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

FORM 8-K

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

Date of Report (Date of earliest event reported) February 4, 2015 (February 4, 2015)

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

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

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

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

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

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

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

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

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

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

Section 2 — Financial Information

Item 2.02 Results of Operations and Financial Condition.

On February 4, 2015, Brookdale Senior Living Inc. (the "Company") issued a press release announcing its fourth quarter and full year 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 related to the Company's fourth quarter and full year 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 February 4, 2015
99.2	Supplemental Information

SIGNATURE

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

BROOKDALE SENIOR LIVING INC.

Date:	February 4, 2015	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 February 4, 2015
99.2	Supplemental Information

Exhibit 99.1

FOR IMMEDIATE RELEASE

Contact:
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Brookdale Announces Fourth Quarter and Full Year 2014 Results

Nashville, Tenn. February 4, 2015 – Brookdale Senior Living Inc. (NYSE: BKD) ("Brookdale" or the "Company") today reported financial and operating results for the fourth quarter and full year of 2014. The results contained in this release are consistent with preliminary results for the fourth quarter of 2014 issued by the Company on January 26, 2015. Highlights included:

- Cash From Facility Operations ("CFFO") of $0.53 per share for the fourth quarter of 2014, an $0.18 per share decline from the fourth quarter of 2013, excluding integration, transaction and electronic medical records ("EMR") roll-out costs in both periods.
- Average occupancy for all consolidated communities in the fourth quarter of 2014 of 88.3%, a decline of 70 basis points from the fourth quarter of 2013 and a decline of 20 basis points from the third quarter of 2014.
- Adjusted EBITDA of $201.1 million in the fourth quarter of 2014, a 55.9% increase from the fourth quarter of 2013, excluding integration, transaction and EMR roll-out costs in both periods.
- A 61.1% increase in fourth quarter 2014 consolidated senior housing revenue over the fourth quarter of 2013.
- Growth in Facility Operating Income of 61.7% for the fourth quarter of 2014 over the fourth quarter of 2013.

Andy Smith, Brookdale's CEO, said, "As previously announced, fourth quarter CFFO was impacted by lower occupancy, as well as larger-than-usual additions to insurance reserves. The occupancy shortfall was attributable to lower lead generation and conversion rates as our sales force acclimated to a reorganized field structure and, for many, new systems and procedures, as a result of the Emeritus integration."

Mr. Smith continued, "On the positive side, we are making good progress on our accelerated integration schedule. During 2015, we expect to see the benefits from the uniform systems and processes we are putting in place, from our accelerated capital investments and from a fully rationalized management structure. We remain fully confident in the long-term economic thesis of the merger with Emeritus and in the anticipated year-three revenue and expense synergies."

Financial Results

The fourth quarter of 2014 represents the first full quarter of results that include the operations of Emeritus, which we acquired on July 31, 2014, and the impacts from the transactions with HCP, Inc. that closed on August 29, 2014. Results from the third quarter of 2014 reflect the partial period impacts from those transactions, and results from the second quarter of 2014 and prior quarters reflect stand-alone legacy Brookdale.

Total revenue for the fourth quarter of 2014 was $1.3 billion, an increase of $517.9 million, or 70.5%, from the fourth quarter of 2013. Fourth quarter 2014 total revenue was comprised of resident fee revenue of $1.0 billion, which increased $403.4 million, or 63.2%, from the fourth quarter of 2013, management fee revenue of $16.9 million, which increased $8.8 million, or 107.6%, from the fourth quarter of 2013, and managed community reimbursed costs of $193.2 million, which increased $105.7 million, or 120.8%, from the fourth quarter of 2013.

Resident fee revenue for the fourth quarter of 2014 increased primarily as a result of the inclusion of revenue from communities acquired since the end of the fourth quarter of 2013 (including communities acquired as part of the Emeritus acquisition) and new units added to existing communities, partially offset by the effect of the Company's contribution of entry fee CCRCs to a venture with HCP on August 29, 2014. Average monthly revenue per unit for the consolidated senior housing portfolio was $4,220 in the fourth quarter of 2014, a decrease of $167, or 3.8%, over the fourth 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 venture with HCP also impacted average monthly revenue since their results were deconsolidated after their contribution.

Average occupancy for all consolidated communities for the fourth quarter of 2014 was 88.3%, compared to 88.5% for the third quarter of 2014 and 89.0% for the fourth quarter of 2013. Assuming the Emeritus and HCP transactions had closed on July 1st, the sequential change from the third quarter of 2014 to the fourth quarter of 2014 was a decline of 40 basis points.

