdale Senior Living Inc.
Segment Financial Data
As of December 31, 2012

Financial Data (continued)
($ in 000s)

Innovative Senior Care ("ISC")	FY 2011 Q1	FY 2011 Q2	FY 2011 Q3	FY 2011 Q4	FY 2011 Full Year	FY 2012 Q1	FY 2012 Q2	FY 2012 Q3	FY 2012 Q4	FY 2012 Full Year
Revenue	50,237	50,334	51,375	53,834	205,780	53,854	57,722	56,856	56,085	224,517
Expenses	35,148	35,366	36,977	40,304	147,795	42,452	44,309	44,941	45,035	176,737
Segment Operating Income	15,089	14,968	14,398	13,530	57,985	11,402	13,413	11,915	11,050	47,780
Segment Operating Margin	*30.0%*	*29.7%*	*28.0%*	*25.1%*	*28.2%*	*21.2%*	*23.2%*	*21.0%*	*19.7%*	*21.3%*
G&A Allocation (1)	5,377	5,610	4,912	4,301	20,200	5,954	5,453	5,467	5,358	22,232
G&A Allocation as a % of revenue	*10.7%*	*11.1%*	*9.6%*	*8.0%*	*9.8%*	*11.1%*	*9.4%*	*9.6%*	*9.6%*	*9.9%*
Adjusted Segment Operating Income	9,712	9,358	9,486	9,229	37,785	5,448	7,960	6,448	5,692	25,548
Adjusted Segment Operating Margin	*19.3%*	*18.6%*	*18.5%*	*17.1%*	*18.4%*	*10.1%*	*13.8%*	*11.3%*	*10.1%*	*11.4%*

Total Senior Housing and ISC (GAAP Basis)	FY 2011 Q1	FY 2011 Q2	FY 2011 Q3	FY 2011 Q4	FY 2011 Full Year	FY 2012 Q1	FY 2012 Q2	FY 2012 Q3	FY 2012 Q4	FY 2012 Full Year
Revenue	568,035	563,923	575,159	584,640	2,291,757	596,886	602,387	605,867	609,143	2,414,283
Expenses	370,954	366,242	381,414	389,961	1,508,571	398,769	403,515	411,467	417,168	1,630,919
Operating Income	197,081	197,681	193,745	194,679	783,186	198,117	198,872	194,400	191,975	783,364
Operating Margin	*34.7%*	*35.1%*	*33.7%*	*33.3%*	*34.2%*	*33.2%*	*33.0%*	*32.1%*	*31.5%*	*32.4%*
G&A Allocation (1)	27,945	27,099	25,510	23,292	103,846	28,705	26,329	26,869	25,732	107,635
G&A Allocation as a % of revenue	*4.9%*	*4.8%*	*4.4%*	*4.0%*	*4.5%*	*4.8%*	*4.4%*	*4.4%*	*4.2%*	*4.5%*
Adjusted Operating Income	169,136	170,582	168,235	171,387	679,340	169,412	172,543	167,531	166,243	675,729
Adjusted Operating Margin	*29.8%*	*30.2%*	*29.3%*	*29.3%*	*29.6%*	*28.4%*	*28.6%*	*27.7%*	*27.3%*	*28.0%*

Management Services	FY 2011 Q1	FY 2011 Q2	FY 2011 Q3	FY 2011 Q4	FY 2011 Full Year	FY 2012 Q1	FY 2012 Q2	FY 2012 Q3	FY 2012 Q4	FY 2012 Full Year
Revenue (Management Fees)	1,405	1,505	3,336	7,349	13,595	7,444	7,499	7,407	8,436	30,786
Expenses (G&A Allocation) (1)	1,058	1,133	2,512	5,534	10,237	5,929	5,325	5,644	5,311	22,209
Segment Operating Income	347	372	824	1,815	3,358	1,515	2,174	1,763	3,125	8,577
Segment Operating Margin	*24.7%*	*24.7%*	*24.7%*	*24.7%*	*24.7%*	*20.4%*	*29.0%*	*23.8%*	*37.0%*	*27.9%*

Total Senior Housing, ISC and Management Services (GAAP Basis)	FY 2011 Q1	FY 2011 Q2	FY 2011 Q3	FY 2011 Q4	FY 2011 Full Year	FY 2012 Q1	FY 2012 Q2	FY 2012 Q3	FY 2012 Q4	FY 2012 Full Year
Revenue	569,440	565,428	578,495	591,989	2,305,352	604,330	609,886	613,274	617,579	2,445,069
Expenses	370,954	366,242	381,414	389,961	1,508,571	398,769	403,515	411,467	417,168	1,630,919
Operating Income	198,486	199,186	197,081	202,028	796,781	205,561	206,371	201,807	200,411	814,150
Operating Margin	*34.9%*	*35.2%*	*34.1%*	*34.1%*	*34.6%*	*34.0%*	*33.8%*	*32.9%*	*32.5%*	*33.3%*
G&A Allocation (1)	29,003	28,232	28,022	28,826	114,083	34,634	31,654	32,513	31,043	129,844
G&A Allocation as a % of revenue	*5.1%*	*5.0%*	*4.8%*	*4.9%*	*4.9%*	*5.7%*	*5.2%*	*5.3%*	*5.0%*	*5.3%*
Adjusted Operating Income	169,483	170,954	169,059	173,202	682,698	170,927	174,717	169,294	169,368	684,306
Adjusted Operating Margin	*29.8%*	*30.2%*	*29.2%*	*29.3%*	*29.6%*	*28.3%*	*28.6%*	*27.6%*	*27.4%*	*28.0%*

(1) Excludes non-cash stock-based compensation expense and integration, transaction-related and EMR roll-out costs.

