

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

**Corporate Overview**

Brookdale Senior Living Inc. ("Brookdale") 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, 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 Brookdale Ancillary Services, 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 Communities | Number of Units | Percentage of Q4 2013 Resident and Management Fees | Percentage of Q4 2013 Facility Operating Income | Percentage of FY 2013 Resident and Management Fees | Percentage of FY 2013 Facility Operating Income |
|------------------------------|-----------------------|-----------------|----------------------------------------------------|-------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Owned                        | 225                   | 23,283          | 42.3%                                              | 42.1%                                           | 42.2%                                              | 41.5%                                           |
| Leased                       | 329                   | 25,819          | 46.8%                                              | 50.0%                                           | 47.1%                                              | 49.7%                                           |
| Brookdale Ancillary Services | N/A                   | N/A             | 9.6%                                               | 4.3%                                            | 9.5%                                               | 5.2%                                            |
| Managed                      | 95                    | 17,422          | 1.3%                                               | 3.6%                                            | 1.2%                                               | 3.6%                                            |
| Total                        | 649                   | 66,524          | 100.0%                                             | 100.0%                                          | 100.0%                                             | 100.0%                                          |

**Operating Type - By Segment**

|                              |     |        |        |        |        |        |
|------------------------------|-----|--------|--------|--------|--------|--------|
| Retirement Centers           | 76  | 14,549 | 20.7%  | 25.8%  | 20.7%  | 25.4%  |
| Assisted Living              | 438 | 22,176 | 41.5%  | 44.8%  | 41.3%  | 44.6%  |
| CCRCs - Rental               | 26  | 6,504  | 15.3%  | 12.2%  | 15.6%  | 12.5%  |
| CCRCs - Entry Fee            | 14  | 5,873  | 11.6%  | 9.3%   | 11.7%  | 8.7%   |
| Brookdale Ancillary Services | N/A | N/A    | 9.6%   | 4.3%   | 9.5%   | 5.2%   |
| Management Services          | 95  | 17,422 | 1.3%   | 3.6%   | 1.2%   | 3.6%   |
| Total                        | 649 | 66,524 | 100.0% | 100.0% | 100.0% | 100.0% |

**CFFO Per Share**

(\$ except where indicated)

|                                                                              | FY 2012 |         |         |         |              | FY 2013 |         |         |         |              |
|------------------------------------------------------------------------------|---------|---------|---------|---------|--------------|---------|---------|---------|---------|--------------|
|                                                                              | Q1      | Q2      | Q3      | Q4      | Full Year(1) | Q1      | Q2      | Q3      | Q4      | Full Year(1) |
| Reported CFFO                                                                | \$ 0.45 | \$ 0.51 | \$ 0.50 | \$ 0.50 | \$ 1.96      | \$ 0.55 | \$ 0.58 | \$ 0.57 | \$ 0.68 | \$ 2.38      |
| Add: integration, transaction-related and EMR roll-out costs                 | 0.03    | 0.06    | 0.04    | 0.06    | 0.19         | 0.02    | 0.03    | 0.04    | 0.03    | 0.12         |
| Adjusted CFFO                                                                | \$ 0.48 | \$ 0.57 | \$ 0.54 | \$ 0.56 | \$ 2.15      | \$ 0.57 | \$ 0.61 | \$ 0.61 | \$ 0.71 | \$ 2.50      |
| Weighted average shares (000's)                                              | 121,145 | 121,708 | 122,493 | 122,608 |              | 122,823 | 123,405 | 124,128 | 124,308 |              |
| Period end outstanding shares (excluding unvested restricted shares) (000's) | 121,197 | 122,474 | 122,575 | 122,738 |              | 123,040 | 124,061 | 124,285 | 124,354 |              |

(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, 2013**

**Senior Housing Operating Information**

|                                                    | FY 2012  |          |          |          |           | FY 2013  |          |          |          |           |
|----------------------------------------------------|----------|----------|----------|----------|-----------|----------|----------|----------|----------|-----------|
|                                                    | Q1       | Q2       | Q3       | Q4       | Full Year | Q1       | Q2       | Q3       | Q4       | Full Year |
| <b>Retirement Centers</b>                          |          |          |          |          |           |          |          |          |          |           |
| Number of communities (period end)                 | 76       | 76       | 76       | 76       | 76        | 76       | 76       | 76       | 76       | 76        |
| Total average units(1)                             | 14,452   | 14,451   | 14,445   | 14,433   | 14,445    | 14,429   | 14,429   | 14,444   | 14,454   | 14,439    |
| Weighted average unit occupancy                    | 88.8%    | 88.8%    | 89.1%    | 89.7%    | 89.1 %    | 89.5%    | 89.4%    | 90.2%    | 90.1%    | 89.8 %    |
| Senior Housing average monthly revenue per unit(2) | \$ 3,235 | \$ 3,268 | \$ 3,275 | \$ 3,276 | \$ 3,263  | \$ 3,328 | \$ 3,362 | \$ 3,408 | \$ 3,426 | \$ 3,381  |

**Assisted Living**

|                                                    |          |          |          |          |          |          |          |          |          |          |
|----------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Number of communities (period end)                 | 434      | 434      | 434      | 433      | 433      | 431      | 432      | 432      | 438      | 438      |
| Total average units(1)                             | 21,635   | 21,637   | 21,652   | 21,577   | 21,625   | 21,556   | 21,499   | 21,513   | 22,149   | 21,679   |
| Weighted average unit occupancy                    | 88.5%    | 88.6%    | 89.1%    | 89.7%    | 88.9 %   | 89.1%    | 89.4%    | 90.0%    | 90.1%    | 89.7 %   |
| Senior Housing average monthly revenue per unit(2) | \$ 4,379 | \$ 4,390 | \$ 4,393 | \$ 4,401 | \$ 4,390 | \$ 4,523 | \$ 4,519 | \$ 4,518 | \$ 4,480 | \$ 4,510 |

**CCRCs - Rental**

|                                                    |          |          |          |          |          |          |          |          |          |          |
|----------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Number of communities (period end)                 | 26       | 27       | 27       | 27       | 27       | 27       | 27       | 27       | 26       | 26       |
| Total average units(1)                             | 6,626    | 6,659    | 6,691    | 6,691    | 6,667    | 6,687    | 6,684    | 6,687    | 6,617    | 6,669    |
| Weighted average unit occupancy                    | 86.5%    | 85.8%    | 85.8%    | 87.0%    | 86.3 %   | 87.6%    | 86.2%    | 86.7%    | 86.8%    | 86.8 %   |
| Senior Housing average monthly revenue per unit(2) | \$ 5,536 | \$ 5,561 | \$ 5,619 | \$ 5,639 | \$ 5,588 | \$ 5,709 | \$ 5,649 | \$ 5,759 | \$ 5,742 | \$ 5,715 |

**CCRCs - Entry Fee**

|                                                    |          |          |          |          |          |          |          |          |          |          |
|----------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Number of communities (period end)                 | 14       | 14       | 14       | 14       | 14       | 14       | 14       | 14       | 14       | 14       |
| Total average units(1)                             | 5,171    | 5,199    | 5,221    | 5,249    | 5,210    | 5,281    | 5,295    | 5,308    | 5,329    | 5,303    |
| Weighted average unit occupancy                    | 83.7%    | 83.4%    | 83.4%    | 84.1%    | 83.7 %   | 84.6%    | 83.8%    | 84.1%    | 84.3%    | 84.2 %   |
| Senior Housing average monthly revenue per unit(2) | \$ 5,055 | \$ 4,963 | \$ 4,975 | \$ 4,921 | \$ 4,978 | \$ 5,011 | \$ 5,025 | \$ 4,994 | \$ 5,023 | \$ 5,013 |

|                                                    |          |          |          |          |          |          |          |          |          |          |
|----------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Senior Housing Totals</b>                       |          |          |          |          |          |          |          |          |          |          |
| Number of communities (period end)                 | 550      | 551      | 551      | 550      | 550      | 548      | 549      | 549      | 554      | 554      |
| Total average units(1)                             | 47,884   | 47,946   | 48,009   | 47,950   | 47,947   | 47,953   | 47,907   | 47,952   | 48,549   | 48,090   |
| Weighted average unit occupancy                    | 87.8%    | 87.7%    | 88.0%    | 88.7%    | 88.0%    | 88.5%    | 88.3%    | 89.0%    | 89.0%    | 88.7%    |
| Senior Housing average monthly revenue per unit(2) | \$ 4,257 | \$ 4,266 | \$ 4,279 | \$ 4,282 | \$ 4,271 | \$ 4,375 | \$ 4,373 | \$ 4,397 | \$ 4,387 | \$ 4,383 |

|                                     |          |          |          |          |          |          |          |          |          |          |
|-------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Management Services</b>          |          |          |          |          |          |          |          |          |          |          |
| Number of communities (period end)  | 96       | 96       | 97       | 97       | 97       | 101      | 101      | 102      | 95       | 95       |
| Total average units(1)              | 18,253   | 18,144   | 18,081   | 18,141   | 18,155   | 18,114   | 18,310   | 18,291   | 17,618   | 18,083   |
| Weighted average occupancy          | 84.3%    | 84.0%    | 84.3%    | 85.4%    | 84.5%    | 84.9%    | 84.9%    | 85.7%    | 86.1%    | 85.4%    |
| Average monthly revenue per unit(2) | \$ 3,373 | \$ 3,369 | \$ 3,386 | \$ 3,399 | \$ 3,382 | \$ 3,460 | \$ 3,505 | \$ 3,499 | \$ 3,588 | \$ 3,512 |

