

Brookdale Senior Living Inc.
Corporate Overview - selected financial information
As of March 31, 2013

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 March 31, 2013, the Company operates independent living, assisted living, and dementia-care communities and continuing care retirement centers, with 649 communities in 36 states and the ability to serve approximately 67,000 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

	Number of Communities	Number of Units	Percentage of Q1 2013 Resident and Management Fees	Percentage of Q1 2013 Facility Operating Income
Ownership Type				
Owned	219	22,914	42.1%	41.5%
Leased	329	25,710	47.2%	49.0%
Innovative Senior Care ("ISC")	N/A	N/A	9.5%	6.0%
Managed	101	18,284	1.2%	3.5%
Total	649	66,908	100.0%	100.0%

Operating Type - By Segment

Retirement Centers	76	14,524	20.4%	24.3%
Assisted Living	431	21,489	41.2%	44.0%
CCRCs - Rental	27	6,745	15.9%	13.3%
CCRCs - Entry Fee	14	5,866	11.8%	8.9%
Innovative Senior Care ("ISC")	N/A	N/A	9.5%	6.0%
Managed	101	18,284	1.2%	3.5%
Total	649	66,908	100.0%	100.0%

CFFO Per Share

(\$ except where indicated)

	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year ⁽¹⁾	Q1
Reported CFFO	\$ 0.45	\$ 0.51	\$ 0.50	\$ 0.50	\$ 1.96	\$ 0.55
Add: integration, transaction-related and EMR roll-out costs	0.03	0.06	0.04	0.06	0.19	0.02
Adjusted CFFO	\$ 0.48	\$ 0.57	\$ 0.54	\$ 0.56	\$ 2.15	\$ 0.57
Weighted average shares (000's)	121,145	121,708	122,493	122,608		122,823
Period end outstanding shares (excluding unvested restricted shares) (000's)	121,197	122,474	122,575	122,738		123,040

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

Investor Relations

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

Brookdale Senior Living Inc.
Segment Operating Information
As of March 31, 2013

Senior Housing Operating Information

	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year	Q1
Retirement Centers						
Number of communities (period end)	76	76	76	76	76	76
Total average units(1)	14,452	14,451	14,445	14,433	14,445	14,429
Weighted average unit occupancy	88.8%	88.8%	89.1%	89.7%	89.1%	89.5%
Senior Housing average monthly revenue per unit(2)	\$ 3,235	\$ 3,268	\$ 3,275	\$ 3,276	\$ 3,263	\$ 3,328
Assisted Living						
Number of communities (period end)	434	434	434	433	433	431
Total average units(1)	21,635	21,637	21,652	21,577	21,625	21,556
Weighted average unit occupancy	88.5%	88.6%	89.1%	89.7%	88.9%	89.1%
Senior Housing average monthly revenue per unit(2)	\$ 4,379	\$ 4,390	\$ 4,393	\$ 4,401	\$ 4,390	\$ 4,523
CCRCs - Rental						
Number of communities (period end)	26	27	27	27	27	27
Total average units(1)	6,626	6,659	6,691	6,691	6,667	6,687
Weighted average unit occupancy	86.5%	85.8%	85.8%	87.0%	86.3%	87.6%
Senior Housing average monthly revenue per unit(2)	\$ 5,536	\$ 5,561	\$ 5,619	\$ 5,639	\$ 5,588	\$ 5,709
CCRCs - Entry Fee						
Number of communities (period end)	14	14	14	14	14	14
Total average units(1)	5,171	5,199	5,221	5,249	5,210	5,281
Weighted average unit occupancy	83.7%	83.4%	83.4%	84.1%	83.7%	84.6%
Senior Housing average monthly revenue per unit(2)	\$ 5,055	\$ 4,963	\$ 4,975	\$ 4,921	\$ 4,978	\$ 5,011
Senior Housing Totals						
Number of communities (period end)	550	551	551	550	550	548
Total average units(1)	47,884	47,946	48,009	47,950	47,947	47,953
Weighted average unit occupancy	87.8%	87.7%	88.0%	88.7%	88.0%	88.5%
Senior Housing average monthly revenue per unit(2)	\$ 4,257	\$ 4,266	\$ 4,279	\$ 4,282	\$ 4,271	\$ 4,375
Management Services - Total						
Number of communities (period end)	96	96	97	97	97	101
Total average units(1)	18,253	18,144	18,081	18,141	18,155	18,114
Weighted average occupancy	84.3%	84.0%	84.3%	85.4%	84.5%	84.9%
Average monthly revenue per unit(2)	\$ 3,373	\$ 3,369	\$ 3,386	\$ 3,399	\$ 3,382	\$ 3,460