Facility operating expenses for the fourth quarter of 2014 were $708.0 million, an increase of $285.7 million, or 67.6%, from the fourth quarter of 2013, primarily due to the acquisition of Emeritus. Excluding management services in both periods, the operating margins were 32.1% for the fourth quarter of 2014 versus 33.9% for the fourth quarter of 2013. Fourth quarter 2014 operating expenses included approximately $11.0 million of higher-than-normal insurance reserve adjustments.

General and administrative expenses for the fourth quarter of 2014 were $98.6 million, an increase of $53.1 million, or 116.6%, over the fourth 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 $38.3 million in the fourth 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 fourth quarter of 2014 increased $148.4 million, or 217.6%, over the fourth quarter of 2013, primarily due to the acquisition of Emeritus, offset in part by the contribution of entry fee CCRCs to the venture with HCP during the third quarter. Net loss attributable to Brookdale common stockholders for the fourth quarter of 2014 was $(106.5) million, or $(0.58) per share, versus net loss attributable to Brookdale common stockholders of $(1.0) million, or $(0.01) per share, in the fourth 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 fourth quarter of 2014 include transaction costs of $7.7 million and integration and EMR roll-out costs of $38.3 million versus transaction costs of $0.6 million and integration and EMR roll-out costs of $3.5 million for the fourth quarter of 2013. Brookdale also uses Facility Operating Income to assess the performance of its communities.

Facility Operating Income was $333.9 million in the fourth quarter of 2014, an increase of $127.4 million, or 61.7%, over the fourth quarter of 2013. Adjusted EBITDA, excluding integration, transaction and EMR roll-out costs, was $201.1 million for the fourth quarter of 2014, an increase of $72.1 million, or 55.9%, over the fourth quarter of 2013.

CFFO was $51.3 million in the fourth quarter of 2014, or $0.28 per share. Excluding integration, transaction and EMR roll-out costs, CFFO was $97.3 million for the fourth quarter of 2014, an increase of $8.8 million, or 9.9%, compared with the fourth quarter of 2013. This translated to $0.53 per share in the most recent quarter, a decrease of $0.18 per share, or 25.4%, from the fourth quarter of 2013, on a 47.6% increase in weighted average shares outstanding, primarily as a result of shares issued in the Emeritus acquisition and the $330.4 million public equity offering completed in the third quarter of 2014.

Operating Activities

As of December 31, 2014, the Company organizes its business into five segments. Three segments (Retirement Centers, Assisted Living and CCRCs–Rental) constitute the Company's consolidated senior housing portfolio. The fourth segment, Brookdale Ancillary Services, includes the Company's outpatient therapy, home health and hospice services. The fifth segment, Management Services, includes the services provided to communities that are operated under management agreements for third parties or for unconsolidated ventures in which we have an ownership interest.

In connection with the transactions completed between the Company and HCP on August 29, 2014, the Company contributed all but two of its entry fee CCRCs to the entry fee CCRC venture, at which time the communities were deconsolidated. The operating results of the entry fee CCRCs contributed to the venture are reported in the Company's CCRCs-Entry Fee segment for the time periods prior to being contributed to the venture. The results of the two remaining entry fee CCRCs are reported in the Company's CCRCs-Rental segment beginning with the third quarter of 2014. The Company no longer reports operating results for a CCRCs–Entry Fee segment.

Senior Housing

Revenue for the consolidated senior housing portfolio was $928.5 million in the fourth quarter of 2014, an increase of 61.1% from the fourth quarter of 2013. The revenue growth reflects the addition of approximately 34,490 weighted average units since the fourth 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 venture with HCP). The consolidated portfolio period-end unit count was 83,176 units. Facility operating expenses were $614.2 million for the fourth quarter of 2014, an increase of 66.1% from the fourth quarter of 2013. Operating income for the senior housing portfolio for the fourth quarter of 2014 increased by $107.7 million, or 52.1%, to $314.3 million from the fourth quarter of 2013.

For the 951 same store communities in the senior housing portfolio for the three months ended December 31, 2014, revenues grew by 1.5% over the corresponding period in 2013. Revenue per unit increased by 2.5%, and occupancy declined by 90 basis points. Same community expenses for the fourth quarter of 2014 increased by 5.9% over the fourth quarter of 2013. Same community Facility Operating Income for the consolidated senior housing portfolio decreased by 6.0% in the fourth quarter of 2014 over the fourth quarter of 2013. Excluding the $11.0 million of larger-than-usual insurance adjustments, the same community expenses would have grown by 3.9% and Facility Operating Income decreased by 2.6%.

