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

FORM 8-K

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

Date of Report (Date of earliest event reported)	November 5, 2014 (November 5, 2014)

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

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

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

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

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

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

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

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

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

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

Section 2 — Financial Information

Item 2.02 Results of Operations and Financial Condition.

On November 5, 2014, Brookdale Senior Living Inc. (the "Company") issued a press release announcing its third quarter 2014 financial results and announcing a conference call to review these results. A copy of the press release is furnished herewith as Exhibit 99.1.

Supplemental information relating to the Company's third quarter 2014 results is furnished herewith as Exhibit 99.2.

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

Section 7 — Regulation FD

Item 7.01 Regulation FD Disclosure.

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

Section 9 — Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d)	Exhibits
99.1	Press Release dated November 5, 2014
99.2	Supplemental Information

SIGNATURE

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

BROOKDALE SENIOR LIVING INC.

Date:	November 5, 2014	By:	/s/ Chad C. White
		Name:	Chad C. White
		Title:	Senior Vice President, Co-General Counsel and Secretary

EXHIBIT INDEX

Exhibit No.	Exhibit
99.1	Press Release dated November 5, 2014.
99.2	Supplemental Information.

Exhibit 99.1

FOR IMMEDIATE RELEASE

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

Brookdale Announces Third Quarter 2014 Results

Nashville, Tenn. November 5, 2014 – Brookdale Senior Living Inc. (NYSE: BKD) ("Brookdale" or the "Company") today reported financial and operating results for the third quarter of 2014. Highlights included:

- The transformational merger with Emeritus Corporation ("Emeritus"), completed on July 31, 2014.
- Strategic transactions with HCP, Inc. ("HCP"), completed on August 29, 2014.
- Cash From Facility Operations ("CFFO") of $0.63 per share, a $0.02 per share increase versus the third quarter of 2013, excluding integration, transaction and electronic medical records ("EMR") roll-out costs in both periods.
- Adjusted EBITDA of $186.8 million in the third quarter, a 57.3% increase from the third quarter of 2013, excluding integration, transaction and EMR roll-out costs in both periods.
- Third quarter senior housing revenue grew by 50.9% over the third quarter of 2013.
- Facility Operating Income grew by 53.6% for the third quarter of 2014 over the third quarter of 2013.

Andy Smith, Brookdale's CEO, said, "The third quarter was marked by much accomplishment – completing two strategic transactions, creating and implementing a new organizational structure, and making significant strides toward consolidating all of our operations on a common platform. All the while, we remain focused on providing the highest quality of service and care to our residents. In addition, we have accelerated our integration plans in order to minimize disruption of the business. We remain confident that the continued execution of our strategy will deliver significant value for all our stakeholders over both the near and long-term."

Financial Results

The financial results for the third quarter of 2014 reflect Brookdale as a standalone company through July 31st and Brookdale and Emeritus consolidated after July 31st. In addition, subsequent to August 29th, the Company's results reflect the formation of two joint ventures and the amendments to lease terms resulting from the HCP transactions.

Total revenue for the third quarter was $1.1 billion, an increase of $354.9 million, or 48.7%, from the third quarter of 2013. Third quarter 2014 total revenue is comprised of resident fee revenue of $955.5 million, which increased $324.4 million, or 51.4%, from the third quarter of 2013, management fee revenue of $10.4 million, which increased $2.8 million, or 36.8%, from the third quarter of 2013, and managed community reimbursed costs of $118.0 million, which increased $27.8 million, or 30.8%, from the third quarter of 2013.

Resident fee revenue for the third quarter of 2014 increased primarily as a result of the inclusion of revenue from communities acquired since the end of the third quarter of 2013 (including communities acquired as part of the Emeritus transaction) and new units added to existing communities, partially offset by the effect of the contribution of entry fee CCRCs to a joint venture with HCP. Average monthly revenue per unit for the senior housing portfolio was $4,317 in the third quarter of 2014, a decrease of $80, or 1.8%, over the third quarter of 2013, primarily due to the inclusion of acquired Emeritus communities with lower average monthly revenue per unit. The contribution of entry fee CCRCs, which have higher average monthly revenue per unit than the total Brookdale portfolio, to the joint venture with HCP also impacted average monthly revenue since their results were deconsolidated after August 29. For the 508 legacy Brookdale communities the Company operated during both quarters, revenues grew 2.6%, with a 3.4% increase in average monthly revenue per unit, excluding amortization of entrance fees in both quarters.

Average occupancy for all consolidated communities for the third quarter of 2014 was 88.5%, compared to 88.1% for the second quarter of 2014 and 89.0% for the third quarter of 2013. For the 508 legacy Brookdale communities the Company operated during all relevant quarters, average occupancy increased 30 basis points from the second quarter of 2014 and decreased 70 basis points compared with the third quarter last year. For the managed community portfolio, which includes a number of pre-stabilized communities in the initial fill-up phase, average occupancy for the third quarter was 85.8%, compared to 86.8% for the second quarter of 2014 and 85.7% for the third quarter of 2013.

Facility operating expenses for the third quarter of 2014 were $637.1 million, an increase of $216.5 million, or 51.5%, from the third quarter of 2013, primarily due to the acquisition of Emeritus. Operating margins were 33.3% for the third quarter of 2014 versus 33.4% for the third quarter of 2013.

General and administrative expenses for the third quarter of 2014 were $90.0 million, an increase of $44.2 million, or 96.4%, over the third quarter of 2013, primarily as a result of integration and EMR roll-out costs and the addition of employees associated with the acquisition of Emeritus. Included in the general and administrative expenses were integration and EMR roll-out costs of $35.0 million in the third quarter of 2014, which include third party expenses directly related to the integration of Emeritus as well as internal costs such as labor reflecting time spent by Company personnel on integration and transaction activities.

Depreciation and amortization expense in the third quarter of 2014 increased $110.4 million, or 160.8%, over the third quarter of 2013, primarily due to the acquisition of Emeritus, offset in part by the contribution of entry fee CCRCs to the joint venture with HCP during the quarter. The preliminary purchase price allocation related to the merger included approximately $480.4 million of resident lease intangibles, which will be amortized over approximately one year.

Net loss attributable to Brookdale common stockholders for the third quarter of 2014 was $(36.9) million, or $(0.23) per share, versus net loss attributable to Brookdale common stockholders of $(1.0) million, or $(0.01) per share, in the third quarter of 2013.

Non-GAAP Financial Measures

Brookdale's management utilizes Adjusted EBITDA and CFFO to evaluate the Company's performance and liquidity because these metrics exclude non-cash items such as depreciation and amortization, asset impairment charges, non-cash stock-based compensation expense, gain on facility lease termination and straight-line lease expense, net of deferred gain amortization. Adjusted EBITDA and CFFO for the third quarter of 2014 include transaction costs of $41.6 million and integration and EMR roll-out costs of $35.0 million versus $4.7 million of total transaction, integration and EMR roll-out costs for the third quarter of 2013. Brookdale also uses Facility Operating Income to assess the performance of its communities.

Facility Operating Income was $312.7 million in the third quarter of 2014, an increase of $109.1 million, or 53.6%, over the third quarter of 2013. Adjusted EBITDA, excluding integration, transaction and EMR roll-out costs, was $186.8 million, an increase of $68.1 million, or 57.3%, over the third quarter of 2013.

CFFO was $22.9 million in the third quarter of 2014, or $0.14 per share. Excluding integration, transaction and EMR roll-out costs, CFFO was $99.6 million for the third quarter of 2014, an increase of $24.3 million, or 32.4%, compared with the third quarter of 2013. This translated to $0.63 per share in the most recent quarter, an increase of $0.02 per share, or 3.3%, from the third quarter of 2013, on a 28.1% increase in weighted average shares outstanding, primarily as a result of shares issued in the Emeritus acquisition.

Operating Activities

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

Due to the contribution of all but two of the Company's entry fee CCRCs to the CCRC joint venture in the third quarter of 2014, the two consolidated entry fee CCRCs were reclassified to the CCRCs–Rental segment for the third quarter of 2014. As a result, for the third quarter of 2014, the CCRCs–Entry Fee segment reported data includes the results of the entry fee CCRCs contributed to the CCRC joint venture through August 29, the closing date of the HCP transaction.

Senior Housing

Revenue for the consolidated senior housing portfolio was $860.1 million in the third quarter of 2014, an increase of 50.9% from the third quarter of 2013. The revenue growth reflects the addition of approximately 26,640 weighted average units since the third quarter of last year through the merger with Emeritus, organic growth and other acquisitions (partially offset by the contribution of entry fee CCRCs to the joint venture with HCP). The consolidated portfolio period-end unit count was 83,252 units. Facility operating expenses were $559.8 million for the third quarter of 2014, an increase of 50.8% from the third quarter of 2013. Operating income for the senior housing portfolio for the third quarter of 2014 increased by $101.5 million, or 51.0%, to $300.3 million from the third quarter of 2013.

Same community results for the 911 same store communities included in the senior housing portfolio for the three months ended September 30, 2014 showed revenues grew 1.9% over the corresponding period in 2013, as revenue per unit increased by 2.3% and occupancy decreased by 30 basis points. Same community expenses increased by 0.7% over the third quarter of 2013. Same community Facility Operating Income for the senior housing portfolio increased by 4.2% over the third quarter of 2013 as facility operating margin improved by 80 basis points.

Brookdale Ancillary Services

Revenue for the Company's ancillary services segment increased $34.3 million, or 56.0%, to $95.4 million for the third quarter of 2014 versus the prior year quarter. The revenue increase was driven primarily by the partial quarter addition of Emeritus' Nurse On Call ancillary services business. Ancillary services operating expenses for the third quarter of 2014 increased $27.9 million, or 56.4%, compared to the third quarter of 2013, primarily due to the inclusion of Nurse on Call expenses. As a result, ancillary services operating income for the third quarter of 2014 was $18.1 million, an increase of $6.4 million, or 54.3%, versus the third quarter of 2013.