**Brookdale Ancillary Services Operating Information**

|  | FY 2012 |    |    |    | FY 2013 |    |    |    |
|--|---------|----|----|----|---------|----|----|----|
|  | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 |

**Brookdale Ancillary Services**

Brookdale units served:

|                                     |         |         |         |         |         |         |         |         |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Outpatient Therapy consolidated     | 35,909  | 36,844  | 38,016  | 37,961  | 38,017  | 38,075  | 38,253  | 38,308  |
| Home Health consolidated            | 32,655  | 31,944  | 32,650  | 32,242  | 32,389  | 32,864  | 33,940  | 33,894  |
| Outpatient Therapy non-consolidated | 9,685   | 9,861   | 12,540  | 13,448  | 13,502  | 14,177  | 14,733  | 14,017  |
| Home Health non-consolidated        | 4,735   | 10,667  | 12,597  | 13,569  | 13,326  | 13,232  | 13,601  | 12,884  |
| Total Brookdale units served:       |         |         |         |         |         |         |         |         |
| Outpatient Therapy                  | 45,594  | 46,705  | 50,556  | 51,409  | 51,519  | 52,252  | 52,986  | 52,325  |
| Home Health                         | 37,390  | 42,611  | 45,247  | 45,811  | 45,715  | 46,096  | 47,541  | 46,778  |
| Outpatient Therapy treatment codes  | 907,816 | 957,364 | 939,241 | 762,233 | 821,308 | 840,076 | 818,758 | 844,987 |
| Home Health average census          | 3,448   | 3,554   | 3,651   | 4,187   | 4,289   | 4,366   | 4,574   | 4,762   |

(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 and Brookdale Ancillary Services segment revenue, divided by average occupied units.

**Brookdale Senior Living Inc.**  
**Senior Housing Data by Ownership Type**  
**As of December 31, 2013**

**Senior Housing Operating Information**

|                                                                  | FY 2012  |          |          |          | FY 2013  |          |          |          |
|------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
|                                                                  | Q1       | Q2       | Q3       | Q4 (1)   | Q1       | Q2       | Q3 (2)   | Q4       |
| <b>Owned Properties</b>                                          |          |          |          |          |          |          |          |          |
| Number of communities (period end)                               | 209      | 210      | 210      | 221      | 219      | 220      | 220      | 225      |
| Total average units(3)                                           | 21,281   | 21,350   | 21,425   | 22,243   | 22,243   | 22,153   | 22,190   | 22,754   |
| Weighted average unit occupancy                                  | 87.2%    | 87.4%    | 87.6%    | 89.0 %   | 88.8%    | 88.7%    | 89.1%    | 89.2 %   |
| Senior Housing average monthly revenue per unit(4)               | \$ 4,302 | \$ 4,297 | \$ 4,318 | \$ 4,323 | \$ 4,416 | \$ 4,416 | \$ 4,438 | \$ 4,402 |
| <b>Leased Properties with Bargain Purchase Options</b>           |          |          |          |          |          |          |          |          |
| Number of communities (period end)                               | 18       | 18       | 18       | 9        | 9        | 9        | 9        | 9        |
| Total average units(3)                                           | 3,263    | 3,263    | 3,261    | 2,948    | 2,949    | 2,945    | 2,944    | 2,943    |
| Weighted average unit occupancy                                  | 88.4%    | 87.6%    | 88.0%    | 88.3 %   | 88.2%    | 88.0%    | 88.6%    | 88.5 %   |
| Senior Housing average monthly revenue per unit(4)               | \$ 3,878 | \$ 3,874 | \$ 3,903 | \$ 3,802 | \$ 3,891 | \$ 3,896 | \$ 3,929 | \$ 4,001 |
| <b>Leased Properties with Fair Market Value Purchase Options</b> |          |          |          |          |          |          |          |          |
| Number of communities (period end)                               | 77       | 77       | 77       | 74       | 74       | 74       | 75       | 75       |
| Total average units(3)                                           | 3,929    | 3,927    | 3,927    | 3,364    | 3,364    | 3,364    | 3,413    | 3,438    |
| Weighted average unit occupancy                                  | 91.1%    | 91.2%    | 92.0%    | 91.8 %   | 90.8%    | 90.6%    | 90.9%    | 90.9 %   |
| Senior Housing average monthly revenue per unit(4)               | \$ 4,384 | \$ 4,423 | \$ 4,482 | \$ 4,549 | \$ 4,675 | \$ 4,638 | \$ 4,645 | \$ 4,637 |
| <b>Leased Properties without Purchase Options</b>                |          |          |          |          |          |          |          |          |
| Number of communities (period end)                               | 246      | 246      | 246      | 246      | 246      | 246      | 245      | 245      |
| Total average units(3)                                           | 19,411   | 19,406   | 19,396   | 19,395   | 19,397   | 19,445   | 19,405   | 19,414   |
| Weighted average unit occupancy                                  | 87.6%    | 87.3%    | 87.6%    | 87.9 %   | 87.9%    | 87.6%    | 88.5%    | 88.6 %   |
| Senior Housing average monthly revenue per unit(4)               | \$ 4,241 | \$ 4,264 | \$ 4,256 | \$ 4,256 | \$ 4,344 | \$ 4,348 | \$ 4,381 | \$ 4,377 |
| <b>Senior Housing Totals</b>                                     |          |          |          |          |          |          |          |          |
| Number of communities (period end)                               | 550      | 551      | 551      | 550      | 548      | 549      | 549      | 554      |
| Total average units(3)                                           | 47,884   | 47,946   | 48,009   | 47,950   | 47,953   | 47,907   | 47,952   | 48,549   |
| Weighted average unit occupancy                                  | 87.8%    | 87.7%    | 88.0%    | 88.7%    | 88.5%    | 88.3%    | 89.0%    | 89.0%    |
| Senior Housing average monthly revenue per unit(4)               | \$ 4,257 | \$ 4,266 | \$ 4,279 | \$ 4,282 | \$ 4,375 | \$ 4,373 | \$ 4,397 | \$ 4,387 |

- (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) During the three months ended September 30, 2013, the Company amended a lease agreement for one community and, in connection therewith, obtained a fair market value purchase option. The results of operations of the community are included within Leased Properties with Fair Market Value Purchase Options beginning in the third quarter of FY 2013. Prior quarters have not been recast.
- (3) Total average units operated represent the average units operated during the period, excluding equity homes.
- (4) Average monthly revenue per unit represents the average of the total monthly revenues, excluding amortization of entrance fees and Brookdale Ancillary Services segment revenue, divided by average occupied units.