Brookdale Ancillary Services

Revenue for the Company's ancillary services segment increased $51.4 million, or 82.7%, to $113.5 million for the fourth quarter of 2014 versus the prior year quarter. The revenue increase was driven primarily by the addition of Emeritus' Nurse on Call ancillary services business. Ancillary services operating expenses for the fourth quarter of 2014 increased $41.3 million, or 78.8%, compared to the fourth quarter of 2013, primarily due to the inclusion of Nurse on Call expenses. As a result, ancillary services operating income for the fourth quarter of 2014 was $19.7 million, an increase of $10.0 million, or 104.1%, versus the fourth quarter of 2013.

Liquidity

Brookdale had $104.1 million of unrestricted cash and cash equivalents and $95.2 million of restricted cash as of December 31, 2014.

As previously announced, in December 2014, the Company entered into an amended and restated $500 million secured credit facility with lenders led by GE Capital, Healthcare Financial Services, as administrative agent. The amended facility replaces the Company's prior $250 million secured revolving credit facility and extends the maturity date from March 31, 2018 to January 3, 2020. The total commitment amount is comprised of a $100 million term loan drawn at closing and a $400 million revolving credit facility. The amended facility decreases the interest rate payable on drawn amounts and the fee payable on the unused portion of the facility. Availability under the facility may vary from time to time based upon the value and performance of the communities securing the facility. As of December 31, 2014, the Company had $488.4 million of availability on its secured line of credit, of which $100.0 million of borrowings were drawn as of that date. The Company also had secured and unsecured letter of credit facilities of up to $98.7 million in the aggregate as of December 31, 2014. Letters of credit totaling $72.7 million had been issued under these facilities as of that date.

In the fourth quarter of 2014, the Company repaid $275.9 million of existing variable rate debt, financed primarily with the proceeds of its $330.4 million public equity offering completed in the third quarter of 2014. During the fourth quarter of 2014, the Company also obtained $89.7 million of supplemental loans, secured by 21 communities, which bear interest at a fixed rate of approximately 4.6%.

Outlook

For the full year 2015, the Company expects CFFO per share in a range of $2.60 to $2.75 per share, excluding integration, transaction-related and EMR roll-out costs. This guidance excludes the potential impact of any future acquisition or disposition activity (other than planned purchases of currently leased communities).

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 fourth quarter and full year 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 fourth quarter and full year ended December 31, 2014 on Thursday, February 5, 2015 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 Fourth 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 February 18, 2015 by dialing (855) 859-2056 (from within the U.S.) or (404) 537-3406 (from outside of the U.S.) and referencing access code "72921420". 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 approximately 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 December 31, 2014	Three Months Ended December 31, 2013	Years Ended December 31, 2014	Years Ended December 31, 2013
Revenue				
Resident fees	$ 1,041,958	$ 638,581	$ 3,301,297	$ 2,515,033
Management fees	16,920	8,150	42,239	31,125
Reimbursed costs incurred on behalf of managed communities	193,225	87,502	488,170	345,808
Total revenue	1,252,103	734,233	3,831,706	2,891,966
Expense				
Facility operating expense (excluding depreciation and amortization of $207,079, $60,558, $503,662 and $238,153, respectively)	707,999	422,336	2,210,368	1,671,945
General and administrative expense (including non-cash stock-based compensation expense of $5,129, $5,202, $28,299 and $25,978, respectively)	98,574	45,504	280,267	180,627
Transaction costs	7,725	574	66,949	3,921
Facility lease expense	92,469	69,701	323,830	276,729
Depreciation and amortization	216,632	68,200	537,035	268,757
Asset impairment	9,992	10,233	9,992	12,891
Costs incurred on behalf of managed communities	193,225	87,502	488,170	345,808
Total operating expense	1,326,616	704,050	3,916,611	2,760,678
(Loss) income from operations	(74,513)	30,183	(84,905)	131,288
Interest income	345	312	1,343	1,339
Interest expense:				
Debt	(42,104)	(24,840)	(128,002)	(96,131)
Capital and financing lease obligations	(56,873)	(6,029)	(109,998)	(25,194)
Amortization of deferred financing costs and debt premium (discount)	430	(4,037)	(7,477)	(17,054)
Change in fair value of derivatives	(532)	386	(2,711)	980
Debt modification and extinguishment costs	(2,621)	(319)	(6,387)	(1,265)
Equity in (loss) earnings of unconsolidated ventures	(742)	493	171	1,484
Other non-operating income	2,614	1,360	7,235	2,725
Loss before income taxes	(173,996)	(2,491)	(330,731)	(1,828)
Benefit (provision) for income taxes	67,200	1,516	181,305	(1,756)
Net loss	(106,796)	(975)	(149,426)	(3,584)
Net loss attributable to noncontrolling interest	262	-	436	-
Net loss attributable to Brookdale Senior Living Inc. common stockholders	$ (106,534)	$ (975)	$ (148,990)	$ (3,584)
Basic and diluted net loss per share attributable to Brookdale Senior Living Inc. common stockholders	$ (0.58)	$ (0.01)	$ (1.01)	$ (0.03)
Weighted average shares used in computing basic and diluted net loss per share	183,432	124,308	148,185	123,671