Emeritus Merger

On July 31, 2014, the Company completed the previously announced merger transaction with Emeritus, and Emeritus became a wholly-owned subsidiary of Brookdale. The results of Emeritus' operations are included in the condensed consolidated financial statements subsequent to that date. As of July 31, 2014, Emeritus owned 182 communities, leased 311 communities and managed 14 communities. Emeritus also has outpatient therapy and home health services operations in Florida, Arizona and Texas.

HCP Transactions

On August 29, 2014, the Company completed transactions with HCP, which included the creation of a $1.2 billion strategic joint venture initially owning a portfolio of 14 entry fee CCRCs, the creation of a joint venture with respect to 49 HCP-owned communities that were leased by Emeritus, and the amendment of triple-net leases with respect to 153 HCP-owned communities that were leased by Emeritus. Each of the joint ventures uses a "RIDEA" opco/propco structure. The Company owns a 51% interest in the CCRC joint venture, a 20% interest in the 49-community joint venture and manages the communities.

Liquidity

Brookdale had $238.3 million of unrestricted cash and cash equivalents and $180.1 million of restricted cash on its balance sheet at the end of the third quarter of 2014. As of September 30, 2014, the Company had a $250.0 million commitment on its secured line of credit, of which no borrowings were drawn as of that date. 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. The Company also had secured and unsecured letter of credit facilities of up to $88.7 million in the aggregate as of September 30, 2014. Letters of credit totaling $74.5 million had been issued under these facilities as of that date.

In September, the Company completed an underwritten public offering of approximately 10.3 million shares of common stock, raising approximately $330 million of net proceeds. The Company intends to use the net proceeds from the offering to finance the exercise of purchase options on certain communities currently leased by the Company, to repay certain outstanding indebtedness and for other general corporate purposes, which may include additional debt repayments and the acceleration of capital investments in the Company's communities and corporate infrastructure platform.

Outlook

Brookdale is reiterating its preliminary guidance for 2015 CFFO in a range of $2.95 to $3.10 per share. This guidance includes the impact of the Emeritus merger and HCP transactions, but excludes integration, transaction and EMR roll-out costs and the impact of possible future acquisitions or dispositions.

Supplemental Information

The Company will shortly post on the Investor Relations section of the Company's website at www.brookdale.com supplemental information relating to the Company's third quarter 2014 results. This information will also be furnished in a Form 8-K to be filed with the SEC.

Earnings Conference Call

Brookdale's management will conduct a conference call to review the financial results of its third quarter ended September 30, 2014 on Thursday, November 6, 2014 at 10:00 AM ET. The conference call can be accessed by dialing (866) 900-2996 (from within the U.S.) or (706) 643-2685 (from outside of the U.S.) ten minutes prior to the scheduled start and referencing the "Brookdale Senior Living Third Quarter Earnings Call."

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

For those who cannot listen to the live call, a replay will be available until 11:59 PM ET on November 19, 2014 by dialing (855) 859-2056 (from within the U.S.) or (404) 537-3406 (from outside of the U.S.) and referencing access code "29263714". A copy of this earnings release is posted on the Investor Relations page of the Brookdale website (www.brookdale.com).

About Brookdale Senior Living

Brookdale Senior Living Inc. is the leading operator of senior living communities throughout the United States. The Company is committed to providing senior living solutions primarily within properties that are designed, purpose-built and operated to provide the highest-quality service, care and living accommodations for residents. Currently Brookdale operates independent living, assisted living, and dementia-care communities and continuing care retirement centers, with approximately 1,150 communities in 46 states and the ability to serve over 111,000 residents. Through its ancillary services program, the Company also offers a range of outpatient therapy, home health, personalized living and hospice services. Brookdale's stock is traded on the New York Stock Exchange under the ticker symbol BKD.

Safe Harbor

Certain statements in this press release and the associated earnings conference call may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Those forward-looking statements are subject to various risks and uncertainties and include all statements that are not historical statements of fact and those regarding our intent, belief or expectations, including, but not limited to, statements relating to our operational initiatives and growth strategies and our expectations regarding their effect on our results; our expectations regarding the economy, the senior living industry, occupancy, revenue, cash flow, operating income, expenses, capital expenditures, Program Max opportunities, cost savings, the demand for senior housing, the home resale market, expansion, development and construction activity, acquisition opportunities, asset dispositions, our share repurchase program, taxes, capital deployment, returns on invested capital and CFFO; our expectations regarding returns to shareholders and our growth prospects; our expectations concerning the future performance of recently acquired communities and the effects of acquisitions on our financial results; our ability to secure financing or repay, replace or extend existing debt at or prior to maturity; our ability to remain in compliance with all of our debt and lease agreements (including the financial covenants contained therein); our expectations regarding liquidity and leverage; our expectations regarding financings and refinancings of assets (including the timing thereof) and their effect on our results; our expectations regarding changes in government reimbursement programs and their effect on our results; our plans to generate growth organically through occupancy improvements, increases in annual rental rates and the achievement of operating efficiencies and cost savings; our plans to expand our offering of ancillary services (therapy, home health, personalized health and hospice); our plans to expand, renovate, redevelop and reposition existing communities; our plans to acquire additional communities, asset portfolios, operating companies and home health agencies; the expected project costs for our expansion, redevelopment and repositioning program; our expected levels of expenditures and reimbursements (and the timing thereof); our expectations regarding our sales, marketing and branding initiatives and their impact on our results; our expectations for the performance of our entrance fee communities; our ability to anticipate, manage and address industry trends and their effect on our business; our expectations regarding the payment of dividends; our ability to increase revenues, earnings, Adjusted EBITDA, Cash From Facility Operations, and/or Facility Operating Income (as such terms are defined herein); and our expectations regarding the integration of Emeritus and the transactions with HCP. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "overestimate," "underestimate," "believe," "could," "would," "project," "predict," "continue," "plan" or other similar words or expressions. Forward-looking statements are based on certain assumptions or estimates, discuss future expectations, describe future plans and strategies, contain projections of results of operations or of financial condition, or state other forward-looking information. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Although we believe that expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and actual results and performance could differ materially from those projected. Factors which could have a material adverse effect on our operations and future prospects or which could cause events or circumstances to differ from the forward-looking statements include, but are not limited to, the risk associated with the current global economic situation and its impact upon capital markets and liquidity; changes in governmental reimbursement programs; our inability to extend (or refinance) debt (including our credit and letter of credit facilities) as it matures; the risk that we may not be able to satisfy the conditions precedent to exercising the extension options associated with certain of our debt agreements; events which adversely affect the ability of seniors to afford our monthly resident fees or entrance fees; the conditions of housing markets in certain geographic areas; our ability to generate sufficient cash flow to cover required interest and long-term operating lease payments; the effect of our indebtedness and long-term operating leases on our liquidity; the risk of loss of property pursuant to our mortgage debt and long-term lease obligations; the possibilities that changes in the capital markets, including changes in interest rates and/or credit spreads, or other factors could make financing more expensive or unavailable to us; our determination from time to time to purchase any shares under the repurchase program; our ability to fund any repurchases; our ability to effectively manage our growth; our ability to maintain consistent quality control; delays in obtaining regulatory approvals; the risk that we may not be able to expand, redevelop and reposition our communities in accordance with our plans; our ability to complete acquisitions and integrate them into our operations; competition for the acquisition of assets; our ability to obtain additional capital on terms acceptable to us; a decrease in the overall demand for senior housing; our vulnerability to economic downturns; acts of nature in certain geographic areas; terminations of our resident agreements and vacancies in the living spaces we lease; early terminations or non-renewal of management agreements; increased competition for skilled personnel; increased union activity; departure of our key officers; increases in market interest rates; environmental contamination at any of our communities; failure to comply with existing environmental laws; an adverse determination or resolution of complaints filed against us; the cost and difficulty of complying with increasing and evolving regulation; risks relating to the integration of Emeritus and the transactions with HCP, including in respect of unanticipated difficulties and/or expenditures relating to such transactions; the impact of such transactions on the Company's relationships with residents, employees and third parties; and the inability to obtain, or delays in obtaining, cost savings and synergies from such transactions; as well as other risks detailed from time to time in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in such SEC filings. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our management's views as of the date of this press release and/or the associated earnings conference call. The factors discussed above and the other factors noted in our SEC filings from time to time could cause our actual results to differ significantly from those contained in any forward-looking statement. We cannot guarantee future results, levels of activity, performance or achievements and we expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

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

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Revenue				
Resident fees	$ 955,512	$ 631,144	$ 2,259,339	$ 1,876,452
Management fees	10,428	7,622	25,319	22,975
Reimbursed costs incurred on behalf of managed communities	117,995	90,233	294,945	258,306
Total revenue	1,083,935	728,999	2,579,603	2,157,733
Expense				
Facility operating expense (excluding depreciation and amortization of $169,855, $60,896, $296,583 and $177,595, respectively)	637,084	420,579	1,502,369	1,249,609
General and administrative expense (including non-cash stock-based compensation expense of $7,869, $6,894, $23,170 and $20,776, respectively)	90,020	45,824	181,693	138,470
Transaction costs	41,572	-	59,224	-
Facility lease expense	91,462	69,232	231,361	207,028
Depreciation and amortization	178,999	68,644	320,403	200,557
Asset impairment	-	504	-	2,658
Costs incurred on behalf of managed communities	117,995	90,233	294,945	258,306
Total operating expense	1,157,132	695,016	2,589,995	2,056,628
(Loss) income from operations	(73,197)	33,983	(10,392)	101,105
Interest income	392	472	998	1,027
Interest expense:				
Debt	(38,452)	(23,467)	(85,898)	(71,291)
Capital and financing lease obligations	(40,916)	(6,175)	(53,125)	(19,165)
Amortization of deferred financing costs and debt premium (discount)	189	(4,100)	(7,907)	(13,017)
Change in fair value of derivatives	(10)	(1,377)	(2,179)	594
Loss on extinguishment of debt	(569)	(53)	(3,766)	(946)
Equity in (loss) earnings of unconsolidated ventures	(1,246)	431	913	991
Other non-operating income	700	279	4,621	1,365
(Loss) income before income taxes	(153,109)	(7)	(156,735)	663
Benefit (provision) for income taxes	116,073	(960)	114,105	(3,272)
Net loss	(37,036)	(967)	(42,630)	(2,609)
Net loss attributable to noncontrolling interest	174	-	174	-
Net loss attributable to Brookdale Senior Living Inc. common stockholders	$ (36,862)	$ (967)	$ (42,456)	$ (2,609)
Basic and diluted net loss per share attributable to Brookdale Senior Living Inc. common stockholders	$ (0.23)	$ (0.01)	$ (0.31)	$ (0.02)
Weighted average shares used in computing basic and diluted net loss per share	159,003	124,128	136,306	123,457