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

**Financial Data**

(\$ in 000s)

**Retirement Centers**

|                          | FY 2012 |         |         |         |           | FY 2013 |         |         |         |           |
|--------------------------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|-----------|
|                          | Q1      | Q2      | Q3      | Q4      | Full Year | Q1      | Q2      | Q3      | Q4      | Full Year |
| Revenue                  | 124,512 | 125,813 | 126,401 | 127,176 | 503,902   | 128,922 | 130,170 | 133,272 | 133,920 | 526,284   |
| Expenses                 | 73,521  | 73,138  | 75,679  | 75,979  | 298,317   | 75,588  | 75,993  | 76,452  | 75,969  | 304,002   |
| Segment Operating Income | 50,991  | 52,675  | 50,722  | 51,197  | 205,585   | 53,334  | 54,177  | 56,820  | 57,951  | 222,282   |
| Segment Operating Margin | 41.0%   | 41.9%   | 40.1%   | 40.3%   | 40.8%     | 41.4%   | 41.6%   | 42.6%   | 43.3%   | 42.2%     |

**Assisted Living**

|                          | FY 2012 |         |         |         |           | FY 2013 |         |         |         |           |
|--------------------------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|-----------|
|                          | Q1      | Q2      | Q3      | Q4      | Full Year | Q1      | Q2      | Q3      | Q4      | Full Year |
| Revenue                  | 251,352 | 252,399 | 254,179 | 255,407 | 1,013,337 | 260,615 | 260,497 | 262,524 | 268,232 | 1,051,868 |
| Expenses                 | 160,789 | 162,233 | 163,017 | 166,114 | 652,153   | 164,330 | 164,316 | 165,774 | 167,770 | 662,190   |
| Segment Operating Income | 90,563  | 90,166  | 91,162  | 89,293  | 361,184   | 96,285  | 96,181  | 96,750  | 100,462 | 389,678   |
| Segment Operating Margin | 36.0%   | 35.7%   | 35.9%   | 35.0%   | 35.6%     | 36.9%   | 36.9%   | 36.9%   | 37.5%   | 37.0%     |

**CCRCs - Rental**

|                          | FY 2012 |        |        |        |           | FY 2013 |        |         |        |           |
|--------------------------|---------|--------|--------|--------|-----------|---------|--------|---------|--------|-----------|
|                          | Q1      | Q2     | Q3     | Q4     | Full Year | Q1      | Q2     | Q3      | Q4     | Full Year |
| Revenue                  | 95,112  | 95,258 | 96,681 | 98,428 | 385,479   | 100,327 | 97,562 | 100,076 | 99,010 | 396,975   |
| Expenses                 | 67,093  | 68,494 | 71,581 | 72,248 | 279,416   | 71,250  | 71,995 | 73,063  | 71,641 | 287,949   |
| Segment Operating Income | 28,019  | 26,764 | 25,100 | 26,180 | 106,063   | 29,077  | 25,567 | 27,013  | 27,369 | 109,026   |
| Segment Operating Margin | 29.5%   | 28.1%  | 26.0%  | 26.6%  | 27.5%     | 29.0%   | 26.2%  | 27.0%   | 27.6%  | 27.5%     |

**CCRCs - Entry Fee**

|                          | FY 2012 |        |        |        |           | FY 2013 |        |        |        |           |
|--------------------------|---------|--------|--------|--------|-----------|---------|--------|--------|--------|-----------|
|                          | Q1      | Q2     | Q3     | Q4     | Full Year | Q1      | Q2     | Q3     | Q4     | Full Year |
| Revenue                  | 71,719  | 70,858 | 71,413 | 71,711 | 285,701   | 74,308  | 74,016 | 74,110 | 75,322 | 297,756   |
| Expenses                 | 54,914  | 55,341 | 56,249 | 57,792 | 224,296   | 54,737  | 56,244 | 55,892 | 54,490 | 221,363   |
| Segment Operating Income | 16,805  | 15,517 | 15,164 | 13,919 | 61,405    | 19,571  | 17,772 | 18,218 | 20,832 | 76,393    |
| Segment Operating Margin | 23.4%   | 21.9%  | 21.2%  | 19.4%  | 21.5%     | 26.3%   | 24.0%  | 24.6%  | 27.7%  | 25.7%     |

*Bridge to Cash Basis for CCRCs - Entry Fee segment*

|                                       |         |         |         |         |          |         |         |         |         |          |
|---------------------------------------|---------|---------|---------|---------|----------|---------|---------|---------|---------|----------|
| Revenue                               | 71,719  | 70,858  | 71,413  | 71,711  | 285,701  | 74,308  | 74,016  | 74,110  | 75,322  | 297,756  |
| Less: revenue amortization (non-cash) | (6,066) | (6,310) | (6,459) | (6,527) | (25,362) | (7,133) | (7,032) | (7,013) | (7,831) | (29,009) |
| Add: net entrance fees (cash)         | 6,887   | 14,265  | 19,108  | 15,089  | 55,349   | 7,553   | 16,422  | 11,370  | 21,661  | 57,006   |
| Adjusted revenue                      | 72,540  | 78,813  | 84,062  | 80,273  | 315,688  | 74,728  | 83,406  | 78,467  | 89,152  | 325,753  |
| Expenses                              | 54,914  | 55,341  | 56,249  | 57,792  | 224,296  | 54,737  | 56,244  | 55,892  | 54,490  | 221,363  |
| Adjusted Segment Operating Income     | 17,626  | 23,472  | 27,813  | 22,481  | 91,392   | 19,991  | 27,162  | 22,575  | 34,662  | 104,390  |
| Adjusted Segment Operating Margin     | 24.3%   | 29.8%   | 33.1%   | 28.0%   | 29.0%    | 26.8%   | 32.6%   | 28.8%   | 38.9%   | 32.0%    |

**Total Senior Housing**

| (GAAP Basis)                     | FY 2012 |         |         |         |           | FY 2013 |         |         |         |           |
|----------------------------------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|-----------|
|                                  | Q1      | Q2      | Q3      | Q4      | Full Year | Q1      | Q2      | Q3      | Q4      | Full Year |
| Revenue                          | 542,695 | 544,328 | 548,674 | 552,722 | 2,188,419 | 564,172 | 562,245 | 569,982 | 576,484 | 2,272,883 |
| Expenses                         | 356,317 | 359,206 | 366,526 | 372,133 | 1,454,182 | 365,905 | 368,548 | 371,181 | 369,870 | 1,475,504 |
| Operating Income                 | 186,378 | 185,122 | 182,148 | 180,589 | 734,237   | 198,267 | 193,697 | 198,801 | 206,614 | 797,379   |
| Operating Margin                 | 34.3%   | 34.0%   | 33.2%   | 32.7%   | 33.6%     | 35.1%   | 34.5%   | 34.9%   | 35.8%   | 35.1%     |
| G&A Allocation (1)               | 22,751  | 20,876  | 21,402  | 20,374  | 85,403    | 25,526  | 23,224  | 22,647  | 24,658  | 96,055    |
| G&A Allocation as a % of revenue | 4.2%    | 3.8%    | 3.9%    | 3.7%    | 3.9%      | 4.5%    | 4.1%    | 4.0%    | 4.3%    | 4.2%      |
| Adjusted Operating Income        | 163,627 | 164,246 | 160,746 | 160,215 | 648,834   | 172,741 | 170,473 | 176,154 | 181,956 | 701,324   |
| Adjusted Operating Margin        | 30.2%   | 30.2%   | 29.3%   | 29.0%   | 29.6%     | 30.6%   | 30.3%   | 30.9%   | 31.6%   | 30.9%     |

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

**Financial Data (continued)**

(\$ in 000s)

**Brookdale Ancillary Services**

|                                   | FY 2012 |        |        |        |           | FY 2013 |        |        |        |           |
|-----------------------------------|---------|--------|--------|--------|-----------|---------|--------|--------|--------|-----------|
|                                   | Q1      | Q2     | Q3     | Q4     | Full Year | Q1      | Q2     | Q3     | Q4     | Full Year |
| Revenue                           | 53,854  | 57,722 | 56,856 | 56,085 | 224,517   | 60,198  | 58,693 | 61,162 | 62,097 | 242,150   |
| Expenses                          | 42,452  | 44,309 | 44,941 | 45,035 | 176,737   | 47,098  | 47,479 | 49,398 | 52,466 | 196,441   |
| Segment Operating Income          | 11,402  | 13,413 | 11,915 | 11,050 | 47,780    | 13,100  | 11,214 | 11,764 | 9,631  | 45,709    |
| Segment Operating Margin          | 21.2%   | 23.2%  | 21.0%  | 19.7%  | 21.3%     | 21.8%   | 19.1%  | 19.2%  | 15.5%  | 18.9%     |
| G&A Allocation (1)                | 5,954   | 5,453  | 5,467  | 5,358  | 22,232    | 6,055   | 6,005  | 5,516  | 5,806  | 23,382    |
| G&A Allocation as a % of revenue  | 11.1%   | 9.4%   | 9.6%   | 9.6%   | 9.9%      | 10.1%   | 10.2%  | 9.0%   | 9.3%   | 9.7%      |
| Adjusted Segment Operating Income | 5,448   | 7,960  | 6,448  | 5,692  | 25,548    | 7,045   | 5,209  | 6,248  | 3,825  | 22,327    |
| Adjusted Segment Operating Margin | 10.1%   | 13.8%  | 11.3%  | 10.1%  | 11.4%     | 11.7%   | 8.9%   | 10.2%  | 6.2%   | 9.2%      |