Condensed Consolidated Balance Sheets
(*in thousands*)

	December 31, 2014	December 31, 2013
Cash and cash equivalents	$ 104,083	$ 58,511
Cash and escrow deposits - restricted	38,862	38,191
Accounts receivable, net	149,730	104,262
Other current assets	322,114	93,898
Total current assets	614,789	294,862
Property, plant, and equipment and leasehold intangibles, net	8,389,505	3,895,475
Other assets, net	1,517,069	547,420
Total assets	$ 10,521,363	$ 4,737,757
Current liabilities	$ 877,762	$ 870,844
Long-term debt, less current portion	3,456,808	2,168,162
Capital and financing lease obligations, less current portion	2,536,883	266,462
Other liabilities	767,669	411,352
Total liabilities	7,639,122	3,716,820
Total Brookdale Senior Living Inc. stockholders' equity	2,881,724	1,020,937
Noncontrolling interest	517	-
Total equity	2,882,241	1,020,937
Total liabilities and equity	$ 10,521,363	$ 4,737,757

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

	Years Ended December 31, 2014	2013
Cash Flows from Operating Activities		
Net loss	$ (149,426)	$ (3,584)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Debt modification and extinguishment costs	6,387	1,265
Depreciation and amortization	544,512	285,811
Asset impairment	9,992	12,891
Equity in earnings of unconsolidated ventures	(171)	(1,484)
Distributions from unconsolidated ventures from cumulative share of net earnings	1,840	2,691
Amortization of deferred gain	(4,372)	(4,372)
Amortization of entrance fees	(21,220)	(29,009)
Proceeds from deferred entrance fee revenue	32,704	44,191
Deferred income tax benefit	(182,371)	(183)
Change in deferred lease liability	1,439	2,597
Change in fair value of derivatives	2,711	(980)
Gain on sale of assets	(446)	(972)
Change in future service obligation	670	(1,917)
Non-cash stock-based compensation	28,299	25,978
Non-cash interest expense on financing leases	12,647	-
Amortization of (above) below market rents, net	(3,444)	-
Changes in operating assets and liabilities:		
Accounts receivable, net	3,510	(5,449)
Prepaid expenses and other assets, net	(52,868)	7,483
Accounts payable and accrued expenses	16,812	33,837
Tenant refundable fees and security deposits	(1,183)	(792)
Deferred revenue	(3,370)	(1,881)
Net cash provided by operating activities	242,652	366,121
Cash Flows from Investing Activities		
Increase in lease security deposits and lease acquisition deposits, net	(48,944)	(2,051)
Decrease in cash and escrow deposits — restricted	56,935	10,726
Additions to property, plant, and equipment and leasehold intangibles, net	(304,245)	(257,527)
Acquisition of assets, net of related payables and cash received	(40,441)	(34,686)
Acquisition of Emeritus Corporation, cash acquired	28,429	-
Payments on notes receivable, net	3,269	168
Investment in unconsolidated ventures	(26,499)	(17,172)
Distributions received from unconsolidated ventures	12,275	1,600
Proceeds from sale of assets, net	4,339	34,136
Net cash used in investing activities	(314,882)	(264,806)
Cash Flows from Financing Activities		
Proceeds from debt	326,639	662,934
Repayment of debt and capital and financing lease obligations	(584,345)	(724,133)
Proceeds from line of credit	442,000	425,000
Repayment of line of credit	(372,000)	(475,000)
Proceeds from public equity offering, net	330,386	-
Payment of financing costs, net of related payables	(9,393)	(11,576)
Refundable entrance fees:		
Proceeds from refundable entrance fees	20,342	48,140
Refunds of entrance fees	(25,865)	(35,325)
Cash portion of loss on extinguishment of debt	(4,101)	(502)
Payment on lease termination	(7,750)	-
Purchase of derivatives	-	(2,863)
Other	1,889	1,281
Net cash provided by (used in) financing activities	117,802	(112,044)
Net increase (decrease) in cash and cash equivalents	45,572	(10,729)
Cash and cash equivalents at beginning of year	58,511	69,240
Cash and cash equivalents at end of year	$ 104,083	$ 58,511