Condensed Consolidated Balance Sheets
(in thousands)

	September 30, 2014	December 31, 2013
Cash and cash equivalents	$ 238,324	$ 58,511
Cash and escrow deposits - restricted	71,978	38,191
Accounts receivable, net	129,491	104,262
Other current assets	258,894	93,898
Total current assets	698,687	294,862
Property, plant, and equipment and leasehold intangibles, net	8,573,558	3,895,475
Other assets, net	1,525,469	547,420
Total assets	$ 10,797,714	$ 4,737,757
Current liabilities	$ 1,065,119	$ 870,844
Long-term debt, less current portion	3,313,108	2,168,162
Capital and financing lease obligations, less current portion	2,632,420	266,462
Other liabilities	803,854	411,352
Total liabilities	7,814,501	3,716,820
Equity	2,983,213	1,020,937
Total liabilities and equity	$ 10,797,714	$ 4,737,757

Condensed Consolidated Statements of Cash Flows
(*in thousands*)

	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Cash Flows from Operating Activities		
Net loss	$ (42,630)	$ (2,609)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Loss on extinguishment of debt	3,766	946
Depreciation and amortization, net	328,310	213,574
Asset impairment	-	2,658
Equity in earnings of unconsolidated ventures	(913)	(991)
Distributions from unconsolidated ventures from cumulative share of net earnings	1,210	2,089
Amortization of deferred gain	(3,279)	(3,279)
Amortization of entrance fees	(20,506)	(21,178)
Proceeds from deferred entrance fee revenue	30,129	30,584
Deferred income tax benefit	(116,164)	-
Change in deferred lease liability	2,400	2,250
Change in fair value of derivatives	2,179	(594)
Loss (gain) on sale of assets	315	(876)
Non-cash stock-based compensation	23,170	20,776
Non-cash interest expense on financing leases	5,947	-
Amortization of (above) below market rents, net	(1,377)	-
Changes in operating assets and liabilities:		
Accounts receivable, net	25,086	(9,482)
Prepaid expenses and other assets, net	(68,046)	(2,805)
Accounts payable and accrued expenses	(7,094)	20,595
Tenant refundable fees and security deposits	(1,151)	(828)
Deferred revenue	(4,504)	(1,755)
Net cash provided by operating activities	156,848	249,075
Cash Flows from Investing Activities		
Decrease (increase) in lease security deposits and lease acquisition deposits, net	3,260	(2,046)
Decrease in cash and escrow deposits — restricted	14,640	2,484
Additions to property, plant, and equipment and leasehold intangibles, net	(212,533)	(161,522)
Acquisition of assets, net of related payables and cash received	(39,818)	(7,394)
Acquisition of Emeritus Corporation, cash acquired	28,429	-
Payments on notes receivable, net	2,713	95
Investment in unconsolidated ventures	(25,532)	(17,172)
Distributions received from unconsolidated ventures	12,057	100
Proceeds from sale of assets, net	-	7,554
Net cash used in investing activities	(216,784)	(177,901)
Cash Flows from Financing Activities		
Proceeds from debt	226,510	597,852
Repayment of debt and capital and financing lease obligations	(274,381)	(651,741)
Proceeds from line of credit	242,000	320,000
Repayment of line of credit	(272,000)	(355,000)
Proceeds from public equity offering, net	330,405	-
Payment of financing costs, net of related payables	(1,020)	(11,194)
Refundable entrance fees:		
Proceeds from refundable entrance fees	20,330	29,265
Refunds of entrance fees	(25,327)	(24,504)
Cash portion of loss on extinguishment of debt, net	(4,101)	(502)
Payment on lease termination	(3,875)	-
Purchase of derivatives	-	(2,863)
Other	1,208	963
Net cash provided by (used) in financing activities	239,749	(97,724)
Net increase (decrease) in cash and cash equivalents	179,813	(26,550)
Cash and cash equivalents at beginning of period	58,511	69,240
Cash and cash equivalents at end of period	$ 238,324	$ 42,690

Non-GAAP Financial Measures

Adjusted EBITDA

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

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

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

The table below reconciles Adjusted EBITDA from net loss for the three and nine months ended September 30, 2014 and 2013 (*in thousands*):

	Three Months Ended September 30[1],		Nine Months Ended September 30[1],	
	2014	2013	2014	2013
Net loss	$ (37,036)	$ (967)	$ (42,630)	$ (2,609)
(Benefit) provision for income taxes	(116,073)	960	(114,105)	3,272
Equity in loss (earnings) of unconsolidated ventures	1,246	(431)	(913)	(991)
Loss on extinguishment of debt	569	53	3,766	946
Other non-operating income	(700)	(279)	(4,621)	(1,365)
Interest expense:				
Debt	38,452	23,467	85,898	71,291
Capital and financing lease obligations	40,916	6,175	53,125	19,165
Amortization of deferred financing costs and debt (premium) discount	(189)	4,100	7,907	13,017
Change in fair value of derivatives	10	1,377	2,179	(594)
Interest income	(392)	(472)	(998)	(1,027)
(Loss) income from operations	(73,197)	33,983	(10,392)	101,105
Depreciation and amortization	178,999	68,644	320,403	200,557
Asset impairment	-	504	-	2,658
Straight-line lease expense	2,840	818	2,400	2,250
Amortization of (above) below market lease, net	(1,377)	-	(1,377)	-
Amortization of deferred gain	(1,093)	(1,093)	(3,279)	(3,279)
Amortization of entrance fees	(5,757)	(7,013)	(20,506)	(21,178)
Non-cash stock-based compensation expense	7,869	6,894	23,170	20,776
Entrance fee receipts[2]	9,576	19,098	50,459	59,849
Entrance fee disbursements	(7,668)	(7,728)	(25,327)	(24,504)
Adjusted EBITDA	$ 110,192	$ 114,107	$ 335,551	$ 338,234

(1) The calculation of Adjusted EBITDA includes integration, transaction and EMR roll-out costs of $76.6 million and $100.4 million for the three and nine months ended September 30, 2014, respectively. The calculation of Adjusted EBITDA includes integration, transaction and EMR roll-out costs of $4.7 million and $10.4 million for the three and nine months ended September 30, 2013, respectively.

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

Cash From Facility Operations

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

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

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

The table below reconciles CFFO from net cash provided by operating activities for the three and nine months ended September 30, 2014 and 2013 (*in thousands*):

	Three Months Ended September 30(1),		Nine Months Ended September 30(1),	
	2014	2013	2014	2013
Net cash provided by operating activities	$ 12,634	$ 104,247	$ 156,848	$ 249,075
Changes in operating assets and liabilities	29,620	(21,464)	55,709	(5,725)
Refundable entrance fees received(2)	3,388	9,875	20,330	29,265
Entrance fee refunds disbursed	(7,668)	(7,728)	(25,327)	(24,504)
Recurring capital expenditures, net	(13,199)	(12,127)	(34,409)	(32,115)
Lease financing debt amortization with fair market value or no purchase options	(10,710)	(3,518)	(18,590)	(10,333)
Distributions from unconsolidated ventures from cumulative share of net earnings	(595)	(648)	(1,210)	(2,089)
CFFO from unconsolidated ventures	9,435	1,922	13,672	5,979
Cash From Facility Operations	$ 22,905	$ 70,559	$ 167,023	$ 209,553

(1) The calculation of Cash From Facility Operations includes integration, transaction and EMR roll-out costs of $76.6 million and $100.4 million for the three and nine months ended September 30, 2014, respectively. The calculation of Cash From Facility Operations includes integration, transaction and EMR roll-out costs of $4.7 million and $10.4 million for the three and nine months ended September 30, 2013, respectively.

(2) Total entrance fee receipts for the three months ended September 30, 2014 and 2013 were $9.6 million and $19.1 million, respectively, including $6.2 million and $9.2 million, respectively, of non-refundable entrance fee receipts included in net cash provided by operating activities. Total entrance fee receipts for the nine months ended September 30, 2014 and 2013 were $50.5 million and $59.8 million, respectively, including $30.1 million and $30.6 million, respectively, of non-refundable entrance fee receipts included in net cash provided by operating activities. Due to the contribution of all but two of the Company's entry fee CCRCs to the CCRC joint venture in the third quarter of 2014, the two consolidated entry fee CCRCs were reclassified to the CCRCs–Rental segment for the third quarter of 2014. As a result, for the third quarter of 2014, the CCRCs–Entry Fee segment reported data includes the results of the entry fee CCRCs contributed to the CCRC joint venture through August 29, the closing date of the HCP transaction.

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

Facility Operating Income

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

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

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

The table below reconciles Facility Operating Income from net loss for the three and nine months ended September 30, 2014 and 2013 (*in thousands*):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net loss	$ (37,036)	$ (967)	$ (42,630)	$ (2,609)
(Benefit) provision for income taxes	(116,073)	960	(114,105)	3,272
Equity in loss (earnings) of unconsolidated ventures	1,246	(431)	(913)	(991)
Loss on extinguishment of debt	569	53	3,766	946
Other non-operating income	(700)	(279)	(4,621)	(1,365)
Interest expense:				
Debt	38,452	23,467	85,898	71,291
Capital and financing lease obligations	40,916	6,175	53,125	19,165
Amortization of deferred financing costs and debt (premium) discount	(189)	4,100	7,907	13,017
Change in fair value of derivatives	10	1,377	2,179	(594)
Interest income	(392)	(472)	(998)	(1,027)
(Loss) income from operations	(73,197)	33,983	(10,392)	101,105
Depreciation and amortization	178,999	68,644	320,403	200,557
Asset impairment	-	504	-	2,658
Facility lease expense	91,462	69,232	231,361	207,028
General and administrative (including non-cash stock-based compensation expense)	90,020	45,824	181,693	138,470
Transaction costs	41,572	-	59,224	-
Amortization of entrance fees	(5,757)	(7,013)	(20,506)	(21,178)
Management fees	(10,428)	(7,622)	(25,319)	(22,975)
Facility Operating Income	$ 312,671	$ 203,552	$ 736,464	$ 605,665

Exhibit 99.2

Brookdale Senior Living Inc.
Corporate Overview - selected financial information
As of September 30, 2014

Corporate Overview

Brookdale Senior Living Inc. ("Brookdale") is the leading operator of senior living communities throughout the United States. The Company is committed to providing senior living solutions primarily within properties that are designed, purpose-built and operated to provide the highest quality service, care and living accommodations for residents. The Company operates independent living, assisted living and dementia-care communities and continuing care retirement centers ("CCRCs"), with approximately 1,150 communities in 46 states and the ability to serve over 111,000 residents. Through its ancillary services program, the Company also offers a range of outpatient therapy, home health, personalized living and hospice services.