Brookdale Senior Living Inc.
Senior Housing Data by Ownership Type
As of December 31, 2012

Financial Data
($ in 000s)

Owned Properties	FY 2011					FY 2012				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4 (1)	Full Year
Revenue	231,894	228,970	230,159	228,401	919,424	243,601	245,019	247,772	261,278	997,670
Expenses	154,474	151,506	155,689	154,670	616,339	163,822	165,862	171,356	177,350	678,390
Segment Operating Income	77,420	77,464	74,470	73,731	303,085	79,779	79,157	76,416	83,928	319,280
Segment Operating Margin	*33.4%*	*33.8%*	*32.4%*	*32.3%*	*33.0%*	*32.7%*	*32.3%*	*30.8%*	*32.1%*	*32.0%*
Bridge to Cash Basis for CCRCs - Entry Fee										
Revenue	231,894	228,970	230,159	228,401	919,424	243,601	245,019	247,772	261,278	997,670
Less: revenue amortization (non-cash)	(3,629)	(4,018)	(4,054)	(4,154)	(15,855)	(3,991)	(4,507)	(4,593)	(4,563)	(17,654)
Add: net entrance fees (cash)	6,791	5,010	10,383	12,297	34,481	5,802	10,487	14,234	11,481	42,004
Adjusted revenue	235,056	229,962	236,488	236,544	938,050	245,412	250,999	257,413	268,196	1,022,020
Expenses	154,474	151,506	155,689	154,670	616,339	163,822	165,862	171,356	177,350	678,390
Adjusted Segment Operating Income	80,582	78,456	80,799	81,874	321,711	81,590	85,137	86,057	90,846	343,630
Adjusted Segment Operating Margin	*34.3%*	*34.1%*	*34.2%*	*34.6%*	*34.3%*	*33.2%*	*33.9%*	*33.4%*	*33.9%*	*33.6%*

Leased Properties with Bargain Purchase Options	FY 2011					FY 2012				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Revenue	34,936	35,126	35,261	34,629	139,952	35,432	34,891	35,400	31,532	137,255
Expenses	22,662	22,662	22,897	22,871	91,092	23,287	23,433	24,264	21,334	92,318
Segment Operating Income	12,274	12,464	12,364	11,758	48,860	12,145	11,458	11,136	10,198	44,937
Segment Operating Margin	*35.1%*	*35.5%*	*35.1%*	*34.0%*	*34.9%*	*34.3%*	*32.8%*	*31.5%*	*32.3%*	*32.7%*

Leased Properties with Fair Market Value Purchase Options	FY 2011					FY 2012				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Revenue	54,067	53,882	54,519	54,889	217,357	47,104	47,534	48,560	42,140	185,338
Expenses	35,281	34,435	35,941	35,687	141,344	29,974	30,192	28,999	27,443	116,608
Segment Operating Income	18,786	19,447	18,578	19,202	76,013	17,130	17,342	19,561	14,697	68,730
Segment Operating Margin	*34.7%*	*36.1%*	*34.1%*	*35.0%*	*35.0%*	*36.4%*	*36.5%*	*40.3%*	*34.9%*	*37.1%*

Leased Properties without Purchase Options	FY 2011					FY 2012				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Revenue	196,901	195,611	203,845	212,887	809,244	216,895	217,221	217,279	218,108	869,503
Expenses	123,389	122,273	129,910	136,429	512,001	139,234	139,719	141,907	146,006	566,866
Segment Operating Income	73,512	73,338	73,935	76,458	297,243	77,661	77,502	75,372	72,102	302,637
Segment Operating Margin	*37.3%*	*37.5%*	*36.3%*	*35.9%*	*36.7%*	*35.8%*	*35.7%*	*34.7%*	*33.1%*	*34.8%*

Total Senior Housing	FY 2011					FY 2012				
(GAAP Basis)	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Revenue	517,798	513,589	523,784	530,806	2,085,977	543,032	544,665	549,011	553,058	2,189,766
Expenses	335,806	330,876	344,437	349,657	1,360,776	356,317	359,206	366,526	372,133	1,454,182
Operating Income	181,992	182,713	179,347	181,149	725,201	186,715	185,459	182,485	180,925	735,584
Operating Margin	*35.1%*	*35.6%*	*34.2%*	*34.1%*	*34.8%*	*34.4%*	*34.1%*	*33.2%*	*32.7%*	*33.6%*

(1) During the three months ended December 31, 2012, the Company acquired the underlying real estate interest in 12 communities that the Company previously leased. The results of operations of the previously leased communities are included within Owned Properties beginning in the fourth quarter of FY 2012. Prior quarters have not been recast.