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), net of 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 months and years ended December 31, 2014 and 2013 (*in thousands*):

	Three Months Ended December 31(1),		Years Ended December 31(1),	
	2014	2013	2014	2013
Net loss	$ (106,796)	$ (975)	$ (149,426)	$ (3,584)
(Benefit) provision for income taxes	(67,200)	(1,516)	(181,305)	1,756
Equity in loss (earnings) of unconsolidated ventures	742	(493)	(171)	(1,484)
Debt modification and extinguishment costs	2,621	319	6,387	1,265
Other non-operating income	(2,614)	(1,360)	(7,235)	(2,725)
Interest expense:				
Debt	42,104	24,840	128,002	96,131
Capitalized and financing lease obligations	56,873	6,029	109,998	25,194
Amortization of deferred financing costs and debt (premium) discount	(430)	4,037	7,477	17,054
Change in fair value of derivatives	532	(386)	2,711	(980)
Interest income	(345)	(312)	(1,343)	(1,339)
(Loss) income from operations	(74,513)	30,183	(84,905)	131,288
Depreciation and amortization	216,632	68,200	537,035	268,757
Asset impairment	9,992	10,233	9,992	12,891
Straight-line lease expense	(961)	347	1,439	2,597
Amortization of deferred gain	(1,093)	(1,093)	(4,372)	(4,372)
Amortization of entrance fees	(714)	(7,831)	(21,220)	(29,009)
Amortization of (above) below market lease, net	(2,067)	-	(3,444)	-
Non-cash stock-based compensation expense	5,129	5,202	28,299	25,978
Change in future service obligation	670	(1,917)	670	(1,917)
Entrance fee receipts(2)	2,587	32,482	53,046	92,331
Entrance fee disbursements	(538)	(10,821)	(25,865)	(35,325)
Adjusted EBITDA	$ 155,124	$ 124,985	$ 490,675	$ 463,219

(1) The calculation of Adjusted EBITDA includes integration, transaction and EMR roll-out costs of $46.0 million and $146.4 million for the three and twelve months ended December 31, 2014, respectively. The calculation of Adjusted EBITDA includes integration, transaction and EMR roll-out costs of $4.1 million and $14.5 million for the three and twelve months ended December 31, 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 months and years ended December 31, 2014 and 2013 (*in thousands*):

	Three Months Ended December 31(1),		Years Ended December 31(1),	
	2014	2013	2014	2013
Net cash provided by operating activities	$ 85,804	$ 117,046	$ 242,652	$ 366,121
Changes in operating assets and liabilities	(18,610)	(27,473)	37,099	(33,198)
Refundable entrance fees received(2	12	18,875	20,342	48,140
Entrance fee refunds disbursed	(538)	(10,821)	(25,865)	(35,325)
Recurring capital expenditures, net	(16,353)	(10,786)	(50,762)	(42,901)
Lease financing debt amortization with fair market value or no purchase options	(10,028)	(3,594)	(28,618)	(13,927)
Distributions from unconsolidated ventures from cumulative share of net earnings	(630)	(602)	(1,840)	(2,691)
CFFO from unconsolidated ventures	11,662	1,825	25,334	7,804
Cash From Facility Operations	$ 51,319	$ 84,470	$ 218,342	$ 294,023

(1) The calculation of Cash From Facility Operations includes integration, transaction and EMR roll-out costs of $46.0 million and $146.4 million for the three and twelve months ended December 31, 2014, respectively. The calculation of Cash From Facility Operations includes integration, transaction and EMR roll-out costs of $4.1 million and $14.5 million for the three and twelve months ended December 31, 2013, respectively.

(2) Total entrance fee receipts for the three months ended December 31, 2014 and 2013 were $2.6 million and $32.5 million, respectively, including $2.6 million and $13.6 million, respectively, of non-refundable entrance fee receipts included in net cash provided by operating activities. Total entrance fee receipts for the twelve months ended December 31, 2014 and 2013 were $53.0 million and $92.3 million, respectively, including $32.7 million and $44.2 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 venture with HCP in the third quarter of 2014, the two consolidated entry fee CCRCs were reclassified to the CCRCs–Rental segment beginning with the third quarter of 2014.