**Total Senior Housing and Brookdale Ancillary Services**

| (GAAP Basis)                     | FY 2012 |         |         |         |           | FY 2013 |         |         |         |           |
|----------------------------------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|-----------|
|                                  | Q1      | Q2      | Q3      | Q4      | Full Year | Q1      | Q2      | Q3      | Q4      | Full Year |
| Revenue                          | 596,549 | 602,050 | 605,530 | 608,807 | 2,412,936 | 624,370 | 620,938 | 631,144 | 638,581 | 2,515,033 |
| Expenses                         | 398,769 | 403,515 | 411,467 | 417,168 | 1,630,919 | 413,003 | 416,027 | 420,579 | 422,336 | 1,671,945 |
| Operating Income                 | 197,780 | 198,535 | 194,063 | 191,639 | 782,017   | 211,367 | 204,911 | 210,565 | 216,245 | 843,088   |
| Operating Margin                 | 33.2%   | 33.0%   | 32.0%   | 31.5%   | 32.4%     | 33.9%   | 33.0%   | 33.4%   | 33.9%   | 33.5%     |
| G&A Allocation (1)               | 28,705  | 26,329  | 26,869  | 25,732  | 107,635   | 31,581  | 29,229  | 28,163  | 30,464  | 119,437   |
| G&A Allocation as a % of revenue | 4.8%    | 4.4%    | 4.4%    | 4.2%    | 4.5%      | 5.1%    | 4.7%    | 4.5%    | 4.8%    | 4.7%      |
| Adjusted Operating Income        | 169,075 | 172,206 | 167,194 | 165,907 | 674,382   | 179,786 | 175,682 | 182,402 | 185,781 | 723,651   |
| Adjusted Operating Margin        | 28.3%   | 28.6%   | 27.6%   | 27.3%   | 27.9%     | 28.8%   | 28.3%   | 28.9%   | 29.1%   | 28.8%     |

**Management Services**

|                               | FY 2012 |       |       |       |           | FY 2013 |       |       |       |           |
|-------------------------------|---------|-------|-------|-------|-----------|---------|-------|-------|-------|-----------|
|                               | Q1      | Q2    | Q3    | Q4    | Full Year | Q1      | Q2    | Q3    | Q4    | Full Year |
| Revenue (Management Fees)     | 7,444   | 7,499 | 7,407 | 8,436 | 30,786    | 7,609   | 7,744 | 7,622 | 8,150 | 31,125    |
| Expenses (G&A Allocation) (1) | 5,929   | 5,325 | 5,644 | 5,311 | 22,209    | 6,031   | 6,192 | 6,106 | 6,334 | 24,663    |
| Segment Operating Income      | 1,515   | 2,174 | 1,763 | 3,125 | 8,577     | 1,578   | 1,552 | 1,516 | 1,816 | 6,462     |
| Segment Operating Margin      | 20.4%   | 29.0% | 23.8% | 37.0% | 27.9%     | 20.7%   | 20.0% | 19.9% | 22.3% | 20.8%     |

**Total Senior Housing, Brookdale Ancillary and Management Services**

| (GAAP Basis)                     | FY 2012 |         |         |         |           | FY 2013 |         |         |         |           |
|----------------------------------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|-----------|
|                                  | Q1      | Q2      | Q3      | Q4      | Full Year | Q1      | Q2      | Q3      | Q4      | Full Year |
| Revenue                          | 603,993 | 609,549 | 612,937 | 617,243 | 2,443,722 | 631,979 | 628,682 | 638,766 | 646,731 | 2,546,158 |
| Expenses                         | 398,769 | 403,515 | 411,467 | 417,168 | 1,630,919 | 413,003 | 416,027 | 420,579 | 422,336 | 1,671,945 |
| Operating Income                 | 205,224 | 206,034 | 201,470 | 200,075 | 812,803   | 218,976 | 212,655 | 218,187 | 224,395 | 874,213   |
| Operating Margin                 | 34.0%   | 33.8%   | 32.9%   | 32.4%   | 33.3%     | 34.6%   | 33.8%   | 34.2%   | 34.7%   | 34.3%     |
| G&A Allocation (1)               | 34,634  | 31,654  | 32,513  | 31,043  | 129,844   | 37,612  | 35,421  | 34,269  | 36,798  | 144,100   |
| G&A Allocation as a % of revenue | 5.7%    | 5.2%    | 5.3%    | 5.0%    | 5.3%      | 6.0%    | 5.6%    | 5.4%    | 5.7%    | 5.7%      |
| Adjusted Operating Income        | 170,590 | 174,380 | 168,957 | 169,032 | 682,959   | 181,364 | 177,234 | 183,918 | 187,597 | 730,113   |
| Adjusted Operating Margin        | 28.2%   | 28.6%   | 27.6%   | 27.4%   | 27.9%     | 28.7%   | 28.2%   | 28.8%   | 29.0%   | 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 December 31, 2013**

**Financial Data**

(\$ in 000s)

**Owned Properties**

|                          | FY 2012 |         |         |         |           | FY 2013 |         |         |         |           |
|--------------------------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|-----------|
|                          | Q1      | Q2      | Q3      | Q4 (1)  | Full Year | Q1      | Q2      | Q3      | Q4      | Full Year |
| Revenue                  | 243,302 | 244,720 | 247,473 | 260,980 | 996,475   | 266,322 | 265,139 | 267,922 | 273,439 | 1,072,822 |
| Expenses                 | 163,822 | 165,862 | 171,356 | 177,350 | 678,390   | 175,672 | 176,623 | 178,382 | 178,941 | 709,618   |
| Segment Operating Income | 79,480  | 78,858  | 76,117  | 83,630  | 318,085   | 90,650  | 88,516  | 89,540  | 94,498  | 363,204   |
| Segment Operating Margin | 32.7%   | 32.2%   | 30.8%   | 32.0%   | 31.9%     | 34.0%   | 33.4%   | 33.4%   | 34.6%   | 33.9%     |

**Bridge to Cash Basis for CCRCs - Entry Fee**

|                                       |         |         |         |         |           |         |         |         |         |           |
|---------------------------------------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|-----------|
| Revenue                               | 243,302 | 244,720 | 247,473 | 260,980 | 996,475   | 266,322 | 265,139 | 267,922 | 273,439 | 1,072,822 |
| Less: revenue amortization (non-cash) | (3,692) | (4,208) | (4,294) | (4,265) | (16,459)  | (4,664) | (4,821) | (4,660) | (5,404) | (19,549)  |
| Add: net entrance fees (cash)         | 5,802   | 10,487  | 14,234  | 11,481  | 42,004    | 5,449   | 10,936  | 8,014   | 13,694  | 38,093    |
| Adjusted revenue                      | 245,412 | 250,999 | 257,413 | 268,196 | 1,022,020 | 267,107 | 271,254 | 271,276 | 281,729 | 1,091,366 |
| Expenses                              | 163,822 | 165,862 | 171,356 | 177,350 | 678,390   | 175,672 | 176,623 | 178,382 | 178,941 | 709,618   |
| Adjusted Segment Operating Income     | 81,590  | 85,137  | 86,057  | 90,846  | 343,630   | 91,435  | 94,631  | 92,894  | 102,788 | 381,748   |
| Adjusted Segment Operating Margin     | 33.2%   | 33.9%   | 33.4%   | 33.9%   | 33.6%     | 34.2%   | 34.9%   | 34.2%   | 36.5%   | 35.0%     |

**Leased Properties with Bargain Purchase Options**

|                          | FY 2012 |        |        |        |           | FY 2013 |        |        |        |           |
|--------------------------|---------|--------|--------|--------|-----------|---------|--------|--------|--------|-----------|
|                          | Q1      | Q2     | Q3     | Q4 (1) | Full Year | Q1      | Q2     | Q3     | Q4     | Full Year |
| Revenue                  | 35,394  | 34,853 | 35,362 | 31,494 | 137,103   | 32,254  | 32,096 | 32,667 | 33,177 | 130,194   |
| Expenses                 | 23,287  | 23,433 | 24,264 | 21,334 | 92,318    | 20,766  | 21,308 | 21,230 | 21,518 | 84,822    |
| Segment Operating Income | 12,107  | 11,420 | 11,098 | 10,160 | 44,785    | 11,488  | 10,788 | 11,437 | 11,659 | 45,372    |
| Segment Operating Margin | 34.2%   | 32.8%  | 31.4%  | 32.3%  | 32.7%     | 35.6%   | 33.6%  | 35.0%  | 35.1%  | 34.8%     |