Innovative Senior Care Operating Information

	FY 2012				FY 2013
	Q1	Q2	Q3	Q4	Q1
Innovative Senior Care					
Brookdale units served:					
Outpatient Therapy consolidated	35,909	36,844	38,016	37,961	38,017
Home Health consolidated	32,655	31,944	32,650	32,242	32,389
Outpatient Therapy non-consolidated	9,685	9,861	12,540	13,448	13,502
Home Health non-consolidated	4,735	10,667	12,597	13,569	13,326
Total Brookdale units served:					
Outpatient Therapy	45,594	46,705	50,556	51,409	51,519
Home Health	37,390	42,611	45,247	45,811	45,715
Outpatient Therapy treatment codes	907,816	957,364	939,241	762,233	821,308
Home Health average census	3,448	3,554	3,651	4,187	4,289

(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 March 31, 2013

Senior Housing Operating Information

	FY 2012				FY 2013
	Q1	Q2	Q3	Q4 (1)	Q1
Owned Properties					
Number of communities (period end)	209	210	210	221	219
Total average units(2)	21,281	21,350	21,425	22,243	22,243
Weighted average unit occupancy	87.2%	87.4%	87.6%	89.0%	88.8%
Senior Housing average monthly revenue per unit(3)	\$ 4,302	\$ 4,297	\$ 4,318	\$ 4,323	\$ 4,416
Leased Properties with Bargain Purchase Options					
Number of communities (period end)	18	18	18	9	9
Total average units(2)	3,263	3,263	3,261	2,948	2,949
Weighted average unit occupancy	88.4%	87.6%	88.0%	88.3%	88.2%
Senior Housing average monthly revenue per unit(3)	\$ 3,878	\$ 3,874	\$ 3,903	\$ 3,802	\$ 3,891
Leased Properties with Fair Market Value Purchase Options					
Number of communities (period end)	77	77	77	74	74
Total average units(2)	3,929	3,927	3,927	3,364	3,364
Weighted average unit occupancy	91.1%	91.2%	92.0%	91.8%	90.8%
Senior Housing average monthly revenue per unit(3)	\$ 4,384	\$ 4,423	\$ 4,482	\$ 4,549	\$ 4,675
Leased Properties without Purchase Options					
Number of communities (period end)	246	246	246	246	246
Total average units(2)	19,411	19,406	19,396	19,395	19,397
Weighted average unit occupancy	87.6%	87.3%	87.6%	87.9%	87.9%
Senior Housing average monthly revenue per unit(3)	\$ 4,241	\$ 4,264	\$ 4,256	\$ 4,256	\$ 4,344
Senior Housing Totals					
Number of communities (period end)	550	551	551	550	548
Total average units(2)	47,884	47,946	48,009	47,950	47,953
Weighted average unit occupancy	87.8%	87.7%	88.0%	88.7%	88.5%
Senior Housing average monthly revenue per unit(3)	\$ 4,257	\$ 4,266	\$ 4,279	\$ 4,282	\$ 4,375

- (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 March 31, 2013

Financial Data

(\$ in 000s)

Retirement Centers	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year	Q1
Revenue	124,512	125,813	126,401	127,176	503,902	128,922
Expenses	73,521	73,138	75,679	75,979	298,317	75,588
Segment Operating Income	50,991	52,675	50,722	51,197	205,585	53,334
Segment Operating Margin	41.0%	41.9%	40.1%	40.3%	40.8%	41.4%

Assisted Living	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year	Q1
Revenue	251,352	252,399	254,179	255,407	1,013,337	260,615
Expenses	160,789	162,233	163,017	166,114	652,153	164,330
Segment Operating Income	90,563	90,166	91,162	89,293	361,184	96,285
Segment Operating Margin	36.0%	35.7%	35.9%	35.0%	35.6%	36.9%

CCRCs - Rental	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year	Q1
Revenue	95,112	95,258	96,681	98,428	385,479	100,327
Expenses	67,093	68,494	71,581	72,248	279,416	71,250
Segment Operating Income	28,019	26,764	25,100	26,180	106,063	29,077
Segment Operating Margin	29.5%	28.1%	26.0%	26.6%	27.5%	29.0%

CCRCs - Entry Fee	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year	Q1
Revenue	71,719	70,858	71,413	71,711	285,701	74,308
Expenses	54,914	55,341	56,249	57,792	224,296	54,737
Segment Operating Income	16,805	15,517	15,164	13,919	61,405	19,571
Segment Operating Margin	23.4%	21.9%	21.2%	19.4%	21.5%	26.3%