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 months and years ended December 31, 2014 and 2013 (*in thousands*):

	Three Months Ended December 31,		**Years Ended December 31,**	
	2014	**2013**	**2014**	**2013**
Net loss	$ (106,796)	$ (975)	$ (149,426)	$ (3,584)
(Benefit) provision for income taxes	(67,200)	(1,516)	(181,305)	1,756
Equity in (earnings) loss of unconsolidated ventures	742	(493)	(171)	(1,484)
Debt modification and extinguishment costs	2,621	319	6,387	1,265
Other non-operating income	(2,614)	(1,360)	(7,235)	(2,725)
Interest expense:				
Debt	42,104	24,840	128,002	96,131
Capitalized and financing lease obligations	56,873	6,029	109,998	25,194
Amortization of deferred financing costs and debt (premium) discount	(430)	4,037	7,477	17,054
Change in fair value of derivatives	532	(386)	2,711	(980)
Interest income	(345)	(312)	(1,343)	(1,339)
(Loss) income from operations	(74,513)	30,183	(84,905)	131,288
Depreciation and amortization	216,632	68,200	537,035	268,757
Asset impairment	9,992	10,233	9,992	12,891
Facility lease expense	92,469	69,701	323,830	276,729
General and administrative (including non-cash stock-based compensation expense)	98,574	45,504	280,267	180,627
Transaction costs	7,725	574	66,949	3,921
Change in future service obligation	670	(1,917)	670	(1,917)
Amortization of entrance fees	(714)	(7,831)	(21,220)	(29,009)
Management fees	(16,920)	(8,150)	(42,239)	(31,125)
Facility Operating Income	$ 333,915	$ 206,497	$ 1,070,379	$ 812,162

Exhibit 99.2

Brookdale Senior Living Inc.
Corporate Overview - selected financial information
As of December 31, 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 1,143 communities in 46 states and the ability to serve approximately 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 Q4 2014 Resident and Management Fees	Percentage of Q4 2014 Facility Operating Income	Percentage of FY 2014 Resident and Management Fees	Percentage of FY 2014 Facility Operating Income
Owned	399	35,032	36.4%	35.6%	39.2%	38.4%
Leased	583	48,144	51.3%	54.0%	49.4%	52.3%
Brookdale Ancillary Services	N/A	N/A	10.7%	5.6%	10.1%	5.6%
Managed	161	27,683	1.6%	4.8%	1.3%	3.7%
Total	1,143	110,859	100.0%	100.0%	100.0%	100.0%
Operating Type - By Segment						
Retirement Centers	99	17,362	15.2%	19.5%	17.4%	22.0%
Assisted Living	838	55,232	58.0%	60.2%	50.4%	53.7%
CCRCs - Rental	45	10,582	14.5%	9.9%	14.7%	10.7%
CCRCs - Entry Fee (1)	-	-	N/A	N/A	6.1%	4.3%
Brookdale Ancillary Services	N/A	N/A	10.7%	5.6%	10.1%	5.6%
Management Services	161	27,683	1.6%	4.8%	1.3%	3.7%
Total	1,143	110,859	100.0%	100.0%	100.0%	100.0%

CFFO Per Share

($ except where indicated)	FY 2013					FY 2014				
	Q1	Q2	Q3	Q4	Full Year(3)	Q1	Q2	Q3	Q4	Full Year(3)
Reported CFFO	$ 0.55	$ 0.58	$ 0.57	$ 0.68	$ 2.38	$ 0.54	$ 0.61	$ 0.14	$ 0.28	$ 1.57
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	0.25	0.94
Adjusted CFFO	$ 0.57	$ 0.61	$ 0.61	$ 0.71	$ 2.50	$ 0.64	$ 0.71	$ 0.63	$ 0.53	$ 2.51
Weighted average shares (000's)	122,823	123,405	124,128	124,308		124,478	125,058	159,003	183,432	
Period end outstanding shares (excluding unvested restricted shares) (000's)	123,040	124,061	124,285	124,354		124,816	125,408	183,410	183,486	

(1) In connection with the transactions completed with HCP on August 29, 2014, the Company contributed all but two of its entry fee CCRCs to the entry fee CCRC venture with HCP, at which time the communities were deconsolidated. The results of the entry fee CCRCs contributed to the venture are reported in the Company's CCRCs - Entry Fee segment for the time periods prior to being contributed to the venture. The results of the two remaining entry fee CCRCs are reported in the Company's CCRCs - Rental segment beginning with the third quarter of 2014. The Company no longer reports operating results for a CCRCs – Entry Fee segment.