Brookdale Senior Living Inc.
Same Community and Capital Expenditure Information
As of December 31, 2012

Same Community Information

($ in 000s, except Avg. Mo. Revenue/Unit)

	Senior Housing Three Months Ended December 31,			Senior Housing Year Ended December 31,		
	2012	**2011**	% Change	**2012**	**2011**	% Change
Revenue	$ 538,179	$ 517,936	3.9%	$ 2,021,562	$ 1,973,314	2.4 %
Operating Expense	363,500	344,823	5.4%	1,348,892	1,296,064	4.1 %
Facility Operating Income	$ 174,679	$ 173,113	0.9%	$ 672,670	$ 677,250	-0.7 %
Facility Operating Margin	32.5%	33.4%	-0.9%	33.3%	34.3%	-1.0 %
# Communities	546	546		531	531	
Avg. Period Occupancy	88.8%	87.8%	1.0%	88.1%	87.4%	0.7 %
Avg. Mo. Revenue/Unit	$ 4,273	$ 4,157	2.8%	$ 4,239	$ 4,172	1.6 %

	Innovative Senior Care Three Months Ended December 31,			Innovative Senior Care Year Ended December 31,		
	2012	**2011**	% Change	**2012**	**2011**	% Change
Revenue	$ 29,825	$ 35,173	-15.2%	$ 107,488	$ 115,918	-7.3 %
Operating Expense	23,806	26,599	-10.5%	82,523	82,149	0.5 %
Facility Operating Income	$ 6,019	$ 8,574	-29.8%	$ 24,965	$ 33,769	-26.1 %
Facility Operating Margin	20.2%	24.4%	-4.2%	23.2%	29.1%	-5.9 %
# Units served (1)	26,282	26,282		21,656	21,656	

(1) Units are included in same store calculation where either the therapy or home health, whichever came later, has stabilized or produced revenue for twenty-four months.

Schedule of Capital Expenditures

($ in 000s)

	Three Months Ended December 31,	
Type	**2012**	**2011**
Recurring	$ 10,668	$ 9,486
Reimbursements	(500)	(825)
Net Recurring	10,168	8,661
Corporate (2)	7,377	10,490
EBITDA-enhancing / Major Projects (3)	22,979	14,629
Program Max / Development, net (4)	12,328	10,446
Net Total Capital Expenditures (5)	$ 52,852	$ 44,226

(2) Corporate includes home health acquisitions, capital expenditures for information technology systems and equipment and expenditures supporting the expansion of our support platform and ancillary services programs.
(3) Includes EBITDA-enhancing projects (primarily community renovations and apartment upgrades) and other major building infrastructure projects.
(4) Includes community expansions and major repositioning or upgrade projects. Also includes de novo community developments.
Amounts shown are amounts invested, net of third party lender or lessor funding received of $3.7 million and $0.5 million for the three months ended December 31, 2012 and 2011, respectively.
(5) Approximately $11.6 million and $9.9 million of expense was recognized during the three months ended December 31, 2012 and 2011, respectively, for normal repairs and maintenance and capital spend under $1,500 per invoice, except for unit turnovers

Brookdale Senior Living Inc.
Capital Structure - selected financial information
As of December 31, 2012
($ in 000s)

Debt Maturities and Scheduled Principal Repayments

Initial Maturities

	Mortgage Debt (1)	weighted rate (2)	Line of Credit	weighted rate (2)	Mort. Debt & Line	weighted rate (2)	Capital Leases	weighted rate (2)	Total Debt
2013	$ 479,456	3.31%	$ -	-	$ 479,456	3.31%	$ 30,087	8.28%	$ 509,543
2014	159,777	5.50%	-	-	159,777	5.50%	33,307	8.26%	193,084
2015	42,676	5.44%	-	-	42,676	5.44%	32,765	8.33%	75,441
2016	38,590	4.99%	80,000	6.50%	118,590	6.01%	29,101	8.41%	147,691
2017	326,464	5.17%	-	-	326,464	5.17%	47,047	9.10%	373,511
Thereafter	1,232,661	3.72%	-	-	1,232,661	3.72%	147,438	7.72%	1,380,099
Total	$ 2,279,624	4.02%	$ 80,000	6.50%	$ 2,359,624	4.10%	$ 319,745	8.16%	$ 2,679,369

Final Maturities (3)

	Mortgage Debt (1)	weighted rate (2)	Line of Credit	weighted rate (2)	Mort. Debt & Line	weighted rate (2)	Capital Leases	weighted rate (2)	Total Debt
2013	$ 273,908	2.60%	$ -	-	$ 273,908	2.60%	$ 30,087	8.28%	$ 303,995
2014	21,156	3.90%	-	-	21,156	3.90%	31,839	8.30%	52,995
2015	184,110	5.72%	-	-	184,110	5.72%	32,765	8.33%	216,875
2016	40,081	4.92%	80,000	6.50%	120,081	5.97%	29,101	8.41%	149,182
2017	328,016	5.15%	-	-	328,016	5.15%	47,047	9.10%	375,063
Thereafter	1,432,353	3.79%	-	-	1,432,353	3.79%	148,906	7.72%	1,581,259
Total	$ 2,279,624	4.02%	$ 80,000	6.50%	$ 2,359,624	4.10%	$ 319,745	8.16%	$ 2,679,369

Coverage Ratios

Twelve months ended December 31, 2012

	Units	FOI	Adj. FOI **	Interest/Cash Lease Payments	Coverage
Owned communities	23,029	341,282	277,266	98,183	2.8x
Leased communities *	25,707	439,561	367,061	324,268	1.1x

* The leased communities include the capital leases.
** Adjusted for 5% management fee and capital expenditures @ $350/unit.