Stock Listing

Common Stock
NYSE: BKD

Community Information

Ownership Type	Number of Communities	Number of Units	Percentage of Q3 2014 Resident and Management Fees	Percentage of Q3 2014 Facility Operating Income	Percentage of YTD 2014 Resident and Management Fees	Percentage of YTD 2014 Facility Operating Income
Owned	403	35,171	38.2%	37.0%	40.5%	39.6%
Leased	583	48,081	50.8%	54.3%	48.6%	51.6%
Brookdale Ancillary Services	N/A	N/A	9.9%	5.5%	9.8%	5.6%
Managed	161	27,883	1.1%	3.2%	1.1%	3.2%
Total	1,147	111,135	100.0%	100.0%	100.0%	100.0%
Operating Type - By Segment						
Retirement Centers	100	17,762	16.0%	20.4%	18.4%	23.1%
Assisted Living	841	55,304	53.5%	57.2%	46.9%	50.8%
CCRCs - Rental	45	10,186	14.9%	10.5%	14.9%	11.1%
CCRCs - Entry Fee (1)	-	-	4.6%	3.2%	8.9%	6.2%
Brookdale Ancillary Services	N/A	N/A	9.9%	5.5%	9.8%	5.6%
Management Services	161	27,883	1.1%	3.2%	1.1%	3.2%
Total	1,147	111,135	100.0%	100.0%	100.0%	100.0%

CFFO Per Share

($ except where indicated)	FY 2013 Q1	FY 2013 Q2	FY 2013 Q3	FY 2013 Q4	FY 2013 Full Year(3)	FY 2014 Q1	FY 2014 Q2	FY 2014 Q3
Reported CFFO	$ 0.55	$ 0.58	$ 0.57	$ 0.68	$ 2.38	$ 0.54	$ 0.61	$ 0.14
Add: integration, transaction and EMR roll-out costs (2)	0.02	0.03	0.04	0.03	0.12	0.10	0.10	0.49
Adjusted CFFO	$ 0.57	$ 0.61	$ 0.61	$ 0.71	$ 2.50	$ 0.64	$ 0.71	$ 0.63
Weighted average shares (000's)	122,823	123,405	124,128	124,308		124,478	125,058	159,003
Period end outstanding shares (excluding unvested restricted shares) (000's)	123,040	124,061	124,285	124,354		124,816	125,408	183,410

(1) In connection with the creation of the Entry Fee CCRC venture between the Company and HCP on August 29, 2014, the Company contributed to the venture all but two of the communities in the CCRCs - Entry Fee segment. Financial and operating data for the two communities not contributed to the venture is included in the CCRCs - Entry Fee segment for the six months ended June 30, 2014 and the CCRCs - Rental segment for the three month period ended September 30, 2014. The financial data and operating information of the communities contributed to the venture is included in the CCRC – Entry Fee segment for the time periods prior to being contributed.
(2) Integration and EMR roll-out costs include third party expenses directly related to the integration of Emeritus as well as internal costs such as labor reflecting time spent by Company personnel on integration and transaction activity. Transaction costs include third party costs directly related to the acquisition of Emeritus and the completion of the transactions contemplated by the Master Agreement with HCP and include fees such as lender costs, legal, banking, accounting and consulting.
(3) 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 third quarter earnings release for non-GAAP financial measure definitions and reconciliations.

Brookdale Senior Living Inc.
Segment Financial Data
As of September 30, 2014

Financial Data and Operating Information
($ in 000s, except Senior Housing average monthly revenue per unit)

Retirement Centers	FY 2013					FY 2014 (1)				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD	Q3P (3)
Revenue	128,922	130,170	133,272	133,920	526,284	132,349	133,441	155,227	421,017	164,557
Expenses	75,588	75,993	76,452	75,969	304,002	76,119	76,550	88,022	240,691	93,382
Segment Operating Income	53,334	54,177	56,820	57,951	222,282	56,230	56,891	67,205	180,326	71,175
Segment Operating Margin	*41.4%*	*41.6%*	*42.6%*	*43.3%*	*42.2%*	*42.5%*	*42.6%*	*43.3%*	*42.8%*	*43.3%*
Number of communities (period end)	76	76	76	76	76	74	74	100	-	100
Total average units(4)	14,429	14,429	14,444	14,454	14,439	14,161	14,162	16,594	-	17,667
Weighted average unit occupancy	89.5%	89.4%	90.2%	90.1%	89.8%	89.3%	88.9%	89.8%	-	90.0%
Senior Housing average monthly revenue per unit(5)	$ 3,328	$ 3,362	$ 3,408	$ 3,426	$ 3,381	$ 3,490	$ 3,532	$ 3,472	-	$ 3,450

Assisted Living	FY 2013					FY 2014 (1)				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD	Q3P (3)
Revenue	260,615	260,497	262,524	268,232	1,051,868	277,431	277,230	516,640	1,071,301	620,328
Expenses	164,330	164,316	165,774	167,770	662,190	172,439	172,984	328,486	673,909	394,399
Segment Operating Income	96,285	96,181	96,750	100,462	389,678	104,992	104,246	188,154	397,392	225,929
Segment Operating Margin	*36.9%*	*36.9%*	*36.9%*	*37.5%*	*37.0%*	*37.8%*	*37.6%*	*36.4%*	*37.1%*	*36.4%*
Number of communities (period end)	431	432	432	438	438	440	440	841	-	841
Total average units(4)	21,556	21,499	21,513	22,149	21,679	22,435	22,463	45,260	-	55,245
Weighted average unit occupancy	89.1%	89.4%	90.0%	90.1%	89.7%	89.6%	89.0%	88.8%	-	88.9%
Senior Housing average monthly revenue per unit(5)	$ 4,523	$ 4,519	$ 4,518	$ 4,480	$ 4,510	$ 4,599	$ 4,622	$ 4,286	-	$ 4,214

CCRCs - Rental	FY 2013					FY 2014				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3 (2)	YTD	Q3P (3)
Revenue	100,327	97,562	100,076	99,010	396,975	97,944	98,212	144,074	340,230	147,539
Expenses	71,250	71,995	73,063	71,641	287,949	71,114	72,519	109,582	253,215	111,673
Segment Operating Income	29,077	25,567	27,013	27,369	109,026	26,830	25,693	34,492	87,015	35,866
Segment Operating Margin	*29.0%*	*26.2%*	*27.0%*	*27.6%*	*27.5%*	*27.4%*	*26.2%*	*23.9%*	*25.6%*	*24.3%*

Number of communities (period end)	27	27	27	26	26	26	26	45	-	45
Total average units(4)	6,687	6,684	6,687	6,617	6,669	6,457	6,469	9,783	-	10,130
Weighted average unit occupancy	87.6%	86.2%	86.7%	86.8%	86.8%	86.6%	85.9%	85.1%	-	85.4%
Senior Housing average monthly revenue per unit(5)	$ 5,709	$ 5,649	$ 5,759	$ 5,742	$ 5,715	$ 5,839	$ 5,894	$ 5,740	-	$ 5,640

CCRCs - Entry Fee			**FY 2013**					**FY 2014**		
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3 (2)**	**YTD**	**Q3P (3)**
Revenue	74,308	74,016	74,110	75,322	297,756	79,169	79,100	44,145	202,414	-
Expenses	54,737	56,244	55,892	54,490	221,363	59,534	60,733	33,714	153,981	-
Segment Operating Income	19,571	17,772	18,218	20,832	76,393	19,635	18,367	10,431	48,433	-
Segment Operating Margin	*26.3%*	*24.0%*	*24.6%*	*27.7%*	*25.7%*	*24.8%*	*23.2%*	*23.6%*	*23.9%*	
Bridge to Cash Basis for CCRCs - Entry Fee segment										
Revenue	74,308	74,016	74,110	75,322	297,756	79,169	79,100	44,145	202,414	-
Less: revenue amortization (non-cash)	(7,133)	(7,032)	(7,013)	(7,831)	(29,009)	(7,202)	(7,547)	(4,930)	(19,679)	-
Add: net entrance fees (cash)	7,553	16,422	11,370	21,661	57,006	6,513	16,711	(576)	22,648	-
Adjusted revenue	74,728	83,406	78,467	89,152	325,753	78,480	88,264	38,639	205,383	-
Expenses	54,737	56,244	55,892	54,490	221,363	59,534	60,733	33,714	153,981	-
Adjusted Segment Operating Income	19,991	27,162	22,575	34,662	104,390	18,946	27,531	4,925	51,402	-
Adjusted Segment Operating Margin	*26.8%*	*32.6%*	*28.8%*	*38.9%*	*32.0%*	*24.1%*	*31.2%*	*12.7%*	*25.0%*	
Number of communities (period end)	14	14	14	14	14	15	15	-	-	-
Total average units(4)	5,281	5,295	5,308	5,329	5,303	5,527	5,534	2,954	-	-
Weighted average unit occupancy	84.6%	83.8%	84.1%	84.3%	84.2%	84.7%	84.7%	87.0%	-	-
Senior Housing average monthly revenue per unit(5)	$ 5,011	$ 5,025	$ 4,994	$ 5,023	$ 5,013	$ 5,124	$ 5,091	$ 5,085	-	-