**Leased Properties with Fair Market Value Purchase Options**

|                          | FY 2012 |        |        |        |           | FY 2013 |        |        |        |           |
|--------------------------|---------|--------|--------|--------|-----------|---------|--------|--------|--------|-----------|
|                          | Q1      | Q2     | Q3     | Q4 (1) | Full Year | Q1      | Q2     | Q3 (2) | Q4     | Full Year |
| Revenue                  | 47,104  | 47,534 | 48,560 | 42,140 | 185,338   | 42,842  | 42,408 | 43,235 | 43,474 | 171,959   |
| Expenses                 | 29,974  | 30,192 | 28,999 | 27,443 | 116,608   | 26,940  | 27,011 | 27,228 | 27,293 | 108,472   |
| Segment Operating Income | 17,130  | 17,342 | 19,561 | 14,697 | 68,730    | 15,902  | 15,397 | 16,007 | 16,181 | 63,487    |
| Segment Operating Margin | 36.4%   | 36.5%  | 40.3%  | 34.9%  | 37.1%     | 37.1%   | 36.3%  | 37.0%  | 37.2%  | 36.9%     |

**Leased Properties without Purchase Options**

|                          | FY 2012 |         |         |         |           | FY 2013 |         |         |         |           |
|--------------------------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|-----------|
|                          | Q1      | Q2      | Q3      | Q4      | Full Year | Q1      | Q2      | Q3 (2)  | Q4      | Full Year |
| Revenue                  | 216,895 | 217,221 | 217,279 | 218,108 | 869,503   | 222,754 | 222,602 | 226,158 | 226,394 | 897,908   |
| Expenses                 | 139,234 | 139,719 | 141,907 | 146,006 | 566,866   | 142,527 | 143,606 | 144,341 | 142,118 | 572,592   |
| Segment Operating Income | 77,661  | 77,502  | 75,372  | 72,102  | 302,637   | 80,227  | 78,996  | 81,817  | 84,276  | 325,316   |
| Segment Operating Margin | 35.8%   | 35.7%   | 34.7%   | 33.1%   | 34.8%     | 36.0%   | 35.5%   | 36.2%   | 37.2%   | 36.2%     |

| <b>Total Senior Housing</b><br>(GAAP Basis) | FY 2012 |         |         |         |           | FY 2013 |         |         |         |           |
|---------------------------------------------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|-----------|
|                                             | Q1      | Q2      | Q3      | Q4      | Full Year | Q1      | Q2      | Q3      | Q4      | Full Year |
| Revenue                                     | 542,695 | 544,328 | 548,674 | 552,722 | 2,188,419 | 564,172 | 562,245 | 569,982 | 576,484 | 2,272,883 |
| Expenses                                    | 356,317 | 359,206 | 366,526 | 372,133 | 1,454,182 | 365,905 | 368,548 | 371,181 | 369,870 | 1,475,504 |
| Operating Income                            | 186,378 | 185,122 | 182,148 | 180,589 | 734,237   | 198,267 | 193,697 | 198,801 | 206,614 | 797,379   |
| Operating Margin                            | 34.3%   | 34.0%   | 33.2%   | 32.7%   | 33.6%     | 35.1%   | 34.5%   | 34.9%   | 35.8%   | 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.

(2) During the three months ended September 30, 2013, the Company amended a lease agreement for one community and, in connection therewith, obtained a fair market value purchase option. The results of operations of the community are included within Leased Properties with Fair Market Value Purchase Options beginning in the third quarter of FY 2013. Prior quarters have not been recast.

**Brookdale Senior Living Inc.**  
**Same Community and Capital Expenditure Information**  
**As of December 31, 2013**

**Same Community Information**

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

|                           | Senior Housing<br>Three Months Ended December 31, |            |          | Senior Housing<br>Year Ended December 31, |              |          |
|---------------------------|---------------------------------------------------|------------|----------|-------------------------------------------|--------------|----------|
|                           | 2013                                              | 2012       | % Change | 2013                                      | 2012         | % Change |
| Revenue                   | \$ 527,736                                        | \$ 512,769 | 2.9%     | \$ 2,094,416                              | \$ 2,026,393 | 3.4%     |
| Operating Expense         | 345,588                                           | 350,802    | -1.5%    | 1,383,293                                 | 1,367,445    | 1.2%     |
| Facility Operating Income | \$ 182,148                                        | \$ 161,967 | 12.5%    | \$ 711,123                                | \$ 658,948   | 7.9%     |
| Facility Operating Margin | 34.5%                                             | 31.6%      | 2.9%     | 34.0%                                     | 32.5%        | 1.5%     |
| # Communities             | 524                                               | 524        |          | 523                                       | 523          |          |
| Avg. Period Occupancy     | 89.0%                                             | 88.6%      | 0.4%     | 88.8%                                     | 88.0%        | 0.8%     |
| Avg. Mo. Revenue/Unit     | \$ 4,423                                          | \$ 4,315   | 2.5%     | \$ 4,406                                  | \$ 4,301     | 2.4%     |

|                           | Brookdale Ancillary Services<br>Three Months Ended December 31, |           |          | Brookdale Ancillary Services<br>Year Ended December 31, |            |          |
|---------------------------|-----------------------------------------------------------------|-----------|----------|---------------------------------------------------------|------------|----------|
|                           | 2013                                                            | 2012      | % Change | 2013                                                    | 2012       | % Change |
| Revenue                   | \$ 32,580                                                       | \$ 33,533 | -2.8%    | \$ 113,868                                              | \$ 126,081 | -9.7%    |
| Operating Expense         | 27,090                                                          | 26,672    | 1.6%     | 92,174                                                  | 98,417     | -6.3%    |
| Facility Operating Income | \$ 5,490                                                        | \$ 6,861  | -20.0%   | \$ 21,694                                               | \$ 27,664  | -21.6%   |
| Facility Operating Margin | 16.9%                                                           | 20.5%     | -3.6%    | 19.1%                                                   | 21.9%      | -2.8%    |
| # Units served (1)        | 26,821                                                          | 26,821    |          | 24,187                                                  | 24,187     |          |

(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<br>December 31, |                  |
|-------------------------------------------|------------------------------------|------------------|
|                                           | 2013                               | 2012             |
| Recurring                                 | \$ 10,786                          | \$ 10,668        |
| Reimbursements                            | -                                  | (500)            |
| Net Recurring                             | 10,786                             | 10,168           |
| Corporate (2)                             | 3,282                              | 7,377            |
| EBITDA-enhancing / Major Projects (3)     | 50,598                             | 22,979           |
| Program Max / Development, net (4)        | 17,119                             | 12,328           |
| <b>Net Total Capital Expenditures (5)</b> | <b>\$ 81,785</b>                   | <b>\$ 52,852</b> |

(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 \$14.2 million and \$3.7 million for the three months ended December 31, 2013 and 2012, respectively.

(5) Approximately \$11.2 million and \$11.6 million of expense was recognized during the three months ended December 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 December 31, 2013**  
**(\$ in 000s)**

**Debt Maturities and Scheduled Principal Repayments**

|            | Maturities        |                   |                |                   |                |                   |              |  |
|------------|-------------------|-------------------|----------------|-------------------|----------------|-------------------|--------------|--|
|            | Mortgage Debt (1) | weighted rate (2) | Line of Credit | weighted rate (2) | Capital Leases | weighted rate (2) | Total Debt   |  |
| 2014       | \$ 168,591        | 5.40%             | \$ -           | -                 | \$ 33,363      | 8.28%             | \$ 201,954   |  |
| 2015       | 26,333            | 3.99%             | -              | -                 | 34,400         | 8.30%             | 60,733       |  |
| 2016       | 58,478            | 4.55%             | -              | -                 | 29,772         | 8.39%             | 88,250       |  |
| 2017       | 358,721           | 5.30%             | -              | -                 | 61,251         | 8.15%             | 419,972      |  |
| 2018       | 777,085           | 3.41%             | 30,000         | 3.75%             | 24,169         | 8.51%             | 831,254      |  |
| Thereafter | 917,546           | 3.67%             | -              | -                 | 116,869        | 7.89%             | 1,034,415    |  |
| Total      | \$ 2,306,754      | 3.99%             | \$ 30,000      | 3.75%             | \$ 299,824     | 8.14%             | \$ 2,636,578 |  |

**Coverage Ratios**

|                      | Year ended December 31, 2013 |            |             |                              |          |
|----------------------|------------------------------|------------|-------------|------------------------------|----------|
|                      | Units                        | FOI        | Adj. FOI ** | Interest/Cash Lease Payments | Coverage |
| Owned communities    | 23,283                       | \$ 382,544 | \$ 316,233  | \$ 96,131                    | 3.3x     |
| Leased communities * | 25,819                       | \$ 456,044 | \$ 381,595  | \$ 317,625                   | 1.2x     |

\* The leased communities include the capital leases.