Debt Amortization

	Year ended December 31, 2012	2011
Scheduled debt amortization	$ 44,866	$ 20,796
Lease financing debt amortization - FMV or no purchase option (4)	12,120	10,465
Lease financing debt amortization - bargain purchase option	14,470	12,460
Total debt amortization	$ 71,456	$ 43,721

Line Availability

($000s)	09/30/11	12/31/11	03/31/12	06/30/12	09/30/12	12/31/12
Total line commitment	$ 230,000	$ 230,000	$ 230,000	$ 230,000	$ 230,000	$ 230,000
Line availability (7)	$ 162,057	$ 194,165	$ 199,786	$ 201,659	$ 189,978	$ 191,436
Ending line balance	35,000	65,000	85,000	75,000	80,000	80,000
Available to draw	$ 127,057	$ 129,165	$ 114,786	$ 126,659	$ 109,978	$ 111,436
Cash and cash equivalents	39,195	30,836	42,113	38,676	42,504	69,240
Total liquidity (available to draw + cash)	$ 166,252	$ 160,001	$ 156,899	$ 165,335	$ 152,482	$ 180,676
Total letters of credit outstanding	$ 71,785	$ 78,104	$ 77,754	$ 78,324	$ 78,127	$ 78,112

Leverage Ratios

	Balance	Annualized Leverage
Debt (1)	$ 2,279,624	
Capital leases	319,745	
Total Debt	$ 2,599,369	**6.3x**
Plus: Line of credit (cash borrowings)	80,000	

Less: Unrestricted cash		(69,240)	
Less: Cash held as collateral against existing debt		(3,538)	
Subtotal	$	2,606,591	**6.4x**
2012 Adjusted EBITDA	$	409,940	
Annual cash lease expense multiplied by 8		2,253,832	
Total adjusted debt	$	4,860,423	**7.0x**
2012 Adjusted EBITDAR	$	691,669	

Debt Structure

		Balance	**Weighted rate (2)**
Fixed rate debt (1)	$	1,438,082	4.90%
Variable rate debt (1)		841,542	2.45%
Capital leases		319,745	8.16%
Line of credit (cash borrowings)		80,000	6.50%
Total debt	$	2,679,369	

		Balance	**% of total**
Variable rate debt with interest rate swaps (1) (5)	$	27,373	3.3%
Variable rate debt with interest rate caps (1) (6)		577,627	68.6%
Variable rate debt - unhedged (1)		236,542	28.1%
Total variable rate debt (1)	$	841,542	100.0%

(1) Includes mortgage debt, bond and discount mortgage backed security financing and convertible notes, but excludes capital leases and line of credit.
(2) Pertaining to variable rate debt, reflects a) market rates for stated reporting period and b) applicable swap rates / cap rates for hedged debt.
(3) Assumes extension options are exercised.
(4) Payments are included in CFFO.
(5) Weighted swap rate for stated reporting period is 5.49%.
(6) Weighted cap rate for stated reporting period of 5.43% is materially above current market rates, therefore caps have no impact on consolidated interest expense for given period.
(7) The actual amount available to borrow under the line may vary from time to time as it is based on borrowing base calculations related to the value and performance of the communities securing the facility.

Brookdale Senior Living Inc.
Selected Data - 2011 Convertible Debt Issuance
As of December 31, 2012
($ in 000's)

Issuance Proceeds:		
Face Amount of Notes	316,250	
Total Issuance Costs	(7,949)	See detail below.
Purchase of Hedge	(77,007)	The net cost of the bond hedge is $31,941.
Sale of Warrants	45,066	This net amount will reduce equity resulting from the issuance.
Net Cash Proceeds	**276,360**	

Issuance Costs:	
Notes Payable	5,944
Equity Component	2,005
	7,949

Initial GAAP Recording:		
Cash Proceeds	276,360	
Deferred Financing Costs	5,944	
	282,304	
Notes Payable	237,444	Face amount discounted using effective 7.5% interest rate.
Paid In Capital	44,860	See detail below.
	282,304	

Change In Equity:	
Imbedded Conversion Option	78,806
Purchase of Hedge	(77,007)
Sale of Warrants	45,066
Equity Issuance Costs	(2,005)
	44,860

Balance Sheet Balances			**Interest Expense Amounts**		
As of	**Notes Liability**	**Deferred Fin. Costs**	**Period Ending**	**GAAP Interest**	**Cash Interest**
Closing	237,444	5,944			
31-Dec-2011	241,899	5,519	6 Mo. 12/2011	9,214	4,759
31-Dec-2012	251,314	4,670	Year 12/2012	18,112	8,697
31-Dec-2013	261,445	3,821	Year 12/2013	18,828	8,697
31-Dec-2014	272,347	2,972	Year 12/2014	19,599	8,697
31-Dec-2015	284,079	2,123	Year 12/2015	20,429	8,697
31-Dec-2016	296,704	1,274	Year 12/2016	21,322	8,697
31-Dec-2017	310,290	424	Year 12/2017	22,283	8,697
15-Jun-2018	316,250	-	6 Mo. 6/2018	9,946	3,986