Total Senior Housing			**FY 2013**					**FY 2014**		
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3 (2)**	**YTD**	**Q3P (3)**
Revenue	564,172	562,245	569,982	576,484	2,272,883	586,893	587,983	860,086	2,034,962	932,424
Expenses	365,905	368,548	371,181	369,870	1,475,504	379,206	382,786	559,804	1,321,796	599,454
Operating Income	198,267	193,697	198,801	206,614	797,379	207,687	205,197	300,282	713,166	332,970
Operating Margin	*35.1%*	*34.5%*	*34.9%*	*35.8%*	*35.1%*	*35.4%*	*34.9%*	*34.9%*	*35.0%*	*35.7%*
G&A Allocation (6)	25,526	23,224	22,647	24,658	96,055	24,396	22,589	33,912	80,897	
Adjusted Operating Income	172,741	170,473	176,154	181,956	701,324	183,291	182,608	266,370	632,269	

Adjusted Operating Margin	*30.6%*	*30.3%*	*30.9%*	*31.6%*	*30.9%*	*31.2%*	*31.1%*	*31.0%*	*31.1%*	
Number of communities (period end)	548	549	549	554	554	555	555	986	-	986
Total average units(4)	47,953	47,907	47,952	48,549	48,090	48,580	48,628	74,591	-	83,042
Weighted average unit occupancy	88.5%	88.3%	89.0%	89.0%	88.7%	88.6%	88.1%	88.5%	-	88.7%
Senior Housing average monthly revenue per unit(5)	$ 4,375	$ 4,373	$ 4,397	$ 4,387	$ 4,383	$ 4,491	$ 4,518	$ 4,315	-	$ 4,217

Brookdale Senior Living Inc.
Segment Financial Data
As of September 30, 2014

Financial Data and Operating Information (continued)
($ in 000s, except Senior Housing average monthly revenue per unit)

Brookdale Ancillary Services	**FY 2013**					**FY 2014**				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**YTD**	**Q3P (3)**
Revenue	60,198	58,693	61,162	62,097	242,150	63,417	65,534	95,426	224,377	110,677
Expenses	47,098	47,479	49,398	52,466	196,441	50,664	52,629	77,280	180,573	89,397
Segment Operating Income	13,100	11,214	11,764	9,631	45,709	12,753	12,905	18,146	43,804	21,280
Segment Operating Margin	*21.8%*	*19.1%*	*19.2%*	*15.5%*	*18.9%*	*20.1%*	*19.7%*	*19.0%*	*19.5%*	*19.2%*
G&A Allocation (6)	6,055	6,005	5,516	5,806	23,382	5,642	5,908	5,709	17,259	
Adjusted Segment Operating Income	7,045	5,209	6,248	3,825	22,327	7,111	6,997	12,437	26,545	
Adjusted Segment Operating Margin	*11.7%*	*8.9%*	*10.2%*	*6.2%*	*9.2%*	*11.2%*	*10.7%*	*13.0%*	*11.8%*	
Brookdale units served:										
Outpatient Therapy consolidated	38,017	38,075	38,253	38,308	-	37,974	38,328	37,899	-	
Home Health consolidated	32,389	32,864	33,940	33,894	-	34,518	35,061	44,297	-	
Outpatient Therapy non-consolidated	13,502	14,177	14,733	14,017	-	14,138	13,942	18,716	-	
Home Health non-consolidated	13,326	13,232	13,601	12,884	-	12,819	12,336	16,133	-	
Total Brookdale units served:										
Outpatient Therapy	51,519	52,252	52,986	52,325	-	52,112	52,270	56,615	-	
Home Health	45,715	46,096	47,541	46,778	-	47,337	47,397	60,430	-	
Outpatient Therapy treatment codes	821,308	840,076	818,758	844,987	-	812,632	798,754	762,993	-	
Home Health average census	4,289	4,366	4,574	4,762	-	5,084	5,257	10,314	-	

Total Senior Housing and Brookdale Ancillary Services	**FY 2013**					**FY 2014**				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3 (2)**	**YTD**	**Q3P (3)**
Revenue	624,370	620,938	631,144	638,581	2,515,033	650,310	653,517	955,512	2,259,339	1,043,101
Expenses	413,003	416,027	420,579	422,336	1,671,945	429,870	435,415	637,084	1,502,369	688,851
Operating Income	211,367	204,911	210,565	216,245	843,088	220,440	218,102	318,428	756,970	354,250
Operating Margin	*33.9%*	*33.0%*	*33.4%*	*33.9%*	*33.5%*	*33.9%*	*33.4%*	*33.3%*	*33.5%*	*34.0%*
G&A Allocation (6)	31,581	29,229	28,163	30,464	119,437	30,038	28,497	39,621	98,156	
Adjusted Operating Income	179,786	175,682	182,402	185,781	723,651	190,402	189,605	278,807	658,814	
Adjusted Operating Margin	*28.8%*	*28.3%*	*28.9%*	*29.1%*	*28.8%*	*29.3%*	*29.0%*	*29.2%*	*29.2%*	

Management Services	**FY 2013**					**FY 2014**				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**YTD**	**Q3P (3)**
Revenue (Management Fees)	7,609	7,744	7,622	8,150	31,125	7,402	7,489	10,428	25,319	15,816
Expenses (G&A Allocation) (6)	6,031	6,192	6,106	6,334	24,663	6,116	5,649	7,453	19,218	
Segment Operating Income	1,578	1,552	1,516	1,816	6,462	1,286	1,840	2,975	6,101	
Segment Operating Margin	*20.7%*	*20.0%*	*19.9%*	*22.3%*	*20.8%*	*17.4%*	*24.6%*	*28.5%*	*24.1%*	
Number of communities (period end)	101	101	102	95	95	92	92	161	-	161
Total average units(4)	18,114	18,310	18,291	17,618	18,083	17,140	16,978	21,352	-	27,640
Weighted average occupancy	84.9%	84.9%	85.7%	86.1%	85.4%	86.3%	86.8%	85.8%	-	85.6%
Senior Housing average monthly revenue per unit(5)	$ 3,460	$ 3,505	$ 3,499	$ 3,588	$ 3,512	$ 3,706	$ 3,701	$ 3,966	-	$ 4,204

Total Senior Housing, Brookdale Ancillary and Management Services			**FY 2013**					**FY 2014**		
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3 (2)**	**YTD**	**Q3P (3)**
Revenue	631,979	628,682	638,766	646,731	2,546,158	657,712	661,006	965,940	2,284,658	1,058,917
Expenses	413,003	416,027	420,579	422,336	1,671,945	429,870	435,415	637,084	1,502,369	688,851
Operating Income	218,976	212,655	218,187	224,395	874,213	227,842	225,591	328,856	782,289	370,066
Operating Margin	*34.6%*	*33.8%*	*34.2%*	*34.7%*	*34.3%*	*34.6%*	*34.1%*	*34.0%*	*34.2%*	*34.9%*
G&A Allocation (6)	37,612	35,421	34,269	36,798	144,100	36,154	34,146	47,074	117,374	
Adjusted Operating Income	181,364	177,234	183,918	187,597	730,113	191,688	191,445	281,782	664,915	
Adjusted Operating Margin	*28.7%*	*28.2%*	*28.8%*	*29.0%*	*28.7%*	*29.1%*	*29.0%*	*29.2%*	*29.1%*	

(1) During the nine months ended September 30, 2014, two communities were moved from the Retirement Centers segment to the Assisted Living segment to more accurately reflect the underlying product offering of the communities. The movement did not change the Company's reportable segments, but it did impact the operating information reported within the Retirement Centers and Assisted Living segments. Revenue and expenses for the three and nine months ended September 30, 2013 have not been recast.

(2) In connection with the creation of the Entry Fee CCRC venture between the Company and HCP on August 29, 2014, the Company contributed to the venture all but two of the communities in the CCRCs - Entry Fee segment. Financial and operating data for the two communities not contributed to the venture is included in the CCRCs - Entry Fee segment for the six months ended June 30, 2014 and the CCRCs - Rental segment for the three month period ended September 30, 2014. The financial data and operating information of the communities contributed to the venture is included in the CCRC – Entry Fee segment for the time periods prior to being contributed.

(3) Q3 2014 Pro Forma information gives effect to the acquisition of Emeritus (which closed July 31, 2014) and the HCP Transactions (which closed August 29, 2014) as if they both had occurred on July 1, 2014. Additionally, the pro forma information excludes results from the 49 HCP-owned communities that were leased by Emeritus, which were contributed to a RIDEA venture with HCP, and results from the Entry Fee CCRC communities that were contributed to the Entry Fee CCRC venture with HCP. Additional information on the Company's interest in these ventures and the pro forma impact to the on-going Company is on page 8 "CFFO from Unconsolidated Ventures Reconciliation".

(4) Senior Housing total average units operated represent the average units operated during the period, excluding equity homes.

(5) 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.