Bridge to Cash Basis for CCRCs - Entry Fee segment

Revenue	71,719	70,858	71,413	71,711	285,701	74,308
Less: revenue amortization (non-cash)	(6,066)	(6,310)	(6,459)	(6,527)	(25,362)	(7,133)
Add: net entrance fees (cash)	6,887	14,265	19,108	15,089	55,349	7,553
Adjusted revenue	72,540	78,813	84,062	80,273	315,688	74,728
Expenses	54,914	55,341	56,249	57,792	224,296	54,737
Adjusted Segment Operating Income	17,626	23,472	27,813	22,481	91,392	19,991
Adjusted Segment Operating Margin	24.3%	29.8%	33.1%	28.0%	29.0%	26.8%

Total Senior Housing (GAAP Basis)	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year	Q1
Revenue	542,695	544,328	548,674	552,722	2,188,419	564,172
Expenses	356,317	359,206	366,526	372,133	1,454,182	365,905
Operating Income	186,378	185,122	182,148	180,589	734,237	198,267
Operating Margin	34.3%	34.0%	33.2%	32.7%	33.6%	35.1%
G&A Allocation (1)	22,751	20,876	21,402	20,374	85,403	25,526
G&A Allocation as a % of revenue	4.2%	3.8%	3.9%	3.7%	3.9%	4.5%
Adjusted Operating Income	163,627	164,246	160,746	160,215	648,834	172,741
Adjusted Operating Margin	30.2%	30.2%	29.3%	29.0%	29.6%	30.6%

Brookdale Senior Living Inc.
Segment Financial Data
As of March 31, 2013

Financial Data (continued)

(\$ in 000s)

Innovative Senior Care ("ISC")	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year	Q1
Revenue	53,854	57,722	56,856	56,085	224,517	60,198
Expenses	42,452	44,309	44,941	45,035	176,737	47,098
Segment Operating Income	11,402	13,413	11,915	11,050	47,780	13,100
Segment Operating Margin	21.2%	23.2%	21.0%	19.7%	21.3%	21.8%
G&A Allocation (1)	5,954	5,453	5,467	5,358	22,232	6,055
G&A Allocation as a % of revenue	11.1%	9.4%	9.6%	9.6%	9.9%	10.1%
Adjusted Segment Operating Income	5,448	7,960	6,448	5,692	25,548	7,045
Adjusted Segment Operating Margin	10.1%	13.8%	11.3%	10.1%	11.4%	11.7%

Total Senior Housing and ISC (GAAP Basis)	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year	Q1
Revenue	596,549	602,050	605,530	608,807	2,412,936	624,370
Expenses	398,769	403,515	411,467	417,168	1,630,919	413,003
Operating Income	197,780	198,535	194,063	191,639	782,017	211,367
Operating Margin	33.2%	33.0%	32.0%	31.5%	32.4%	33.9%
G&A Allocation (1)	28,705	26,329	26,869	25,732	107,635	31,581
G&A Allocation as a % of revenue	4.8%	4.4%	4.4%	4.2%	4.5%	5.1%
Adjusted Operating Income	169,075	172,206	167,194	165,907	674,382	179,786
Adjusted Operating Margin	28.3%	28.6%	27.6%	27.3%	27.9%	28.8%

Management Services	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year	Q1
Revenue (Management Fees)	7,444	7,499	7,407	8,436	30,786	7,609
Expenses (G&A Allocation) (1)	5,929	5,325	5,644	5,311	22,209	6,031
Segment Operating Income	1,515	2,174	1,763	3,125	8,577	1,578
Segment Operating Margin	20.4%	29.0%	23.8%	37.0%	27.9%	20.7%

Total Senior Housing, ISC and Management Services (GAAP Basis)	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year	Q1
Revenue	603,993	609,549	612,937	617,243	2,443,722	631,979
Expenses	398,769	403,515	411,467	417,168	1,630,919	413,003
Operating Income	205,224	206,034	201,470	200,075	812,803	218,976
Operating Margin	34.0%	33.8%	32.9%	32.4%	33.3%	34.6%
G&A Allocation (1)	34,634	31,654	32,513	31,043	129,844	37,612
G&A Allocation as a % of revenue	5.7%	5.2%	5.3%	5.0%	5.3%	6.0%
Adjusted Operating Income	170,590	174,380	168,957	169,032	682,959	181,364
Adjusted Operating Margin	28.2%	28.6%	27.6%	27.4%	27.9%	28.7%

(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 March 31, 2013

Financial Data

(\$ in 000s)

Owned Properties

	FY 2012					FY 2013
	Q1	Q2	Q3	Q4 (1)	Full Year	Q1
Revenue	243,302	244,720	247,473	260,980	996,475	266,322
Expenses	163,822	165,862	171,356	177,350	678,390	175,672
Segment Operating Income	79,480	78,858	76,117	83,630	318,085	90,650
Segment Operating Margin	32.7%	32.2%	30.8%	32.0%	31.9%	34.0%