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

**Debt Amortization**

|                                                                   | Year ended December 31, |                  |
|-------------------------------------------------------------------|-------------------------|------------------|
|                                                                   | 2013                    | 2012             |
| Scheduled debt amortization                                       | \$ 50,425               | \$ 44,866        |
| Lease financing debt amortization - FMV or no purchase option (3) | 13,927                  | 12,120           |
| Lease financing debt amortization - bargain purchase option       | 17,244                  | 14,470           |
| Total debt amortization                                           | <u>\$ 81,596</u>        | <u>\$ 71,456</u> |

**Line Availability**

| (\$000s)                                   | 12/31/12          | 03/31/13          | 06/30/13          | 09/30/13          | 12/31/13          |
|--------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total line commitment                      | \$ 230,000        | \$ 230,000        | \$ 250,000        | \$ 250,000        | \$ 250,000        |
| Line availability (6)                      | \$ 191,436        | \$ 198,563        | \$ 225,331        | \$ 238,565        | \$ 250,000        |
| Ending line balance                        | 80,000            | 45,000            | 70,000            | 45,000            | 30,000            |
| Available to draw                          | \$ 111,436        | \$ 153,563        | \$ 155,331        | \$ 193,565        | \$ 220,000        |
| Cash and cash equivalents                  | 69,240            | 28,242            | 30,946            | 42,690            | 58,511            |
| Total liquidity (available to draw + cash) | <u>\$ 180,676</u> | <u>\$ 181,805</u> | <u>\$ 186,277</u> | <u>\$ 236,255</u> | <u>\$ 278,511</u> |
| Total letters of credit outstanding        | <u>\$ 78,112</u>  | <u>\$ 77,952</u>  | <u>\$ 75,031</u>  | <u>\$ 71,762</u>  | <u>\$ 72,464</u>  |

**Leverage Ratios**

|                                           | Balance             | Annualized Leverage |
|-------------------------------------------|---------------------|---------------------|
| Debt (1)                                  | \$ 2,306,754        |                     |
| Capital leases                            | 299,824             |                     |
| Total Debt                                | <u>\$ 2,606,578</u> | <b>5.6x</b>         |
| Plus: Line of credit (cash borrowings)    | 30,000              |                     |
| Less: Unrestricted cash                   | (58,511)            |                     |
| Subtotal                                  | <u>\$ 2,578,067</u> | <b>5.6x</b>         |
| 2013 Adjusted EBITDA                      | \$ 463,219          |                     |
| Annual cash lease expense multiplied by 8 | 2,228,032           |                     |

|                       |              |      |
|-----------------------|--------------|------|
| Total adjusted debt   | \$ 4,806,099 | 6.5x |
| 2013 Adjusted EBITDAR | \$ 741,723   |      |

#### Debt Structure

|                                  | Balance      | Weighted rate (2) |
|----------------------------------|--------------|-------------------|
| Fixed rate debt (1)              | \$ 1,356,224 | 4.82%             |
| Variable rate debt (1)           | 950,530      | 2.74%             |
| Capital leases                   | 299,824      | 8.14%             |
| Line of credit (cash borrowings) | 30,000       | 3.75%             |
| Total debt                       | \$ 2,636,578 |                   |

|                                                     | Balance    | % of total |
|-----------------------------------------------------|------------|------------|
| Variable rate debt with interest rate swaps (1) (4) | \$ 26,973  | 2.8%       |
| Variable rate debt with interest rate caps (1) (5)  | 696,570    | 73.3%      |
| Variable rate debt - unhedged (1)                   | 226,987    | 23.9%      |
| Total variable rate debt (1)                        | \$ 950,530 | 100.0%     |

(1) Includes mortgage debt 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) Payments are included in CFFO.

(4) Weighted swap rate for stated reporting period is 5.49%.

(5) Weighted cap rate for stated reporting period of 4.69% is materially above current market rates, therefore caps have no impact on consolidated interest expense for given period.

(6) 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 December 31, 2013**

**CFFO Calculation**

(\$ in 000s)

|                                                                                        | Three Months Ended December 31, |                  |
|----------------------------------------------------------------------------------------|---------------------------------|------------------|
|                                                                                        | 2013                            | 2012             |
| Net cash provided by operating activities (includes non-refundable entrance fees)      | \$ 117,046                      | \$ 82,991        |
| Changes in operating assets and liabilities (eliminates cash flow effect)              | (27,473)                        | (14,772)         |
| Add: Refundable entrance fees received                                                 | 18,875                          | 13,088           |
| Less: Entrance fee refunds disbursed                                                   | (10,821)                        | (7,801)          |
| Less: Recurring capital expenditures, net                                              | (10,786)                        | (10,168)         |
| Less: Lease financing debt amortization with fair market value or no purchase options  | (3,594)                         | (3,132)          |
| Less: Distributions from unconsolidated ventures from cumulative share of net earnings | (602)                           | (72)             |
| Add: CFFO from unconsolidated ventures                                                 | 1,825                           | 1,279            |
| <b>Cash From Facility Operations</b>                                                   | <b>\$ 84,470</b>                | <b>\$ 61,413</b> |
| Add: Integration, transaction-related and EMR roll-out costs                           | 4,078                           | 7,249            |
| <b>Adjusted Cash From Facility Operations</b>                                          | <b>\$ 88,548</b>                | <b>\$ 68,662</b> |

**Revenue Reconciliation (1)**

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

|                                                               | FY 2012          |                  |                  |                  |                    | FY 2013          |                  |                  |                  |                    |
|---------------------------------------------------------------|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|--------------------|
|                                                               | Q1               | Q2               | Q3               | Q4               | Full Year          | Q1               | Q2               | Q3               | Q4               | Full Year          |
| <b>Revenue reconciliation excl. entrance fee amortization</b> |                  |                  |                  |                  |                    |                  |                  |                  |                  |                    |
| Average monthly revenue per quarter                           | 4,257            | 4,266            | 4,279            | 4,282            | 4,271              | 4,375            | 4,373            | 4,397            | 4,387            | 4,383              |
| Average monthly units (excluding equity homes) available      | 47,858           | 47,935           | 47,998           | 47,935           | 47,959             | 47,956           | 47,929           | 47,953           | 48,548           | 48,097             |
| Average occupancy for the quarter                             | 87.8%            | 87.7%            | 88.0%            | 88.7%            | 88.0%              | 88.5%            | 88.3%            | 89.0%            | 89.0%            | 88.7%              |
| Senior Housing resident fee revenue                           | \$536,629        | \$538,018        | \$542,215        | \$546,195        | \$2,163,057        | \$557,039        | \$555,213        | \$562,969        | \$568,653        | \$2,243,874        |
| Add: Brookdale Ancillary Services segment revenue             | 53,854           | 57,722           | 56,856           | 56,085           | 224,517            | 60,198           | 58,693           | 61,162           | 62,097           | 242,150            |
| Add: management fee revenue                                   | 7,444            | 7,499            | 7,407            | 8,436            | 30,786             | 7,609            | 7,744            | 7,622            | 8,150            | 31,125             |
| 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> | <u>\$621,650</u> | <u>\$631,753</u> | <u>\$638,900</u> | <u>\$2,517,149</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 | \$ 628,682 | \$ 638,766 | \$ 646,731 | \$ 2,546,158 |
| Less: Entrance fee amortization                               | (6,066)    | (6,310)    | (6,459)    | (6,527)    | (25,362)     | (7,133)    | (7,032)    | (7,013)    | (7,831)    | (29,009)     |
| Adjusted revenues                                             | 597,927    | 603,239    | 606,478    | 610,716    | 2,418,360    | 624,846    | 621,650    | 631,753    | 638,900    | 2,517,149    |
| Less: Facility operating expenses                             | (398,769)  | (403,515)  | (411,467)  | (417,168)  | (1,630,919)  | (413,003)  | (416,027)  | (420,579)  | (422,336)  | (1,671,945)  |
| Add: Change in future service obligation                      | -          | -          | -          | 2,188      | 2,188        | -          | -          | -          | (1,917)    | (1,917)      |
| Adjusted facility operating expenses                          | (398,769)  | (403,515)  | (411,467)  | (414,980)  | (1,628,731)  | (413,003)  | (416,027)  | (420,579)  | (424,253)  | (1,673,862)  |
| Less: G&A including non-cash stock-based compensation expense | (44,973)   | (46,071)   | (43,158)   | (44,627)   | (178,829)    | (46,611)   | (46,035)   | (45,824)   | (46,078)   | (184,548)    |
| Add: G&A non-cash stock-based compensation expense            | 6,435      | 6,729      | 6,021      | 6,335      | 25,520       | 6,894      | 6,988      | 6,894      | 5,202      | 25,978       |