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

Brookdale Senior Living Inc.
Senior Housing Data by Ownership Type
As of September 30, 2014

Financial Data
($ in 000s, except Senior Housing average monthly revenue per unit)

Owned Properties	**FY 2013**					**FY 2014**				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**YTD**	**Q3P (1)**
Revenue	266,322	265,139	267,922	273,439	1,072,822	277,700	277,748	369,078	924,526	387,061
Expenses	175,672	176,623	178,382	178,941	709,618	182,706	184,773	247,359	614,838	253,988
Segment Operating Income	90,650	88,516	89,540	94,498	363,204	94,994	92,975	121,719	309,688	133,073
Segment Operating Margin	*34.0%*	*33.4%*	*33.4%*	*34.6%*	*33.9%*	*34.2%*	*33.5%*	*33.0%*	*33.5%*	*34.4%*
Bridge to Cash Basis for Entrance Fees										
Revenue	266,322	265,139	267,922	273,439	1,072,822	277,700	277,748	369,078	924,526	387,061
Less: revenue amortization (non-cash)	(4,664)	(4,821)	(4,660)	(5,404)	(19,549)	(4,635)	(4,933)	(3,878)	(13,446)	(108)
Add: net entrance fees (cash)	5,449	10,936	8,014	13,694	38,093	4,079	11,710	(399)	15,390	850
Adjusted revenue	267,107	271,254	271,276	281,729	1,091,366	277,144	284,525	364,801	926,470	387,803
Expenses	175,672	176,623	178,382	178,941	709,618	182,706	184,773	247,359	614,838	253,988
Adjusted Segment Operating Income	91,435	94,631	92,894	102,788	381,748	94,438	99,752	117,442	311,632	133,815
Adjusted Segment Operating Margin	*34.2%*	*34.9%*	*34.2%*	*36.5%*	*35.0%*	*34.1%*	*35.1%*	*32.2%*	*33.6%*	*34.5%*
Number of communities (period end)	219	220	220	225	-	226	226	403	-	403
Total average units(2)	22,243	22,153	22,190	22,754	-	22,775	22,799	32,079	-	34,906
Weighted average unit occupancy	88.8%	88.7%	89.1%	89.2%	-	88.5%	88.0%	88.2%	-	88.2%
Senior Housing average monthly revenue per unit(3)	$ 4,416	$ 4,416	$ 4,438	$ 4,402	-	$ 4,516	$ 4,532	$ 4,302	-	$ 4,187

Leased Properties with Purchase Options	**FY 2013**					**FY 2014**				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**YTD**	**Q3P (1)**
Revenue	75,096	74,504	75,902	76,651	302,153	77,863	77,418	87,008	242,289	87,418
Expenses	47,706	48,319	48,458	48,811	193,294	49,497	49,719	57,026	156,242	56,782
Segment Operating Income	27,390	26,185	27,444	27,840	108,859	28,366	27,699	29,982	86,047	30,636
Segment Operating Margin	*36.5%*	*35.1%*	*36.2%*	*36.3%*	*36.0%*	*36.4%*	*35.8%*	*34.5%*	*35.5%*	*35.0%*
Number of communities (period end)	83	83	84	84	-	84	84	111	-	111
Total average units(2)	6,313	6,309	6,357	6,381	-	6,391	6,391	7,347	-	7,602
Weighted average unit occupancy	89.6%	89.4%	89.8%	89.8%	-	89.0%	88.4%	88.6%	-	88.3%
Senior Housing average monthly revenue per unit(3)	$ 4,313	$ 4,298	$ 4,318	$ 4,348	-	$ 4,447	$ 4,440	$ 4,394	-	$ 4,342

Leased Properties without Purchase Options	**FY 2013**					**FY 2014**				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**YTD**	**Q3P (1)**
Revenue	222,754	222,602	226,158	226,394	897,908	231,330	232,817	404,000	868,147	457,945
Expenses	142,527	143,606	144,341	142,118	572,592	147,003	148,294	255,419	550,716	288,684
Segment Operating Income	80,227	78,996	81,817	84,276	325,316	84,327	84,523	148,581	317,431	169,261
Segment Operating Margin	*36.0%*	*35.5%*	*36.2%*	*37.2%*	*36.2%*	*36.5%*	*36.3%*	*36.8%*	*36.6%*	*37.0%*
Number of communities (period end)	246	246	245	245	-	245	245	472	-	472

	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD	Q3P (1)
Total average units(2)	19,397	19,445	19,405	19,414	-	19,414	19,438	35,165	-	40,534
Weighted average unit occupancy	87.9%	87.6%	88.5%	88.6%	-	88.2%	87.9%	88.6%	-	89.1%
Senior Housing average monthly revenue per unit(3)	$ 4,344	$ 4,348	$ 4,381	$ 4,377	-	$ 4,491	$ 4,533	$ 4,314	-	$ 4,218

Total Senior Housing	**FY 2013**					**FY 2014**				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**YTD**	**Q3P (1)**
Revenue	564,172	562,245	569,982	576,484	2,272,883	586,893	587,983	860,086	2,034,962	932,424
Expenses	365,905	368,548	371,181	369,870	1,475,504	379,206	382,786	559,804	1,321,796	599,454
Operating Income	198,267	193,697	198,801	206,614	797,379	207,687	205,197	300,282	713,166	332,970
Operating Margin	*35.1%*	*34.5%*	*34.9%*	*35.8%*	*35.1%*	*35.4%*	*34.9%*	*34.9%*	*35.0%*	*35.7%*
Number of communities (period end)	548	549	549	554	-	555	555	986	-	986
Total average units(2)	47,953	47,907	47,952	48,549	-	48,580	48,628	74,591	-	83,042
Weighted average unit occupancy	88.5%	88.3%	89.0%	89.0%	-	88.6%	88.1%	88.5%	-	88.7%
Senior Housing average monthly revenue per unit(3)	$ 4,375	$ 4,373	$ 4,397	$ 4,387	-	$ 4,491	$ 4,518	$ 4,317	-	$ 4,217

(1) Q3 2014 Pro Forma information gives effect to the acquisition of Emeritus (which closed July 31, 2014) and the HCP Transactions (which closed August 29, 2014) as if they both had occurred on July 1, 2014. Additionally, the pro forma information excludes results from the 49 HCP-owned communities that were leased by Emeritus, which were contributed to a RIDEA venture with HCP, and results from the Entry Fee CCRC communities that were contributed to the Entry Fee CCRC venture with HCP. Additional information on the Company's interest in these ventures and the pro forma impact to the on-going Company is on page 8 "CFFO from Unconsolidated Ventures Reconciliation".

(2) Senior Housing 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 and Brookdale Ancillary Services segment revenue, divided by average occupied units.

Brookdale Senior Living Inc.
Same Community and Capital Expenditure Information
As of September 30, 2014

Same Community Information

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

	Legacy Brookdale Senior Housing Three Months Ended September 30,			Legacy Brookdale Senior Housing Twelve Months Ended September 30,		
	2014	**2013**	% Change	**2014**	**2013**	% Change
Revenue	$ 476,035	$ 464,095	2.6%	$ 1,883,654	$ 1,832,424	2.8%
Operating Expense	307,629	299,742	2.6%	1,205,056	1,192,080	1.1%
Facility Operating Income	$ 168,406	$ 164,353	2.5%	$ 678,598	$ 640,344	6.0%
Facility Operating Margin	35.4%	35.4%	-	36.0%	34.9%	1.1%
# Communities	508	508		508	508	
Avg. Period Occupancy	88.7%	89.4%	-0.7%	88.9%	89.1%	-0.2%
Avg. Mo. Revenue/Unit	$ 4,529	$ 4,380	3.4%	$ 4,471	$ 4,339	3.0%

	Legacy Emeritus Senior Housing Three Months Ended September 30,			Legacy Emeritus Senior Housing Twelve Months Ended September 30,		
	2014	**2013**	% Change	**2014**	**2013**	% Change
Revenue	$ 360,762	$ 357,014	1.0%	$ 1,432,574	$ 1,411,883	1.5%
Operating Expense	232,065	236,301	-1.8%	938,101	921,678	1.8%
Facility Operating Income	$ 128,697	$ 120,713	6.6%	$ 494,473	$ 490,205	0.9%
Facility Operating Margin	35.7%	33.8%	1.9%	34.5%	34.7%	-0.2%
# Communities	403	403		398	398	
Avg. Period Occupancy	88.4%	88.4%	-	88.4%	88.1%	0.3%
Avg. Mo. Revenue/Unit	$ 3,970	$ 3,932	1.0%	$ 3,944	$ 3,900	1.1%

	Combined Brookdale and Emeritus Senior Housing Three Months Ended September 30,			Combined Brookdale and Emeritus Senior Housing Twelve Months Ended September 30,		
	2014	**2013**	% Change	**2014**	**2013**	% Change
Revenue	$ 836,797	$ 821,109	1.9%	$ 3,316,228	$ 3,244,307	2.2%
Operating Expense	539,694	536,043	0.7%	2,143,157	2,113,758	1.4%
Facility Operating Income	$ 297,103	$ 285,066	4.2%	$ 1,173,071	$ 1,130,549	3.8%
Facility Operating Margin	35.5%	34.7%	0.8%	35.4%	34.8%	0.6%
# Communities	911	911		906	906	
Avg. Period Occupancy	88.6%	88.9%	-0.3%	88.6%	88.6%	-
Avg. Mo. Revenue/Unit	$ 4,270	$ 4,173	2.3%	$ 4,227	$ 4,137	2.2%

Same Community Information reflects historical results from operations for same store communities (utilizing the Company's methodology for determining same store communities).

Schedule of Capital Expenditures

($ in 000s)

	Three Months Ended September 30,	
Type	**2014**	**2013**
Recurring	$ 13,199	$ 12,127
Corporate (1)	10,163	4,135
EBITDA-enhancing / Major Projects (2)	25,462	28,940
Program Max / Development, net (3)	21,870	12,666
Net Total Capital Expenditures (4)	$ 70,694	$ 57,868

(1) Corporate includes capital expenditures for information technology systems and equipment and expenditures supporting the expansion of our support platform and ancillary services programs.
(2) Includes EBITDA-enhancing projects (primarily community renovations and apartment upgrades) and other major building infrastructure projects.
(3) Includes community expansions and major repositioning or upgrade projects. Also includes de novo community developments. Amounts shown are amounts invested, net of third party lessor funding received of $8.4 million and $3.4 million for the three months ended September 30, 2014 and 2013, respectively.
(4) Approximately $14.5 million and $10.5 million of expense was recognized during the three months ended September 30, 2014 and 2013, 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 September 30, 2014
($ 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	$ 301,612	5.34%	$ -		$ 12,589	7.80%	$ 314,201
2015	163,947	4.60%	-		56,235	7.92%	220,182
2016	67,814	5.04%	-		144,578	5.66%	212,392
2017	554,798	5.88%	-		101,580	8.13%	656,378
2018	1,296,418	4.60%	-		95,060	8.20%	1,391,478
Thereafter	1,343,475	4.23%	-		2,276,923	8.57%	3,620,398
Total	$ 3,728,064	4.73%	$ -		$ 2,686,965	8.37%	$ 6,415,029

Coverage Ratios

	Nine months ended September 30, 2014				
	Units	FOI	Adj. FOI **	Interest/Cash Lease Payments	Coverage
Owned communities	35,171	$ 323,873	$ 264,665	$ 85,898	3.1x
Leased communities *	48,081	$ 419,917	$ 347,547	$ 299,386	1.2x