Bridge to Cash Basis for CCRCs - Entry Fee

Revenue	243,302	244,720	247,473	260,980	996,475	266,322
Less: revenue amortization (non-cash)	(3,692)	(4,208)	(4,294)	(4,265)	(16,459)	(4,664)
Add: net entrance fees (cash)	5,802	10,487	14,234	11,481	42,004	5,449
Adjusted revenue	245,412	250,999	257,413	268,196	1,022,020	267,107
Expenses	163,822	165,862	171,356	177,350	678,390	175,672
Adjusted Segment Operating Income	81,590	85,137	86,057	90,846	343,630	91,435
Adjusted Segment Operating Margin	33.2%	33.9%	33.4%	33.9%	33.6%	34.2%

Leased Properties with Bargain Purchase Options

	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year	Q1
Revenue	35,394	34,853	35,362	31,494	137,103	32,254
Expenses	23,287	23,433	24,264	21,334	92,318	20,766
Segment Operating Income	12,107	11,420	11,098	10,160	44,785	11,488
Segment Operating Margin	34.2%	32.8%	31.4%	32.3%	32.7%	35.6%

Leased Properties with Fair Market Value Purchase Options

	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year	Q1
Revenue	47,104	47,534	48,560	42,140	185,338	42,842
Expenses	29,974	30,192	28,999	27,443	116,608	26,940
Segment Operating Income	17,130	17,342	19,561	14,697	68,730	15,902
Segment Operating Margin	36.4%	36.5%	40.3%	34.9%	37.1%	37.1%

Leased Properties without Purchase Options

	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year	Q1
Revenue	216,895	217,221	217,279	218,108	869,503	222,754
Expenses	139,234	139,719	141,907	146,006	566,866	142,527
Segment Operating Income	77,661	77,502	75,372	72,102	302,637	80,227
Segment Operating Margin	35.8%	35.7%	34.7%	33.1%	34.8%	36.0%

**Total Senior Housing
(GAAP Basis)**

	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year	Q1
Revenue	542,695	544,328	548,674	552,722	2,188,419	564,172
Expenses	356,317	359,206	366,526	372,133	1,454,182	365,905
Operating Income	186,378	185,122	182,148	180,589	734,237	198,267
Operating Margin	34.3%	34.0%	33.2%	32.7%	33.6%	35.1%

(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 March 31, 2013

Same Community Information

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

	Senior Housing		
	Three Months Ended March 31,		
	2013	2012	% Change
Revenue	\$ 550,402	\$ 531,052	3.6%
Operating Expense	360,667	352,234	2.4%
Facility Operating Income	\$ 189,735	\$ 178,818	6.1%
Facility Operating Margin	34.5%	33.7%	0.8%
# Communities	545	545	
Avg. Period Occupancy	88.6%	87.7%	0.9%
Avg. Mo. Revenue/Unit	\$ 4,365	\$ 4,254	2.6%

	Innovative Senior Care		
	Three Months Ended March 31,		
	2013	2012	% Change
Revenue	\$ 32,549	\$ 37,457	-13.1%
Operating Expense	25,756	28,910	-10.9%
Facility Operating Income	\$ 6,793	\$ 8,547	-20.5%
Facility Operating Margin	20.9%	22.8%	-1.9%
# Units served (1)	27,707	27,707	

(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)

Type	Three Months Ended March	
	31,	
	2013	2012
Recurring	\$ 9,324	\$ 8,564
Reimbursements	-	(500)
Net Recurring	9,324	8,064
Corporate (2)	4,046	6,705
EBITDA-enhancing / Major Projects (3)	21,173	13,673
Program Max / Development, net (4)	14,636	12,158
Net Total Capital Expenditures (5)	\$ 49,179	\$ 40,600

(2) Corporate includes 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 \$2.4 million and \$0.4 million for the three months ended March 31, 2013 and 2012, respectively.