(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 are primarily comprised of legal, finance, consulting, professional fees and other third party costs.

(3) 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
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Brentwood, TN 37027
Phone (615) 564-8104
rroadman@brookdale.com

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

Brookdale Senior Living Inc.
Segment Financial Data
As of December 31, 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**	**Q4**	**Full Year**
Revenue	128,922	130,170	133,272	133,920	526,284	132,349	133,441	155,227	161,295	582,312
Expenses	75,588	75,993	76,452	75,969	304,002	76,119	76,550	88,022	92,738	333,429
Segment Operating Income	53,334	54,177	56,820	57,951	222,282	56,230	56,891	67,205	68,557	248,883
Segment Operating Margin	*41.4%*	*41.6%*	*42.6%*	*43.3%*	*42.2%*	*42.5%*	*42.6%*	*43.3%*	*42.5%*	*42.7%*
Number of communities (period end)	76	76	76	76	76	74	74	100	99	99
Total average units(3)	14,429	14,429	14,444	14,454	14,439	14,161	14,162	16,594	17,315	15,558
Weighted average unit occupancy	89.5%	89.4%	90.2%	90.1%	89.8%	89.3%	88.9%	89.8%	89.9%	89.5%
Senior Housing average monthly revenue per unit(4)	$ 3,328	$ 3,362	$ 3,408	$ 3,426	$ 3,381	$ 3,490	$ 3,532	$ 3,472	$ 3,454	$ 3,485

Assisted Living			**FY 2013**					**FY 2014 (1)**		
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Revenue	260,615	260,497	262,524	268,232	1,051,868	277,431	277,230	516,640	614,262	1,685,563
Expenses	164,330	164,316	165,774	167,770	662,190	172,439	172,984	328,486	403,165	1,077,074
Segment Operating Income	96,285	96,181	96,750	100,462	389,678	104,992	104,246	188,154	211,097	608,489
Segment Operating Margin	*36.9%*	*36.9%*	*36.9%*	*37.5%*	*37.0%*	*37.8%*	*37.6%*	*36.4%*	*34.4%*	*36.1%*
Number of communities (period end)	431	432	432	438	438	440	440	841	838	838
Total average units(3)	21,556	21,499	21,513	22,149	21,679	22,435	22,463	45,260	55,241	36,350
Weighted average unit occupancy	89.1%	89.4%	90.0%	90.1%	89.7%	89.6%	89.0%	88.8%	88.2%	88.7%
Senior Housing average monthly revenue per unit(4)	$ 4,523	$ 4,519	$ 4,518	$ 4,480	$ 4,510	$ 4,599	$ 4,622	$ 4,286	$ 4,203	$ 4,356

CCRCs - Rental			**FY 2013**					**FY 2014 (1) (2)**		
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Revenue	100,327	97,562	100,076	99,010	396,975	97,944	98,212	144,074	152,943	493,173
Expenses	71,250	71,995	73,063	71,641	287,949	71,114	72,519	109,582	118,297	371,512
Segment Operating Income	29,077	25,567	27,013	27,369	109,026	26,830	25,693	34,492	34,646	121,661
Segment Operating Margin	*29.0%*	*26.2%*	*27.0%*	*27.6%*	*27.5%*	*27.4%*	*26.2%*	*23.9%*	*22.7%*	*24.7%*
Number of communities (period end)	27	27	27	26	26	26	26	45	45	45
Total average units(3)	6,687	6,684	6,687	6,617	6,669	6,457	6,469	9,783	10,483	8,298
Weighted average unit occupancy	87.6%	86.2%	86.7%	86.8%	86.8%	86.6%	85.9%	85.1%	85.9%	85.8%
Senior Housing average monthly revenue per unit(4)	$ 5,709	$ 5,649	$ 5,759	$ 5,742	$ 5,715	$ 5,839	$ 5,894	$ 5,740	$ 5,637	$ 5,757