Brookdale Senior Living Inc.
CFFO Reconciliation
As of December 31, 2012

CFFO Calculation
($ in 000s)

	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011
Net cash provided by operating activities (includes non-refundable entrance fees)	$ 82,991	$ 56,425
Changes in operating assets and liabilities (eliminates cash flow effect)	(14,772)	13,545
Add: Refundable entrance fees received	13,088	11,017
Less: First generation entrance fees received	-	(5,440)
Less: Entrance fee refunds disbursed	(7,801)	(8,107)
Less: Recurring capital expenditures, net	(10,168)	(8,661)
Less: Lease financing debt amortization with fair market value or no purchase options	(3,132)	(2,700)
Less: Distributions from unconsolidated ventures from cumulative share of net earnings	(72)	(582)
Add: CFFO from unconsolidated ventures	1,279	1,249
Cash From Facility Operations	$ 61,413	$ 56,746
Add: Integration, transaction-related and EMR roll-out costs	7,249	8,026
Adjusted Cash From Facility Operations	$ 68,662	$ 64,772

Revenue Reconciliation (1)

($ in 000s except average monthly revenue per quarter)	FY 2011					FY 2012				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Revenue reconciliation excl. entrance fee amortization										
Average monthly revenue per quarter	4,198	4,203	4,214	4,160	4,193	4,257	4,266	4,279	4,282	4,271
Average monthly units (excluding equity homes) available	46,625	46,430	46,817	47,846	46,910	47,858	47,935	47,998	47,935	47,959
Average occupancy for the quarter	87.2%	86.6%	87.4%	87.8%	87.3%	87.8%	87.7%	88.0%	88.7%	88.0%
Senior Housing Resident fee revenue	$512,036	$506,985	$517,285	$524,270	$2,060,576	$536,629	$538,018	$542,215	$546,195	$2,163,057
Add: ISC segment revenue	50,237	50,334	51,375	53,834	205,780	53,854	57,722	56,856	56,085	224,517
Add: management fee revenue	1,405	1,505	3,336	7,349	13,595	7,444	7,499	7,407	8,436	30,786
Total revenues excluding entrance fee amortization	$563,678	$558,824	$571,996	$585,453	$2,279,951	$597,927	$603,239	$606,478	$610,716	$2,418,360

CFFO Reconciliation to the Income Statement

	FY 2011 Q1	FY 2011 Q2	FY 2011 Q3	FY 2011 Q4	FY 2011 Full Year	FY 2012 Q1	FY 2012 Q2	FY 2012 Q3	FY 2012 Q4	FY 2012 Full Year
Resident and management fee revenue	$ 569,440	$ 565,428	$ 578,495	$ 591,989	$ 2,305,352	$ 604,330	$ 609,886	$ 613,274	$ 617,579	$ 2,445,069
Less: Entrance fee amortization	(5,762)	(6,604)	(6,499)	(6,536)	(25,401)	(6,403)	(6,647)	(6,796)	(6,863)	(26,709)
Adjusted revenues	563,678	558,824	571,996	585,453	2,279,951	597,927	603,239	606,478	610,716	2,418,360
Less: Facility operating expenses	(370,954)	(366,242)	(381,414)	(389,961)	(1,508,571)	(398,769)	(403,515)	(411,467)	(417,168)	(1,630,919)
Add: Change in future service obligation	-	-	-	-	-	-	-	-	2,188	2,188
	(370,954)	(366,242)	(381,414)	(389,961)	(1,508,571)	(398,769)	(403,515)	(411,467)	(414,980)	(1,628,731)
Less: G&A including non-cash stock-based compensation expense	(33,543)	(33,681)	(38,711)	(42,392)	(148,327)	(44,973)	(46,071)	(43,158)	(44,627)	(178,829)
Add: G&A non-cash stock-based compensation expense	4,540	4,555	5,221	5,540	19,856	6,435	6,729	6,021	6,335	25,520
Net G&A	(29,003)	(29,126)	(33,490)	(36,852)	(128,471)	(38,538)	(39,342)	(37,137)	(38,292)	(153,309)
Less: Facility lease expense	(66,315)	(66,065)	(68,314)	(74,164)	(274,858)	(71,445)	(70,628)	(71,167)	(70,785)	(284,025)
Add: Straight-line lease expense	1,726	1,456	1,834	3,592	8,608	1,642	1,564	2,118	1,344	6,668
Less: Amortization of deferred gain	(1,093)	(1,093)	(1,094)	(1,093)	(4,373)	(1,093)	(1,093)	(1,093)	(1,093)	(4,372)
Net lease expense	(65,682)	(65,702)	(67,574)	(71,665)	(270,623)	(70,896)	(70,157)	(70,142)	(70,534)	(281,729)