(5) Approximately \$10.3 million and \$11.4 million of expense was recognized during the three months ended March 31, 2013 and 2012, 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 March 31, 2013
(\$ 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	\$ 271,100	2.11%	\$ -	-	\$ 271,100	2.11%	\$ 23,371	8.27%	\$ 294,471	
2014	166,079	5.49%	-	-	166,079	5.49%	32,318	8.29%	198,397	
2015	48,952	5.41%	-	-	48,952	5.41%	33,346	8.32%	82,298	
2016	44,853	5.01%	-	-	44,853	5.01%	29,152	8.41%	74,005	
2017	332,763	5.16%	-	-	332,763	5.16%	47,047	9.10%	379,810	
Thereafter	1,417,504	3.83%	45,000	3.75%	1,462,504	3.83%	147,445	7.72%	1,609,949	
Total	\$ 2,281,251	4.00%	\$ 45,000	3.75%	\$ 2,326,251	3.99%	\$ 312,679	8.16%	\$2,638,930	

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	\$ 172,777	1.62%	\$ -	-	\$ 172,777	1.62%	\$	23,371	8.27%	\$ 196,148
2014	27,458	4.11%	-	-	27,458	4.11%		32,318	8.29%	59,776
2015	190,386	5.70%	-	-	190,386	5.70%		33,346	8.32%	223,732
2016	46,345	4.95%	-	-	46,345	4.95%		29,152	8.41%	75,497
2017	334,314	5.14%	-	-	334,314	5.14%		47,047	9.10%	381,361
Thereafter	1,509,971	3.77%	45,000	3.75%	1,554,971	3.77%		147,445	7.72%	1,702,416
Total	\$ 2,281,251	4.00%	\$ 45,000	3.75%	\$ 2,326,251	3.99%	\$	312,679	8.16%	\$2,638,930

Coverage Ratios

Three months ended March 31, 2013					
	Units	FOI	Adj. FOI **	Interest/Cash Lease Payments	Coverage
Owned communities	22,914	\$ 96,059	\$ 79,591	\$ 24,448	3.3x
Leased communities *	25,710	\$ 114,305	\$ 95,814	\$ 79,259	1.2x

* The leased communities include the capital leases.

** Adjusted for 5% management fee and capital expenditures @ \$350/unit.

Debt Amortization

Three months ended March 31,		
	2013	2012
Scheduled debt amortization	\$ 10,361	\$ 11,596
Lease financing debt amortization - FMV or no purchase option (4)	3,371	2,929
Lease financing debt amortization - bargain purchase option	3,975	3,442
Total debt amortization	\$ 17,707	\$ 17,967

Line Availability

(\$000s)	12/31/11	03/31/12	06/30/12	09/30/12	12/31/12	03/31/13
Total line commitment	\$ 230,000	\$ 230,000	\$ 230,000	\$ 230,000	\$ 230,000	\$ 230,000
Line availability (7)	\$ 194,165	\$ 199,786	\$ 201,659	\$ 189,978	\$ 191,436	\$ 198,563
Ending line balance	65,000	85,000	75,000	80,000	80,000	45,000
Available to draw	\$ 129,165	\$ 114,786	\$ 126,659	\$ 109,978	\$ 111,436	\$ 153,563
Cash and cash equivalents	30,836	42,113	38,676	42,504	69,240	28,242
Total liquidity (available to draw + cash)	\$ 160,001	\$ 156,899	\$ 165,335	\$ 152,482	\$ 180,676	\$ 181,805
Total letters of credit outstanding	\$ 78,104	\$ 77,754	\$ 78,324	\$ 78,127	\$ 78,112	\$ 77,952

Leverage Ratios

	Balance	Annualized Leverage
Debt (1)	\$ 2,281,251	
Capital leases	312,679	
Total Debt	\$ 2,593,930	5.9x
Plus: Line of credit (cash borrowings)	45,000	
Less: Unrestricted cash	(28,242)	
Less: Cash held as collateral against existing debt	(9,755)	
Subtotal	\$ 2,600,933	5.9x
2013 YTD annualized Adjusted EBITDA	\$ 441,260	
Annual cash lease expense multiplied by 8	2,219,648	
Total adjusted debt	\$ 4,820,581	6.7x
2013 YTD annualized Adjusted EBITDAR	\$ 718,716	

Debt Structure

	Balance	Weighted rate (2)
Fixed rate debt (1)	\$ 1,442,905	4.89%
Variable rate debt (1)	838,346	2.46%
Capital leases	312,679	8.16%
Line of credit (cash borrowings)	45,000	3.75%
Total debt	\$ 2,638,930	
	Balance	% of total
Variable rate debt with interest rate swaps (1) (5)	\$ 27,268	3.2%
Variable rate debt with interest rate caps (1) (6)	575,631	68.7%
Variable rate debt - unhedged (1)	235,447	28.1%
Total variable rate debt (1)	\$ 838,346	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.
CFFO Reconciliation
As of March 31, 2013

CFFO Calculation
(\$ in 000s)