|                                                                                       |                  |                  |                  |                  |                   |                  |                  |                  |                  |                   |
|---------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| Net G&A                                                                               | (38,538)         | (39,342)         | (37,137)         | (38,292)         | (153,309)         | (39,717)         | (39,047)         | (38,930)         | (40,876)         | (158,570)         |
| Less: Facility lease expense                                                          | (71,445)         | (70,628)         | (71,167)         | (70,785)         | (284,025)         | (69,019)         | (68,777)         | (69,232)         | (69,701)         | (276,729)         |
| Add: Straight-line lease expense                                                      | 1,642            | 1,564            | 2,118            | 1,344            | 6,668             | 748              | 684              | 818              | 347              | 2,597             |
| Less: Amortization of deferred gain                                                   | (1,093)          | (1,093)          | (1,093)          | (1,093)          | (4,372)           | (1,093)          | (1,093)          | (1,093)          | (1,093)          | (4,372)           |
| Net lease expense                                                                     | (70,896)         | (70,157)         | (70,142)         | (70,534)         | (281,729)         | (69,364)         | (69,186)         | (69,507)         | (70,447)         | (278,504)         |
| Add: Entrance fee receipts                                                            | 14,989           | 19,694           | 25,132           | 22,890           | 82,705            | 16,873           | 23,878           | 19,098           | 32,482           | 92,331            |
| Less: Entrance fee disbursements                                                      | (8,102)          | (5,429)          | (6,024)          | (7,801)          | (27,356)          | (9,320)          | (7,456)          | (7,728)          | (10,821)         | (35,325)          |
| Net entrance fees                                                                     | 6,887            | 14,265           | 19,108           | 15,089           | 55,349            | 7,553            | 16,422           | 11,370           | 21,661           | 57,006            |
| <b>Adjusted EBITDA</b>                                                                | <b>96,611</b>    | <b>104,490</b>   | <b>106,840</b>   | <b>101,999</b>   | <b>409,940</b>    | <b>110,315</b>   | <b>113,812</b>   | <b>114,107</b>   | <b>124,985</b>   | <b>463,219</b>    |
| Less: Recurring capital expenditures, net                                             | (8,064)          | (8,599)          | (11,475)         | (10,168)         | (38,306)          | (9,324)          | (10,664)         | (12,127)         | (10,786)         | (42,901)          |
| Less: Interest expense, net                                                           | (31,198)         | (31,739)         | (31,586)         | (29,803)         | (124,326)         | (30,668)         | (29,591)         | (29,170)         | (30,557)         | (119,986)         |
| 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)          | (3,444)          | (3,518)          | (3,594)          | (13,927)          |
| Add: CFFO from unconsolidated ventures                                                | 1,228            | 1,310            | 1,559            | 1,279            | 5,376             | 1,958            | 2,099            | 1,922            | 1,825            | 7,804             |
| Less: Other                                                                           | (1,062)          | (990)            | (792)            | 1,238            | (1,606)           | (1,068)          | (1,060)          | (655)            | 2,597            | (186)             |
| <b>Reported CFFO</b>                                                                  | <b>\$ 54,586</b> | <b>\$ 61,479</b> | <b>\$ 61,480</b> | <b>\$ 61,413</b> | <b>\$ 238,958</b> | <b>\$ 67,842</b> | <b>\$ 71,152</b> | <b>\$ 70,559</b> | <b>\$ 84,470</b> | <b>\$ 294,023</b> |
| Add: integration, transaction-related and EMR roll-out costs                          | 3,904            | 7,688            | 4,624            | 7,249            | 23,465            | 2,105            | 3,626            | 4,661            | 4,078            | 14,470            |
| <b>Adjusted CFFO</b>                                                                  | <b>\$ 58,490</b> | <b>\$ 69,167</b> | <b>\$ 66,104</b> | <b>\$ 68,662</b> | <b>\$ 262,423</b> | <b>\$ 69,947</b> | <b>\$ 74,778</b> | <b>\$ 75,220</b> | <b>\$ 88,548</b> | <b>\$ 308,493</b> |

#### CFFO Per Share

(\$ except where indicated)

|                                                              | FY 2012 |         |         |         |              | FY 2013 |         |         |         |              |
|--------------------------------------------------------------|---------|---------|---------|---------|--------------|---------|---------|---------|---------|--------------|
|                                                              | Q1      | Q2      | Q3      | Q4      | Full Year(2) | Q1      | Q2      | Q3      | Q4      | Full Year(2) |
| Reported CFFO                                                | \$ 0.45 | \$ 0.51 | \$ 0.50 | \$ 0.50 | \$ 1.96      | \$ 0.55 | \$ 0.58 | \$ 0.57 | \$ 0.68 | \$ 2.38      |
| Add: integration, transaction-related and EMR roll-out costs | 0.03    | 0.06    | 0.04    | 0.06    | 0.19         | 0.02    | 0.03    | 0.04    | 0.03    | 0.12         |
| Adjusted CFFO                                                | \$ 0.48 | \$ 0.57 | \$ 0.54 | \$ 0.56 | \$ 2.15      | \$ 0.57 | \$ 0.61 | \$ 0.61 | \$ 0.71 | \$ 2.50      |
| &nbsp;                                                       |         |         |         |         |              |         |         |         |         |              |
| Shares used in calculation of CFFO (000's)                   | 121,145 | 121,708 | 122,493 | 122,608 |              | 122,823 | 123,405 | 124,128 | 124,308 |              |

(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, 2013**

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

|                                                                | FY 2012       |               |               |               | FY 2013       |               |               |               |
|----------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                                | Q1            | Q2            | Q3            | Q4            | Q1            | Q2            | Q3            | Q4            |
| # Closings                                                     | 94            | 106           | 147           | 121           | 91            | 128           | 100           | 130           |
| # of Refunds                                                   | 92            | 62            | 66            | 79            | 87            | 88            | 86            | 103           |
| Resale Receipts:                                               |               |               |               |               |               |               |               |               |
| Proceeds from non-refundable entrance fees (1)                 | 7,000         | 10,377        | 12,926        | 9,802         | 9,237         | 12,124        | 9,223         | 13,607        |
| Proceeds from refundable entrance fees (2)                     | 7,989         | 9,317         | 12,206        | 13,088        | 7,636         | 11,754        | 9,875         | 18,875        |
| <b>Total Cash Proceeds</b>                                     | <b>14,989</b> | <b>19,694</b> | <b>25,132</b> | <b>22,890</b> | <b>16,873</b> | <b>23,878</b> | <b>19,098</b> | <b>32,482</b> |
| Refunds of entrance fees (3)                                   | (8,102)       | (5,429)       | (6,024)       | (7,801)       | (9,320)       | (7,456)       | (7,728)       | (10,821)      |
| <b>Net Resale Cash Flow</b>                                    | <b>6,887</b>  | <b>14,265</b> | <b>19,108</b> | <b>15,089</b> | <b>7,553</b>  | <b>16,422</b> | <b>11,370</b> | <b>21,661</b> |
| MyChoice proceeds included in refundable resale receipts above | 2,363         | 3,602         | 2,466         | 4,881         | 1,768         | 4,041         | 3,205         | 10,008        |
| Average Resale \$ (excluding MyChoice proceeds)                | 134,319       | 151,811       | 154,190       | 148,835       | 165,989       | 154,977       | 158,930       | 172,877       |
| Average Refund \$ (excluding MyChoice refunds)                 | (84,283)      | (77,500)      | (87,273)      | (95,025)      | (98,540)      | (80,773)      | (86,372)      | (94,621)      |

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

|                                                 |               |
|-------------------------------------------------|---------------|
| Gross Value @ Average Resale Price of \$155,000 | 91,915        |
| Refund Attachments                              | (13,876)      |
| <b>Net Cash Value</b>                           | <b>78,039</b> |

**Income Statement Impact (\$ in 000's)**

On Brookdale'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      | Q2      | Q3      | Q4      |
| Amortization of entrance fees (incl. gains on terminations) | (6,066) | (6,310) | (6,459) | (6,527) | (7,133) | (7,032) | (7,013) | (7,831) |