Add: Entrance fee receipts	9,712	12,454	15,726	17,480	55,372	14,989	19,694	25,132	22,890	82,705
Less: Entrance fee disbursements	(4,930)	(6,481)	(5,475)	(8,107)	(24,993)	(8,102)	(5,429)	(6,024)	(7,801)	(27,356)
Net entrance fees	4,782	5,973	10,251	9,373	30,379	6,887	14,265	19,108	15,089	55,349
Adjusted EBITDA	**102,821**	**103,727**	**99,769**	**96,348**	**402,665**	**96,611**	**104,490**	**106,840**	**101,999**	**409,940**
Less: Recurring capital expenditures, net	(7,057)	(9,268)	(8,675)	(8,661)	(33,661)	(8,064)	(8,599)	(11,475)	(10,168)	(38,306)
Less: Interest expense, net	(30,936)	(29,900)	(29,262)	(31,237)	(121,335)	(31,198)	(31,739)	(31,586)	(29,803)	(124,326)
Less: Lease financing debt amortization with fair market value or no purchase options	(2,533)	(2,587)	(2,645)	(2,700)	(10,465)	(2,929)	(2,993)	(3,066)	(3,132)	(12,120)
Less: Distributions from unconsolidated ventures from cumulative share of net earnings	-	-	-	(582)	(582)	(206)	(809)	(420)	(72)	(1,507)
Add: CFFO from unconsolidated ventures	641	661	738	1,249	3,289	1,228	1,310	1,559	1,279	5,376
Less: Other	(1,185)	(1,328)	196	2,329	12	(856)	(181)	(372)	1,310	(99)
Reported CFFO	**$ 61,751**	**$ 61,305**	**$ 60,121**	**$ 56,746**	**$ 239,923**	**$ 54,586**	**$ 61,479**	**$ 61,480**	**$ 61,413**	**$ 238,958**
Add: integration, transaction-related and EMR roll-out costs	-	894	5,468	8,026	14,388	3,904	7,688	4,624	7,249	23,465
Adjusted CFFO	**$ 61,751**	**$ 62,199**	**$ 65,589**	**$ 64,772**	**$ 254,311**	**$ 58,490**	**$ 69,167**	**$ 66,104**	**$ 68,662**	**$ 262,423**

CFFO Per Share

($ except where indicated)	FY 2011					FY 2012				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year(2)**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year(2)**
Reported CFFO	$ 0.51	$ 0.51	$ 0.49	$ 0.47	$ 1.98	$ 0.45	$ 0.51	$ 0.50	$ 0.50	$ 1.96
Add: integration, transaction-related and EMR roll-out costs	-	0.01	0.05	0.07	0.13	0.03	0.06	0.04	0.06	0.19
Adjusted CFFO	$ 0.51	$ 0.52	$ 0.54	$ 0.54	$ 2.11	$ 0.48	$ 0.57	$ 0.54	$ 0.56	$ 2.15
Shares used in calculation of CFFO (000's)	120,792	121,280	121,616	120,951		121,145	121,708	122,493	122,608	

(1) Revenue excludes reimbursed costs incurred on behalf of managed communities.
(2) Full year CFFO for all periods is calculated as the sum of the quarterly amounts for the year.
Note: CFFO is a measurement of liquidity that is not calculated in accordance with GAAP and should not be considered in isolation as a substitute for any GAAP financial measure. CFFO is not a measure of financial performance under GAAP. We strongly urge you to review the reconciliation of CFFO to GAAP net cash provided by operating activities, along with our consolidated financial statements, included in the accompanying earnings release.

Brookdale Senior Living Inc.
Quarterly Entry Fee Information
As of December 31, 2012

Cash Basis ($ in 000's except average resale and refund)

	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12
# Closings	53	73	88	85	94	106	147	121
# of Refunds	69	72	73	75	92	62	66	79
Resale Receipts:								
Proceeds from non-refundable entrance fees (1)(2)	4,918	8,305	9,360	8,387	7,000	10,377	12,926	9,802
Proceeds from refundable entrance fees (2)(3)	4,794	4,149	6,366	9,093	7,989	9,317	12,206	13,088
Total Cash Proceeds (2)	9,712	12,454	15,726	17,480	14,989	19,694	25,132	22,890
Refunds of entrance fees (4)(5)	(4,930)	(6,481)	(5,475)	(8,107)	(8,102)	(5,429)	(6,024)	(7,801)
Net Resale Cash Flow (excluding first generation entrance fees, net)	4,782	5,973	10,251	9,373	6,887	14,265	19,108	15,089
First generation entrance fees, net (6)	2,729	2,155	2,293	4,679	-	-	-	-
Net Resale Cash Flow (as reported)	7,511	8,128	12,544	14,052	6,887	14,265	19,108	15,089
My Choice proceeds included in refundable resale receipts above	1,144	1,591	2,264	3,994	2,363	3,602	2,466	4,881
Average Resale $ (excluding My Choice and first generation proceeds)	161,660	148,808	152,977	158,659	134,319	151,811	154,190	148,835
Average Refund $ (excluding My Choice and first generation refunds)	(70,058)	(81,681)	(71,863)	(98,040)	(84,283)	(77,500)	(87,273)	(95,025)

Value of Unsold Inventory ($ in 000's except average resale price)

Gross Value @ Average Resale Price of $155,000	99,200
Refund Attachments	(10,593)
Net Cash Value	88,607