	Three Months Ended March 31,	
	2013	2012
Net cash provided by operating activities (includes non-refundable entrance fees)	\$ 64,485	\$ 45,693
Changes in operating assets and liabilities (eliminates cash flow effect)	16,446	18,977
Add: Refundable entrance fees received	7,636	7,989
Less: Entrance fee refunds disbursed	(9,320)	(8,102)
Less: Recurring capital expenditures, net	(9,324)	(8,064)
Less: Lease financing debt amortization with fair market value or no purchase options	(3,371)	(2,929)
Less: Distributions from unconsolidated ventures from cumulative share of net earnings	(668)	(206)
Add: CFFO from unconsolidated ventures	1,958	1,228
Cash From Facility Operations	\$ 67,842	\$ 54,586
Add: Integration, transaction-related and EMR roll-out costs	2,105	3,904
Adjusted Cash From Facility Operations	\$ 69,947	\$ 58,490

Revenue Reconciliation (1)

(\$ in 000s except average monthly revenue per quarter)

	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year	Q1
Revenue reconciliation excl. entrance fee amortization						
Average monthly revenue per quarter	4,257	4,266	4,279	4,282	4,271	4,375
Average monthly units (excluding equity homes) available	47,858	47,935	47,998	47,935	47,959	47,956
Average occupancy for the quarter	87.8%	87.7%	88.0%	88.7%	88.0%	88.5%
Senior Housing Resident fee revenue	\$ 536,629	\$ 538,018	\$ 542,215	\$ 546,195	\$ 2,163,057	\$ 557,039
Add: ISC segment revenue	53,854	57,722	56,856	56,085	224,517	60,198
Add: management fee revenue	7,444	7,499	7,407	8,436	30,786	7,609
Total revenues excluding entrance fee amortization	<u>\$ 597,927</u>	<u>\$ 603,239</u>	<u>\$ 606,478</u>	<u>\$ 610,716</u>	<u>\$ 2,418,360</u>	<u>\$ 624,846</u>

CFFO Reconciliation to the Income Statement

Resident and management fee revenue	\$ 603,993	\$ 609,549	\$ 612,937	\$ 617,243	\$ 2,443,722	\$ 631,979
Less: Entrance fee amortization	(6,066)	(6,310)	(6,459)	(6,527)	(25,362)	(7,133)
Adjusted revenues	<u>597,927</u>	<u>603,239</u>	<u>606,478</u>	<u>610,716</u>	<u>2,418,360</u>	<u>624,846</u>
Less: Facility operating expenses	(398,769)	(403,515)	(411,467)	(417,168)	(1,630,919)	(413,003)
Add: Change in future service obligation	-	-	-	2,188	2,188	-
	<u>(398,769)</u>	<u>(403,515)</u>	<u>(411,467)</u>	<u>(414,980)</u>	<u>(1,628,731)</u>	<u>(413,003)</u>
Less: G&A including non-cash stock-based compensation expense	(44,973)	(46,071)	(43,158)	(44,627)	(178,829)	(46,611)
Add: G&A non-cash stock-based compensation expense	6,435	6,729	6,021	6,335	25,520	6,894
Net G&A	<u>(38,538)</u>	<u>(39,342)</u>	<u>(37,137)</u>	<u>(38,292)</u>	<u>(153,309)</u>	<u>(39,717)</u>
Less: Facility lease expense	(71,445)	(70,628)	(71,167)	(70,785)	(284,025)	(69,019)
Add: Straight-line lease expense	1,642	1,564	2,118	1,344	6,668	748
Less: Amortization of deferred gain	(1,093)	(1,093)	(1,093)	(1,093)	(4,372)	(1,093)
Net lease expense	<u>(70,896)</u>	<u>(70,157)</u>	<u>(70,142)</u>	<u>(70,534)</u>	<u>(281,729)</u>	<u>(69,364)</u>
Add: Entrance fee receipts	14,989	19,694	25,132	22,890	82,705	16,873
Less: Entrance fee disbursements	(8,102)	(5,429)	(6,024)	(7,801)	(27,356)	(9,320)
Net entrance fees	<u>6,887</u>	<u>14,265</u>	<u>19,108</u>	<u>15,089</u>	<u>55,349</u>	<u>7,553</u>
Adjusted EBITDA	<u>96,611</u>	<u>104,490</u>	<u>106,840</u>	<u>101,999</u>	<u>409,940</u>	<u>110,315</u>
Less: Recurring capital expenditures, net	(8,064)	(8,599)	(11,475)	(10,168)	(38,306)	(9,324)
Less: Interest expense, net	(31,198)	(31,739)	(31,586)	(29,803)	(124,326)	(30,668)
Less: Lease financing debt amortization with fair market value or no purchase options	(2,929)	(2,993)	(3,066)	(3,132)	(12,120)	(3,371)
Add: CFFO from unconsolidated ventures	1,228	1,310	1,559	1,279	5,376	1,958
Less: Other	(1,062)	(990)	(792)	1,238	(1,606)	(1,068)
Reported CFFO	\$ 54,586	\$ 61,479	\$ 61,480	\$ 61,413	\$ 238,958	\$ 67,842