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

Debt Amortization

	Nine months ended September 30,	
	2014	2013
Scheduled debt amortization	$ 42,563	$ 37,096
Lease financing debt amortization - FMV or no purchase option (3)	18,590	10,332
Lease financing debt amortization - bargain purchase option	12,376	12,586
Total debt amortization	$ 73,529	$ 60,014

Line Availability

($000s)	09/30/13	12/31/13	03/31/14	06/30/14	09/30/14
Total line commitment	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000
Line availability (5)	$ 238,565	$ 250,000	$ 250,000	$ 250,000	$ 202,860
Ending line balance	45,000	30,000	25,000	12,000	-
Available to draw	$ 193,565	$ 220,000	$ 225,000	$ 238,000	$ 202,860
Cash and cash equivalents	42,690	58,511	45,701	50,934	238,324
Total liquidity (available to draw + cash)	$ 236,255	$ 278,511	$ 270,701	$ 288,934	$ 441,184
Total letters of credit outstanding	$ 71,762	$ 72,464	$ 71,675	$ 71,650	$ 74,488

Leverage Ratios

		Annualized Leverage
September 2014 annualized Adjusted EBITDAR	$ 1,325,292	
Less: cash lease expense	(379,968)	
September 2014 annualized Adjusted EBITDA	945,324	
Less: cash capital lease payments	(241,536)	
Sept 2014 annualized Adj EBITDA after capital lease payments	703,788	
Debt	**3,728,064**	**5.3x**
Line of credit	-	
Less: unrestricted cash	(238,324)	
Less: cash held as collateral against existing debt	(18,232)	
Total net debt	**3,471,508**	**4.9x**
Plus: capital leases	2,686,965	

Total net debt after capital leases	**6,158,473**	**6.5x**
September 2014 annualized cash lease expense multiplied by 8	3,039,744	
Total adjusted net debt	**$ 9,198,217**	**6.9x**

Debt Structure

	Balance	Weighted rate (2)
Fixed rate debt (1)	$ 2,556,096	5.35%
Variable rate debt (1)	1,171,968	3.37%
Capital leases	2,686,965	8.37%
Line of credit (cash borrowings)	-	
Total debt	$ 6,415,029	

	Balance	% of total
Variable rate debt with interest rate caps (1) (4)	$ 831,883	71.0%
Variable rate debt - unhedged (1)	340,085	29.0%
Total variable rate debt (1)	$ 1,171,968	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 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.
(5) 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.
(6) September 2014 information includes the actual results of the Company subsequent to the acquisition of Emeritus (which closed July 31, 2014) and the HCP Transactions (which closed August 29, 2014).

Brookdale Senior Living Inc.
CFFO Reconciliation
As of September 30, 2014

CFFO Calculation
($ in 000s)

	Three Months Ended September 30, 2014	2013
Net cash provided by operating activities (includes non-refundable entrance fees)	$ 12,634	$ 104,247
Changes in operating assets and liabilities (eliminates cash flow effect)	29,620	(21,464)
Add: Refundable entrance fees received	3,388	9,875
Less: Entrance fee refunds disbursed	(7,668)	(7,728)
Less: Recurring capital expenditures, net	(13,199)	(12,127)
Less: Lease financing debt amortization with fair market value or no purchase options	(10,710)	(3,518)
Less: Distributions from unconsolidated ventures from cumulative share of net earnings	(595)	(648)
Add: CFFO from unconsolidated ventures	9,435	1,922
Cash From Facility Operations	$ 22,905	$ 70,559
Add: Integration, transaction and EMR roll-out costs	76,649	4,661
Adjusted Cash From Facility Operations	$ 99,554	$ 75,220

Revenue Reconciliation (1)

($ in 000s except average monthly revenue per quarter)	FY 2013 Q1	FY 2013 Q2	FY 2013 Q3	FY 2013 Q4	FY 2013 Full Year	FY 2014 Q1	FY 2014 Q2	FY 2014 Q3
Revenue reconciliation excl. entrance fee amortization								
Average monthly revenue per quarter	4,375	4,373	4,397	4,387	4,383	4,491	4,518	4,317
Average monthly units (excluding equity homes) available	47,956	47,929	47,953	48,548	48,097	48,562	48,608	74,538
Average occupancy for the quarter	88.5%	88.3%	89.0%	89.0%	88.7%	88.6%	88.1%	88.5%
Senior Housing resident fee revenue	$ 557,039	$ 555,213	$ 562,969	$ 568,653	$ 2,243,874	$ 579,691	$ 580,436	$ 854,329
Add: Brookdale Ancillary Services segment revenue	60,198	58,693	61,162	62,097	242,150	63,417	65,534	95,426
Add: management fee revenue	7,609	7,744	7,622	8,150	31,125	7,402	7,489	10,428
Total revenues excluding entrance fee amortization	$ 624,846	$ 621,650	$ 631,753	$ 638,900	$ 2,517,149	$ 650,510	$ 653,459	$ 960,183

CFFO Reconciliation to the Income Statement

	FY 2013 Q1	FY 2013 Q2	FY 2013 Q3	FY 2013 Q4	FY 2013 Full Year	FY 2014 Q1	FY 2014 Q2	FY 2014 Q3
Resident and management fee revenue	$ 631,979	$ 628,682	$ 638,766	$ 646,731	$ 2,546,158	$ 657,712	$ 661,006	$ 965,940
Less: Entrance fee amortization	(7,133)	(7,032)	(7,013)	(7,831)	(29,009)	(7,202)	(7,547)	(5,757)
Adjusted revenues	624,846	621,650	631,753	638,900	2,517,149	650,510	653,459	960,183
Less: Facility operating expenses	(413,003)	(416,027)	(420,579)	(422,336)	(1,671,945)	(429,870)	(435,415)	(637,084)
Add: Change in future service obligation	-	-	-	(1,917)	(1,917)	-	-	-
Adjusted facility operating expenses	(413,003)	(416,027)	(420,579)	(424,253)	(1,673,862)	(429,870)	(435,415)	(637,084)
Less: G&A including non-cash stock-based compensation expense	(46,611)	(46,035)	(45,824)	(46,078)	(184,548)	(44,665)	(47,008)	(90,020)
Less: Transaction costs	-	-	-	-	-	(10,844)	(6,808)	(41,572)
Add: G&A non-cash stock-based compensation expense	6,894	6,988	6,894	5,202	25,978	7,572	7,729	7,869
Net G&A	(39,717)	(39,047)	(38,930)	(40,876)	(158,570)	(47,937)	(46,087)	(123,723)
Less: Facility lease expense	(69,019)	(68,777)	(69,232)	(69,701)	(276,729)	(69,869)	(70,030)	(91,462)

Add: Straight-line lease expense	748	684	818	347	2,597	(223)	(217)	2,840
Add: Amortization of (above) below market lease, net	-	-	-	-	-	-	-	(1,377)
Less: Amortization of deferred gain	(1,093)	(1,093)	(1,093)	(1,093)	(4,372)	(1,093)	(1,093)	(1,093)
Net lease expense	(69,364)	(69,186)	(69,507)	(70,447)	(278,504)	(71,185)	(71,340)	(91,092)
Add: Entrance fee receipts	16,873	23,878	19,098	32,482	92,331	14,959	25,924	9,576
Less: Entrance fee disbursements	(9,320)	(7,456)	(7,728)	(10,821)	(35,325)	(8,446)	(9,213)	(7,668)
Net entrance fees	7,553	16,422	11,370	21,661	57,006	6,513	16,711	1,908
Adjusted EBITDA	**110,315**	**113,812**	**114,107**	**124,985**	**463,219**	**108,031**	**117,328**	**110,192**
Less: Recurring capital expenditures, net	(9,324)	(10,664)	(12,127)	(10,786)	(42,901)	(9,369)	(11,841)	(13,199)
Less: Interest expense, net	(30,668)	(29,591)	(29,170)	(30,557)	(119,986)	(29,677)	(29,372)	(73,030)
Less: Lease financing debt amortization with fair market value or no purchase options	(3,371)	(3,444)	(3,518)	(3,594)	(13,927)	(3,897)	(3,983)	(10,710)
Add: CFFO from unconsolidated ventures	1,958	2,099	1,922	1,825	7,804	2,241	1,996	9,435
Less: Other	(1,068)	(1,060)	(655)	2,597	(186)	133	2,528	217
Reported CFFO	**$ 67,842**	**$ 71,152**	**$ 70,559**	**$ 84,470**	**$ 294,023**	**$ 67,462**	**$ 76,656**	**$ 22,905**
Add: integration, transaction and EMR roll-out costs	2,105	3,626	4,661	4,078	14,470	11,783	11,941	76,649
Adjusted CFFO	**$ 69,947**	**$ 74,778**	**$ 75,220**	**$ 88,548**	**$ 308,493**	**$ 79,245**	**$ 88,597**	**$ 99,554**

CFFO Per Share

($ except where indicated)	FY 2013					FY 2014		
	Q1	**Q2**	**Q3**	**Q4**	**Full Year(2)**	**Q1**	**Q2**	**Q3**
Reported CFFO	$ 0.55	$ 0.58	$ 0.57	$ 0.68	$ 2.38	$ 0.54	$ 0.61	$ 0.14
Add: integration, transaction and EMR roll-out costs	0.02	0.03	0.04	0.03	0.12	0.10	0.10	0.49
Adjusted CFFO	$ 0.57	$ 0.61	$ 0.61	$ 0.71	$ 2.50	$ 0.64	$ 0.71	$ 0.63
Shares used in calculation of CFFO (000's)	122,823	123,405	124,128	124,308		124,478	125,058	159,003

(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.
CFFO from Unconsolidated Ventures
As of September 30, 2014