Income Statement Impact ($ in 000's)

On BKD's income statement, non-refundable entrance fees are amortized into revenue based on the unamortized balance per contract divided by the actuarial life of the resident. The following are the non-cash amortized non-refundable entrance fees for each quarter:

	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12
Amortization of entrance fees (incl. gains on terminations) (7)	(5,204)	(6,022)	(5,890)	(5,869)	(6,403)	(6,647)	(6,796)	(6,863)

Principles of Entry Fee Accounting

Certain of BKD's communities have residency agreements which require the resident to pay an upfront fee prior to occupying the community and in return for a reduced monthly service fee and certain healthcare benefits. BKD has a number of options for residents that give a choice of the amount of refundability of the upfront fee, the amount of entry fee for the unit and the amount of health care benefit in the community's various levels of care. The non-refundable portion of the entrance fee is recorded as deferred revenue and amortized over the estimated stay of the resident based on an actuarial valuation. The refundable portion of a resident's entrance fee is generally refundable within a certain time period following contract termination or in certain agreements, upon the resale of a comparable unit or 12 months after the resident vacates the unit and is not amortized.

Notes:
(1) From Statement of Cash Flows (Operating Activities section) with line description: Proceeds from deferred entrance fee revenue.
(2) Excludes first generation entrance fees received, net (Note 6).
(3) From Statement of Cash Flows (Financing Activities section) with line description: Proceeds from refundable entrance fees (which includes My Choice proceeds).
(4) From Statement of Cash Flows (Financing Activities section) with line description: Refunds of entrance fees.
(5) Excludes first generation entrance fee refunds ($0.8 million for the three months ended December 31, 2011). (Note 6)
(6) First generation entrance fees, net represents initial entrance fees received from the sale of units at a recently opened entrance fee CCRC prior to stabilization, less first generation entrance fee refunds not replaced by second generation entrance fee receipts. We determine the stabilization date of recently opened entrance fee communities to be the first day of the first full fiscal quarter occurring two years subsequent to the community's opening date for occupancy of all levels of care on the campus. Stabilization was achieved at a recently opened entrance fee CCRC in Q1 2012.
(7) Excludes first generation entrance fee amortization prior to stabilization (Note 6).

Brookdale Senior Living Inc.
Quarterly Cash Flow Statements
As of December 31, 2012
($ in 000s)

Cash Flow Statements

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012
Cash Flows from Operating Activities										
Net loss	$ (12,305)	$ (33,959)	$ (7,036)	$ (14,875)	$ (68,175)	$ (10,338)	$(18,810)	$(12,010)	$ (24,487)	(65,645)
Adjustments to reconcile net loss to net cash provided by operating activities:										
Loss on extinguishment of debt	2,894	15,254	715	-	18,863	221	-	-	-	221
Depreciation and amortization	74,486	72,587	68,381	66,479	281,933	67,817	68,147	67,419	66,979	270,362
Asset impairment	14,846	-	-	2,046	16,892	1,083	7,246	-	19,348	27,677
Equity in (earnings) loss of unconsolidated ventures	(266)	(146)	117	(1,137)	(1,432)	(99)	61	249	3,277	3,488
Distributions from unconsolidated ventures from cumulative share of net earnings	-	-	700	582	1,282	206	809	420	72	1,507
Amortization of deferred gain	(1,093)	(1,093)	(1,094)	(1,093)	(4,373)	(1,093)	(1,093)	(1,093)	(1,093)	(4,372)
Amortization of entrance fees	(5,762)	(6,604)	(6,499)	(6,536)	(25,401)	(6,403)	(6,647)	(6,796)	(6,863)	(26,709)
Proceeds from deferred entrance fee revenue	6,361	9,299	10,815	11,903	38,378	7,000	10,377	12,926	9,802	40,105
Deferred income tax (benefit) provision	(11,841)	11,841	-	943	943	(4)	(37)	-	41	-
Change in deferred lease liability	1,726	1,456	1,824	3,602	8,608	1,642	1,564	2,118	1,344	6,668
Change in fair value of derivatives and amortization	8	2,635	1,508	(273)	3,878	233	278	(140)	(7)	364
(Gain) loss on sale of assets	(1,315)	-	135	-	(1,180)	114	58	73	87	332
(Gain) loss on acquisition	-	-	(3,520)	1,538	(1,982)	636	-	-	-	636
Gain on facility lease termination	-	-	-	-	-	(2,780)	-	-	(8,804)	(11,584)
Lessor cash reimbursement for tenant incentive	-	-	-	1,251	1,251	-	-	-	-	-
Change in future service obligation	-	-	-	-	-	-	-	-	2,188	2,188
Non-cash stock-based compensation	4,540	4,555	5,221	5,540	19,856	6,435	6,729	6,021	6,335	25,520
Other	-	-	-	-	-	-	-	(487)	-	(487)
Changes in operating assets and liabilities:										
Accounts receivable, net	(105)	1,728	(3,998)	(2,992)	(5,367)	(5,317)	(3,484)	709	4,677	(3,415)
Prepaid expenses and other assets, net	460	1,477	(11,425)	(13,446)	(22,934)	(1,681)	7,622	(2,793)	5,539	8,687
Accounts payable and accrued expenses	8,453	(7,136)	1,509	10,895	13,721	(23,705)	14,410	17,352	(3,203)	4,854
Tenant refundable fees and security deposits	310	(287)	(1,964)	(245)	(2,186)	(442)	(675)	(439)	9	(1,547)
Deferred revenue	11,269	(6,921)	(739)	(7,757)	(4,148)	12,168	(3,701)	(4,098)	7,750	12,119
Net cash provided by operating activities	92,666	64,686	54,650	56,425	268,427	45,693	82,854	79,431	82,991	290,969
Cash Flows from Investing Activities										
Decrease (increase) in lease security deposits and lease acquisition deposits, net	941	(1,313)	(1,219)	(1,497)	(3,088)	(2,217)	(4,119)	(431)	(1,232)	(7,999)
Decrease (increase) in cash and escrow deposits — restricted	54,455	3,841	(2,052)	(68)	56,176	8,442	(3,038)	(7,806)	(2,408)	(4,810)
Purchase of marketable securities — restricted	(26,409)	(6,315)	-	-	(32,724)	(761)	(341)	(351)	(104)	(1,557)