Add: integration, transaction-related and EMR roll-out costs	3,904	7,688	4,624	7,249	23,465	2,105
Adjusted CFFO	\$ 58,490	\$ 69,167	\$ 66,104	\$ 68,662	\$ 262,423	\$ 69,947

CFFO Per Share

(\$ except where indicated)

	FY 2012					FY 2013
	Q1	Q2	Q3	Q4	Full Year(2)	Q1
Reported CFFO	\$ 0.45	\$ 0.51	\$ 0.50	\$ 0.50	\$ 1.96	\$ 0.55
Add: integration, transaction-related and EMR roll-out costs	0.03	0.06	0.04	0.06	0.19	0.02
Adjusted CFFO	\$ 0.48	\$ 0.57	\$ 0.54	\$ 0.56	\$ 2.15	\$ 0.57
Shares used in calculation of CFFO (000's)	121,145	121,708	122,493	122,608		122,823

(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 March 31, 2013

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

	FY 2012				FY 2013
	Q1	Q2	Q3	Q4	Q1
# Closings	94	106	147	121	91
# of Refunds	92	62	66	79	87
Resale Receipts:					
Proceeds from non-refundable entrance fees (1)	7,000	10,377	12,926	9,802	9,237
Proceeds from refundable entrance fees (2)	7,989	9,317	12,206	13,088	7,636
Total Cash Proceeds	14,989	19,694	25,132	22,890	16,873
Refunds of entrance fees (3)	(8,102)	(5,429)	(6,024)	(7,801)	(9,320)
Net Resale Cash Flow	6,887	14,265	19,108	15,089	7,553
MyChoice proceeds included in refundable resale receipts above	2,363	3,602	2,466	4,881	1,768
Average Resale \$ (excluding MyChoice proceeds)	134,319	151,811	154,190	148,835	165,989
Average Refund \$ (excluding MyChoice refunds)	(84,283)	(77,500)	(87,273)	(95,025)	(98,540)

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

Gross Value @ Average Resale Price of \$155,000	101,990
Refund Attachments	(11,813)
Net Cash Value	90,177

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:

	FY 2012				FY 2013
	Q1	Q2	Q3	Q4	Q1
Amortization of entrance fees (incl. gains on terminations)	(6,066)	(6,310)	(6,459)	(6,527)	(7,133)

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.

BKD adopted the provisions of ASU 2012-01 as of January 1, 2013 and incorporated the provisions of this update to its consolidated financial statements through retrospective application to all periods presented. The prior period amortization of entrance fees have been revised to reflect this change in accounting. Refer to the Form 10-Q for the three months ended March 31, 2013 for further details.

Notes:

- (1) From Statement of Cash Flows (Operating Activities section) with line description: Proceeds from deferred entrance fee revenue.
- (2) From Statement of Cash Flows (Financing Activities section) with line description: Proceeds from refundable entrance fees (which includes MyChoice proceeds).
- (3) From Statement of Cash Flows (Financing Activities section) with line description: Refunds of entrance fees.

Brookdale Senior Living Inc.
Quarterly Cash Flow Statements
As of March 31, 2013
(\$ in 000s)