**Principles of Entry Fee Accounting**

Certain of Brookdale'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. Brookdale 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) 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 December 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> | <u>Q2 2013</u> | <u>Q3 2013</u> | <u>Q4 2013</u> | <u>FY 2013</u> |
|------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Cash Flows from Operating Activities</b>                                              |                |                |                |                |                |                |                |                |                |                |
| Net (loss) income                                                                        | \$ (10,544)    | \$ (19,015)    | \$ (12,216)    | \$ (24,692)    | \$ (66,467)    | \$ 3,558       | \$ (5,200)     | \$ (967)       | \$ (975)       | \$ (3,584)     |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: |                |                |                |                |                |                |                |                |                |                |
| Loss on extinguishment of debt                                                           | 221            | -              | -              | -              | 221            | -              | 893            | 53             | 319            | 1,265          |
| Depreciation and amortization                                                            | 67,817         | 68,147         | 67,419         | 66,979         | 270,362        | 69,228         | 71,602         | 72,744         | 72,237         | 285,811        |
| Asset impairment                                                                         | 1,083          | 7,246          | -              | 19,348         | 27,677         | -              | 2,154          | 504            | 10,233         | 12,891         |
| Equity in (earnings) loss of unconsolidated ventures                                     | (99)           | 61             | 249            | 3,277          | 3,488          | (115)          | (445)          | (431)          | (493)          | (1,484)        |
| Distributions from unconsolidated ventures from cumulative share of net earnings         | 206            | 809            | 420            | 72             | 1,507          | 668            | 773            | 648            | 602            | 2,691          |
| Amortization of deferred gain                                                            | (1,093)        | (1,093)        | (1,093)        | (1,093)        | (4,372)        | (1,093)        | (1,093)        | (1,093)        | (1,093)        | (4,372)        |
| Amortization of entrance fees                                                            | (6,066)        | (6,310)        | (6,459)        | (6,527)        | (25,362)       | (7,133)        | (7,032)        | (7,013)        | (7,831)        | (29,009)       |
| Proceeds from deferred entrance fee revenue                                              | 7,000          | 10,377         | 12,926         | 9,802          | 40,105         | 9,237          | 12,124         | 9,223          | 13,607         | 44,191         |
| Deferred income tax benefit                                                              | (135)          | (169)          | (131)          | (90)           | (525)          | -              | -              | -              | (183)          | (183)          |
| Change in deferred lease liability                                                       | 1,642          | 1,564          | 2,118          | 1,344          | 6,668          | 748            | 684            | 818            | 347            | 2,597          |
| Change in fair value of derivatives and amortization                                     | 233            | 278            | (140)          | (7)            | 364            | (135)          | (1,836)        | 1,377          | (386)          | (980)          |
| Loss (gain) on sale of assets                                                            | 114            | 58             | 73             | 87             | 332            | (926)          | 24             | 26             | (96)           | (972)          |
| 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          | -              | -              | -              | (1,917)        | (1,917)        |
| Non-cash stock-based compensation                                                        | 6,435          | 6,729          | 6,021          | 6,335          | 25,520         | 6,894          | 6,988          | 6,894          | 5,202          | 25,978         |
| Other                                                                                    | -              | -              | (487)          | -              | (487)          | -              | -              | -              | -              | -              |
| Changes in operating assets and liabilities:                                             |                |                |                |                |                |                |                |                |                |                |
| Accounts receivable, net                                                                 | (5,317)        | (3,484)        | 709            | 4,677          | (3,415)        | (9,064)        | 1,736          | (2,154)        | 4,033          | (5,449)        |
| Prepaid expenses and other assets, net                                                   | (1,681)        | 7,622          | (2,793)        | 5,539          | 8,687          | 9,140          | (12,679)       | 734            | 10,288         | 7,483          |
| Accounts payable and accrued expenses                                                    | (23,705)       | 14,410         | 17,352         | (3,203)        | 4,854          | (10,871)       | 12,926         | 18,540         | 13,242         | 33,837         |
| Tenant refundable fees and security deposits                                             | (442)          | (675)          | (439)          | 9              | (1,547)        | (335)          | (258)          | (235)          | 36             | (792)          |
| Deferred revenue                                                                         | 12,168         | (3,701)        | (4,098)        | 7,750          | 12,119         | (5,316)        | (1,018)        | 4,579          | (126)          | (1,881)        |
| Net cash provided by operating activities                                                | 45,693         | 82,854         | 79,431         | 82,991         | 290,969        | 64,485         | 80,343         | 104,247        | 117,046        | 366,121        |
| <b>Cash Flows from Investing Activities</b>                                              |                |                |                |                |                |                |                |                |                |                |
| (Increase) decrease in lease security deposits and lease acquisition deposits, net       | (2,217)        | (4,119)        | (431)          | (1,232)        | (7,999)        | (1,952)        | (1,066)        | 972            | (5)            | (2,051)        |
| Decrease (increase) in cash and escrow deposits - restricted                             | 8,442          | (3,038)        | (7,806)        | (2,408)        | (4,810)        | 826            | 2,195          | (537)          | 8,242          | 10,726         |

|                                                                           |           |           |           |           |           |           |           |           |           |           |
|---------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 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 | (41,533)  | (50,433)  | (59,415)  | (57,031)  | (208,412) | (51,614)  | (48,677)  | (61,231)  | (96,005)  | (257,527) |
| Acquisition of assets, net of related payables and cash received          | (104,984) | (4,975)   | (1,349)   | (161,215) | (272,523) | (2)       | (4,833)   | (2,559)   | (27,292)  | (34,686)  |
| (Issuance of) payment on notes receivable, net                            | (439)     | -         | (152)     | 722       | 131       | (17)      | (47)      | 159       | 73        | 168       |
| Investment in unconsolidated ventures                                     | -         | (571)     | -         | (4,797)   | (5,368)   | (5,843)   | (2,149)   | (9,180)   | -         | (17,172)  |
| Distributions received from unconsolidated ventures                       | 100       | 84        | 72        | 94        | 350       | -         | -         | 100       | 1,500     | 1,600     |
| Proceeds from sale of assets, net                                         | -         | 325       | -         | 8,918     | 9,243     | 440       | 7,114     | -         | 26,582    | 34,136    |
| Other                                                                     | -         | -         | 487       | -         | 487       | -         | -         | -         | -         | -         |
| Net cash used in investing activities                                     | (141,392) | (63,068)  | (68,945)  | (181,929) | (455,334) | (58,162)  | (47,463)  | (72,276)  | (86,905)  | (264,806) |
| <b>Cash Flows from Financing Activities</b>                               |           |           |           |           |           |           |           |           |           |           |
| Proceeds from debt                                                        | 175,838   | 17,178    | 591       | 178,684   | 372,291   | 8,955     | 418,667   | 170,230   | 65,082    | 662,934   |
| Repayment of debt and capital lease obligations                           | (86,068)  | (32,585)  | (18,304)  | (54,878)  | (191,835) | (17,707)  | (470,825) | (163,209) | (72,392)  | (724,133) |
| Proceeds from line of credit                                              | 130,000   | 75,000    | 75,000    | 95,000    | 375,000   | 105,000   | 85,000    | 130,000   | 105,000   | 425,000   |
| Repayment of line of credit                                               | (110,000) | (85,000)  | (70,000)  | (95,000)  | (360,000) | (140,000) | (60,000)  | (155,000) | (120,000) | (475,000) |
| Payment of financing costs, net of related payables                       | (2,378)   | (336)     | (96)      | (2,753)   | (5,563)   | (2,200)   | (5,695)   | (3,299)   | (382)     | (11,576)  |
| Refundable entrance fees:                                                 |           |           |           |           |           |           |           |           |           |           |
| Proceeds from refundable entrance fees                                    | 7,989     | 9,317     | 12,206    | 13,088    | 42,600    | 7,636     | 11,754    | 9,875     | 18,875    | 48,140    |
| Refunds of entrance fees                                                  | (8,102)   | (5,429)   | (6,024)   | (7,801)   | (27,356)  | (9,320)   | (7,456)   | (7,728)   | (10,821)  | (35,325)  |
| Cash portion of loss on extinguishment of debt                            | (118)     | -         | -         | -         | (118)     | -         | (453)     | (49)      | -         | (502)     |
| Purchase of derivatives and payment of swap termination                   | (99)      | (1,190)   | -         | (619)     | (1,908)   | -         | (1,489)   | (1,374)   | -         | (2,863)   |
| Other                                                                     | (86)      | (178)     | (31)      | (47)      | (342)     | 315       | 321       | 327       | 318       | 1,281     |
| Net cash provided by (used in) financing activities                       | 106,976   | (23,223)  | (6,658)   | 125,674   | 202,769   | (47,321)  | (30,176)  | (20,227)  | (14,320)  | (112,044) |
| Net increase (decrease) in cash and cash equivalents                      | 11,277    | (3,437)   | 3,828     | 26,736    | 38,404    | (40,998)  | 2,704     | 11,744    | 15,821    | (10,729)  |
| Cash and cash equivalents at beginning of period                          | 30,836    | 42,113    | 38,676    | 42,504    | 30,836    | 69,240    | 28,242    | 30,946    | 42,690    | 69,240    |
| Cash and cash equivalents at end of period                                | \$ 42,113 | \$ 38,676 | \$ 42,504 | \$ 69,240 | \$ 69,240 | \$ 28,242 | \$ 30,946 | \$ 42,690 | \$ 58,511 | \$ 58,511 |