CFFO from Unconsolidated Ventures reconciliation

($ in 000s)	Entrance Fee Ventures FY 2014		Senior Housing Rental Ventures FY 2014	
	Q3	Q3P (1)	Q3	Q3P (1)
Resident revenue	$ 33,257	$ 82,720	$ 80,862	$ 118,541
Less: Entrance fee amortization	(638)	(284)	-	-
Adjusted revenues	32,619	82,436	80,862	118,541
Less: Facility operating expenses	(25,040)	(63,286)	(51,698)	(78,634)
Add: Change in future service obligation	-	-	-	-
Adjusted facility operating expenses	(25,040)	(63,286)	(51,698)	(78,634)
Less: G&A including non-cash stock-based compensation expense	(6,015)	(4,935)	(3,925)	(3,963)
Add: G&A non-cash stock-based compensation expense	-	-	-	-
Net G&A	(6,015)	(4,935)	(3,925)	(3,963)
Add: Entrance fee receipts	16,112	24,702	-	-
Less: Entrance fee disbursements	(4,780)	(13,997)	-	-
Net entrance fees	11,332	10,705	-	-
Adjusted EBITDA	**12,896**	**24,920**	**25,239**	**35,944**
Less: Recurring capital expenditures, net	(193)	(341)	(974)	(1,086)
Less: Interest expense, net	(1,161)	(1,586)	(15,648)	(26,117)
Reported Cash From Facility Operations for Unconsolidated Ventures	**$ 11,542**	**$ 22,993**	**$ 8,617**	**$ 8,741**
Add: integration, transaction and EMR roll-out costs	4,088	-	738	-
Adjusted Cash From Facility Operations for Unconsolidated Ventures	**$ 15,630**	**$ 22,993**	**$ 9,355**	**$ 8,741**
Brookdale Weighted Average Ownership %	51.7%	51.0%	14.5%	14.4%
CFFO from Unconsolidated Ventures	**$ 8,081**	**$ 11,727**	**$ 1,354**	**$ 1,263**
Leverage Ratio for Unconsolidated Ventures				
Debt as of September 30, 2014			$ 203,621	$ 1,435,689
Annualized Adjusted EBITDA			99,680	143,776
Annualized Leverage			**2.0x**	**10.0x**

(1) Q3 2014 Pro Forma information gives effect to the acquisition of Emeritus (which closed July 31, 2014) and the HCP Transactions (which closed August 29, 2014) as if they both had occurred on July 1, 2014.

Unconsolidated Ventures Schedule of Capital Expenditures

($ in 000s)	FY 2014
Type	**Q3**
Recurring	$ 1,167
EBITDA-enhancing / Major Projects	5,247
Program Max / Development, net	2,758
Net Total Capital Expenditures	$ 9,172

Brookdale Senior Living Inc.
Cash Lease and Interest Expense
As of September 30, 2014

Cash Lease and Interest Expense		
($ in 000s)	**FY 2014**	
	Q3	**Q3P (1)**
Facility Lease Payments		
Facility lease expense	91,462	100,035
Less: Straight-line lease expense and amortization, net	(1,463)	(6,135)
Add: Amortization of deferred gain	1,093	1,093
Cash lease payments - Operating Leases	91,092	94,993
Supplemental breakout:		
Communities with purchase options	5,590	6,237
Communities without purchase options	85,502	88,756
	91,092	94,993
Capital Lease Interest	40,916	56,073
Capital Lease Interest - noncash	(5,947)	(8,270)
Capital lease principal (2)	10,710	10,987
Net lease payments - Capital and Financing Leases	45,679	58,790
Supplemental breakout:		
Communities with purchase options	13,571	15,129
Communities without purchase options	32,108	43,661
	45,679	58,790
Total net lease payments	136,771	153,783

(1) Q3 2014 Pro Forma information gives effect to the acquisition of Emeritus (which closed July 31, 2014) and the HCP Transactions (which closed August 29, 2014) as if they both had occurred on July 1, 2014. Additionally, the pro forma information excludes results from the 49 HCP-owned communities that were leased by Emeritus, which were contributed to a RIDEA venture with HCP, and results from the Entry Fee CCRC communities that were contributed to the Entry Fee CCRC venture with HCP. Additional information on the Company's interest in these ventures and the pro forma impact to the on-going Company is on page 8 "CFFO from Unconsolidated Ventures Reconciliation".

(2) Includes lease financing debt amortization on communities with FMV or no purchase option. Payments are included in CFFO.

Brookdale Senior Living Inc.
Quarterly Cash Flow Statements
As of September 30, 2014
($ in 000s)

Cash Flow Statements

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014
Cash Flows from Operating Activities								
Net income (loss)	$ 3,558	$ (5,200)	$ (967)	$ (975)	$ (3,584)	$ (2,299)	$ (3,295)	$ (37,036)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:								
Loss on extinguishment of debt	-	893	53	319	1,265	-	3,197	569
Depreciation and amortization, net	69,228	71,602	72,744	72,237	285,811	74,334	75,166	178,810
Asset impairment	-	2,154	504	10,233	12,891	-	-	-
Equity in (earnings) loss of unconsolidated ventures	(115)	(445)	(431)	(493)	(1,484)	(636)	(1,523)	1,246
Distributions from unconsolidated ventures from cumulative share of net earnings	668	773	648	602	2,691	245	370	595
Amortization of deferred gain	(1,093)	(1,093)	(1,093)	(1,093)	(4,372)	(1,093)	(1,093)	(1,093)
Amortization of entrance fees	(7,133)	(7,032)	(7,013)	(7,831)	(29,009)	(7,202)	(7,547)	(5,757)
Proceeds from deferred entrance fee revenue	9,237	12,124	9,223	13,607	44,191	9,035	14,906	6,188
Deferred income tax (benefit) provision	-	-	-	(183)	(183)	598	(5)	(116,757)
Change in deferred lease liability	748	684	818	347	2,597	(223)	(217)	2,840
Change in fair value of derivatives	(135)	(1,836)	1,377	(386)	(980)	847	1,322	10
(Gain) loss on sale of assets	(926)	24	26	(96)	(972)	76	39	200
Change in future service obligation	-	-	-	(1,917)	(1,917)	-	-	-
Non-cash stock-based compensation	6,894	6,988	6,894	5,202	25,978	7,572	7,729	7,869
Non-cash interest expense on financing leases	-	-	-	-	-	-	-	5,947
Amortization of (above) below market rents, net	-	-	-	-	-	-	-	(1,377)
Changes in operating assets and liabilities:								
Accounts receivable, net	(9,064)	1,736	(2,154)	4,033	(5,449)	(2,499)	3,914	23,671
Prepaid expenses and other assets, net	9,140	(12,679)	734	10,288	7,483	(5,816)	(8,369)	(53,861)
Accounts payable and accrued expenses	(10,871)	12,926	18,540	13,242	33,837	(27,561)	14,245	6,222
Tenant refundable fees and security deposits	(335)	(258)	(235)	36	(792)	(615)	138	(674)
Deferred revenue	(5,316)	(1,018)	4,579	(126)	(1,881)	7,933	(7,459)	(4,978)
Net cash provided by operating activities	64,485	80,343	104,247	117,046	366,121	52,696	91,518	12,634
Cash Flows from Investing Activities								
(Increase) decrease in lease security deposits and lease acquisition deposits, net	(1,952)	(1,066)	972	(5)	(2,051)	7	(73)	3,326
Decrease (increase) in cash and escrow deposits — restricted	826	2,195	(537)	8,242	10,726	6,627	(6,039)	14,052
Additions to property, plant and equipment and leasehold intangibles, net	(51,614)	(48,677)	(61,231)	(96,005)	(257,527)	(59,717)	(73,712)	(79,104)
Acquisition of assets, net of related payables and cash received	(2)	(4,833)	(2,559)	(27,292)	(34,686)	(515)	-	(39,303)
Acquisition of Emeritus Corporation, cash acquired	-	-	-	-	-	-	-	28,429

(Issuance of) payment on notes receivable, net	(17)	(47)	159	73	168	76	2,564	73
Investment in unconsolidated ventures	(5,843)	(2,149)	(9,180)	-	(17,172)	-	-	(25,532)
Distributions received from unconsolidated ventures	-	-	100	1,500	1,600	-	2,643	9,414
Proceeds from sale of assets, net	440	7,114	-	26,582	34,136	-	-	-
Net cash used in investing activities	(58,162)	(47,463)	(72,276)	(86,905)	(264,806)	(53,522)	(74,617)	(88,645)
Cash Flows from Financing Activities								
Proceeds from debt	8,955	418,667	170,230	65,082	662,934	20,516	159,638	46,356
Repayment of debt and capital and financing lease obligations	(17,707)	(470,825)	(163,209)	(72,392)	(724,133)	(22,401)	(159,412)	(92,568)
Proceeds from line of credit	105,000	85,000	130,000	105,000	425,000	70,000	12,000	160,000
Repayment of line of credit	(140,000)	(60,000)	(155,000)	(120,000)	(475,000)	(75,000)	(25,000)	(172,000)
Proceeds from public equity offering, net	-	-	-	-	-	-	-	330,405
Payment of financing costs, net of related payables	(2,200)	(5,695)	(3,299)	(382)	(11,576)	(2,905)	2,087	(202)
Refundable entrance fees:								
Proceeds from refundable entrance fees	7,636	11,754	9,875	18,875	48,140	5,924	11,018	3,388
Refunds of entrance fees	(9,320)	(7,456)	(7,728)	(10,821)	(35,325)	(8,446)	(9,213)	(7,668)
Cash portion of loss on extinguishment of debt, net	-	(453)	(49)	-	(502)	-	(3,180)	(921)
Payment on lease termination	-	-	-	-	-	-	-	(3,875)
Purchase of derivatives	-	(1,489)	(1,374)	-	(2,863)	-	-	-
Other	315	321	327	318	1,281	328	394	486
Net cash (used in) provided by financing activities	(47,321)	(30,176)	(20,227)	(14,320)	(112,044)	(11,984)	(11,668)	263,401
Net (decrease) increase in cash and cash equivalents	(40,998)	2,704	11,744	15,821	(10,729)	(12,810)	5,233	187,390
Cash and cash equivalents at beginning of period	69,240	28,242	30,946	42,690	69,240	58,511	45,701	50,934
Cash and cash equivalents at end of period	$ 28,242	$ 30,946	$ 42,690	$ 58,511	$ 58,511	$ 45,701	$ 50,934	$ 238,324