Cash Flow Statements

	<u>Q1 2012</u>	<u>Q2 2012</u>	<u>Q3 2012</u>	<u>Q4 2012</u>	<u>FY 2012</u>	<u>Q1 2013</u>
Cash Flows from Operating Activities						
Net (loss) income	\$ (10,544)	\$ (19,015)	\$ (12,216)	\$ (24,692)	(66,467)	\$ 3,558
Adjustments to reconcile net (loss) income to net cash provided by operating activities:						
Loss on extinguishment of debt	221	-	-	-	221	-
Depreciation and amortization	67,817	68,147	67,419	66,979	270,362	69,228
Asset impairment	1,083	7,246	-	19,348	27,677	-
Equity in (earnings) loss of unconsolidated ventures	(99)	61	249	3,277	3,488	(115)
Distributions from unconsolidated ventures from cumulative share of net earnings	206	809	420	72	1,507	668
Amortization of deferred gain	(1,093)	(1,093)	(1,093)	(1,093)	(4,372)	(1,093)
Amortization of entrance fees	(6,066)	(6,310)	(6,459)	(6,527)	(25,362)	(7,133)
Proceeds from deferred entrance fee revenue	7,000	10,377	12,926	9,802	40,105	9,237
Deferred income tax benefit	(135)	(169)	(131)	(90)	(525)	-
Change in deferred lease liability	1,642	1,564	2,118	1,344	6,668	748
Change in fair value of derivatives and amortization	233	278	(140)	(7)	364	(135)
Loss (gain) on sale of assets	114	58	73	87	332	(926)
Loss on acquisition	636	-	-	-	636	-
Gain on facility lease termination	(2,780)	-	-	(8,804)	(11,584)	-
Change in future service obligation	-	-	-	2,188	2,188	-
Non-cash stock-based compensation	6,435	6,729	6,021	6,335	25,520	6,894
Other	-	-	(487)	-	(487)	-
Changes in operating assets and liabilities:						
Accounts receivable, net	(5,317)	(3,484)	709	4,677	(3,415)	(9,064)
Prepaid expenses and other assets, net	(1,681)	7,622	(2,793)	5,539	8,687	9,140
Accounts payable and accrued expenses	(23,705)	14,410	17,352	(3,203)	4,854	(10,871)
Tenant refundable fees and security deposits	(442)	(675)	(439)	9	(1,547)	(335)
Deferred revenue	12,168	(3,701)	(4,098)	7,750	12,119	(5,316)
Net cash provided by operating activities	<u>45,693</u>	<u>82,854</u>	<u>79,431</u>	<u>82,991</u>	<u>290,969</u>	<u>64,485</u>
Cash Flows from Investing Activities						
Increase in lease security deposits and lease acquisition deposits, net	(2,217)	(4,119)	(431)	(1,232)	(7,999)	(1,952)
Decrease (increase) in cash and escrow deposits - restricted	8,442	(3,038)	(7,806)	(2,408)	(4,810)	826
Purchase of marketable securities - restricted	(761)	(341)	(351)	(104)	(1,557)	-
Sale of marketable securities - restricted	-	-	-	35,124	35,124	-
Additions to property, plant and equipment and leasehold intangibles, net of related payables	(41,533)	(50,433)	(59,415)	(57,031)	(208,412)	(51,614)
Acquisition of assets, net of related payables and cash received	(104,984)	(4,975)	(1,349)	(161,215)	(272,523)	(2)
Issuance of (payment on) notes receivable, net	(439)	-	(152)	722	131	(17)
Investment in unconsolidated ventures	-	(571)	-	(4,797)	(5,368)	(5,843)
Distributions received from unconsolidated ventures	100	84	72	94	350	-
Proceeds from sale of assets, net	-	325	-	8,918	9,243	440
Other	-	-	487	-	487	-
Net cash used in investing activities	<u>(141,392)</u>	<u>(63,068)</u>	<u>(68,945)</u>	<u>(181,929)</u>	<u>(455,334)</u>	<u>(58,162)</u>
Cash Flows from Financing Activities						
Proceeds from debt	175,838	17,178	591	178,684	372,291	8,955
Repayment of debt and capital lease obligations	(86,068)	(32,585)	(18,304)	(54,878)	(191,835)	(17,707)
Proceeds from line of credit	130,000	75,000	75,000	95,000	375,000	105,000
Repayment of line of credit	(110,000)	(85,000)	(70,000)	(95,000)	(360,000)	(140,000)
Payment of financing costs, net of related payables	(2,378)	(336)	(96)	(2,753)	(5,563)	(2,200)
Refundable entrance fees:						
Proceeds from refundable entrance fees	7,989	9,317	12,206	13,088	42,600	7,636
Refunds of entrance fees	(8,102)	(5,429)	(6,024)	(7,801)	(27,356)	(9,320)
Cash portion of loss on extinguishment of debt	(118)	-	-	-	(118)	-
Recouping and payment of swap termination	(99)	(1,190)	-	(619)	(1,908)	-
Other	(86)	(178)	(31)	(47)	(342)	315
Net cash provided by (used in) financing activities	<u>106,976</u>	<u>(23,223)</u>	<u>(6,658)</u>	<u>125,674</u>	<u>202,769</u>	<u>(47,321)</u>
Net increase (decrease) in cash and cash equivalents	<u>11,277</u>	<u>(3,437)</u>	<u>3,828</u>	<u>26,736</u>	<u>38,404</u>	<u>(40,998)</u>
Cash and cash equivalents at beginning of period	<u>30,836</u>	<u>42,113</u>	<u>38,676</u>	<u>42,504</u>	<u>30,836</u>	<u>69,240</u>
Cash and cash equivalents at end of period	<u>\$ 42,113</u>	<u>\$ 38,676</u>	<u>\$ 42,504</u>	<u>\$ 69,240</u>	<u>\$ 69,240</u>	<u>\$ 28,242</u>