Sale of marketable securities — restricted	809	608	(2)	16	1,431	-	-	-	35,124	35,124
Additions to property, plant and equipment and leasehold intangibles, net of related payables	(28,589)	(39,340)	(46,659)	(45,543)	(160,131)	(41,533)	(50,433)	(59,415)	(57,031)	(208,412)
Acquisition of assets, net of related payables and cash received	(51,330)	(3,178)	(89)	(34,085)	(88,682)	(104,984)	(4,975)	(1,349)	(161,215)	(272,523)
Purchase of Horizon Bay Realty, L.L.C., net of cash acquired	-	-	5,516	-	5,516	-	-	-	-	-
Payment on (issuance of) notes receivable, net	403	-	1,271	(190)	1,484	(439)	-	(152)	722	131
Investment in unconsolidated ventures	-	-	(13,711)	(279)	(13,990)	-	(571)	-	(4,797)	(5,368)
Distributions received from unconsolidated ventures	60	56	40	50	206	100	84	72	94	350
Proceeds from sale of assets, net	23,147	5,885	1,785	-	30,817	-	325	-	8,918	9,243
Other	(164)	(304)	(353)	(93)	(914)	-	-	487	-	487
Net cash (used in) provided by investing activities	(26,677)	(40,060)	(55,473)	(81,689)	(203,899)	(141,392)	(63,068)	(68,945)	(181,929)	(455,334)
Cash Flows from Financing Activities										
Proceeds from debt	28,000	2,417	447,108	5,144	482,669	175,838	17,178	591	178,684	372,291
Repayment of debt and capital lease obligations	(134,550)	(283,626)	(461,397)	(18,992)	(898,565)	(86,068)	(32,585)	(18,304)	(54,878)	(191,835)
Proceeds from line of credit	40,000	15,000	65,000	105,000	225,000	130,000	75,000	75,000	95,000	375,000
Repayment of line of credit	(40,000)	(15,000)	(30,000)	(75,000)	(160,000)	(110,000)	(85,000)	(70,000)	(95,000)	(360,000)
Proceeds from issuance of convertible notes, net	-	308,335	(102)	(21)	308,212	-	-	-	-	-
Issuance of warrants	-	45,066	-	-	45,066	-	-	-	-	-
Purchase of bond hedge	-	(77,007)	-	-	(77,007)	-	-	-	-	-
Payment of financing costs, net of related payables	(2,575)	(910)	(4,685)	(542)	(8,712)	(2,378)	(336)	(96)	(2,753)	(5,563)
Other	(184)	(148)	(122)	(833)	(1,287)	(86)	(178)	(31)	(47)	(342)
Refundable entrance fees:										
Proceeds from refundable entrance fees	6,080	5,310	7,204	11,017	29,611	7,989	9,317	12,206	13,088	42,600
Refunds of entrance fees	(4,930)	(6,481)	(5,475)	(8,868)	(25,754)	(8,102)	(5,429)	(6,024)	(7,801)	(27,356)
Cash portion of loss on extinguishment of debt	(2,861)	(14,153)	(26)	-	(17,040)	(118)	-	-	-	(118)
Recouponing and payment of swap termination	(64)	(35)	-	-	(99)	(99)	(1,190)	-	(619)	(1,908)
Purchase of treasury stock	-	-	(17,613)	-	(17,613)	-	-	-	-	-
Net cash (used in) provided by financing activities	(111,084)	(21,232)	(108)	16,905	(115,519)	106,976	(23,223)	(6,658)	125,674	202,769
Net (decrease) increase in cash and cash equivalents	(45,095)	3,394	(931)	(8,359)	(50,991)	11,277	(3,437)	3,828	26,736	38,404
Cash and cash equivalents at beginning of period	81,827	36,732	40,126	39,195	81,827	30,836	42,113	38,676	42,504	30,836
Cash and cash equivalents at end of period	$ 36,732	$ 40,126	$ 39,195	$ 30,836	$ 30,836	$ 42,113	$ 38,676	$ 42,504	$ 69,240	$ 69,240