CCRCs - Entry Fee			**FY 2013**					**FY 2014 (2)**		
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
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(3)	5,281	5,295	5,308	5,329	5,303	5,527	5,534	2,954	-	3,504
Weighted average unit occupancy	84.6%	83.8%	84.1%	84.3%	84.2%	84.7%	84.7%	87.0%	-	85.2%
Senior Housing average monthly revenue per unit(4)	$ 5,011	$ 5,025	$ 4,994	$ 5,023	$ 5,013	$ 5,124	$ 5,091	$ 5,085	$ -	$ 5,103

Total Senior Housing	**FY 2013**					**FY 2014**				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Revenue	564,172	562,245	569,982	576,484	2,272,883	586,893	587,983	860,086	928,500	2,963,462
Expenses	365,905	368,548	371,181	369,870	1,475,504	379,206	382,786	559,804	614,200	1,935,996
Operating Income	198,267	193,697	198,801	206,614	797,379	207,687	205,197	300,282	314,300	1,027,466
Operating Margin	*35.1%*	*34.5%*	*34.9%*	*35.8%*	*35.1%*	*35.4%*	*34.9%*	*34.9%*	*33.9%*	*34.7%*
G&A Allocation(5)	25,526	23,224	22,647	24,658	96,055	24,396	22,589	33,912	35,365	116,262
Adjusted Operating Income	172,741	170,473	176,154	181,956	701,324	183,291	182,608	266,370	278,935	911,204
Adjusted Operating Margin	*30.6%*	*30.3%*	*30.9%*	*31.6%*	*30.9%*	*31.2%*	*31.1%*	*31.0%*	*30.0%*	*30.7%*
Number of communities (period end)	548	549	549	554	554	555	555	986	982	982
Total average units(3)	47,953	47,907	47,952	48,549	48,090	48,580	48,628	74,591	83,039	63,710
Weighted average unit occupancy	88.5%	88.3%	89.0%	89.0%	88.7%	88.6%	88.1%	88.5%	88.3%	88.3%
Senior Housing average monthly revenue per unit(4)	$ 4,375	$ 4,373	$ 4,397	$ 4,387	$ 4,383	$ 4,491	$ 4,518	$ 4,317	$ 4,220	$ 4,357

Brookdale Senior Living Inc.
Segment Financial Data
As of December 31, 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**	**Q4**	**Full Year**
Revenue	60,198	58,693	61,162	62,097	242,150	63,417	65,534	95,426	113,458	337,835
Expenses	47,098	47,479	49,398	52,466	196,441	50,664	52,629	77,280	93,799	274,372
Segment Operating Income	13,100	11,214	11,764	9,631	45,709	12,753	12,905	18,146	19,659	63,463
Segment Operating Margin	*21.8%*	*19.1%*	*19.2%*	*15.5%*	*18.9%*	*20.1%*	*19.7%*	*19.0%*	*17.3%*	*18.8%*
G&A Allocation(5)	6,055	6,005	5,516	5,806	23,382	5,642	5,908	5,709	9,050	26,309
Adjusted Segment Operating Income	7,045	5,209	6,248	3,825	22,327	7,111	6,997	12,437	10,609	37,154
Adjusted Segment Operating Margin	*11.7%*	*8.9%*	*10.2%*	*6.2%*	*9.2%*	*11.2%*	*10.7%*	*13.0%*	*9.4%*	*11.0%*
Brookdale units served:										
Outpatient Therapy consolidated	38,017	38,075	38,253	38,308		37,974	38,328	37,899	36,843	
Home Health consolidated	32,389	32,864	33,940	33,894		34,518	35,061	33,254	37,006	
Outpatient Therapy non-consolidated	13,502	14,177	14,733	14,017		14,138	13,942	18,716	17,164	
Home Health non-consolidated	13,326	13,232	13,601	12,884		12,819	12,336	16,036	18,954	
Total Brookdale units served:										
Outpatient Therapy	51,519	52,252	52,986	52,325		52,112	52,270	56,615	54,007	
Home Health	45,715	46,096	47,541	46,778		47,337	47,397	49,290	55,960	
Outpatient Therapy treatment codes	821,308	840,076	818,758	844,987		812,632	798,754	762,993	679,057	
Home Health average census	4,289	4,366	4,574	4,762		5,084	5,257	10,314	12,723	

Total Senior Housing and Brookdale Ancillary Services	**FY 2013**					**FY 2014**				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Revenue	624,370	620,938	631,144	638,581	2,515,033	650,310	653,517	955,512	1,041,958	3,301,297
Expenses	413,003	416,027	420,579	422,336	1,671,945	429,870	435,415	637,084	707,999	2,210,368
Operating Income	211,367	204,911	210,565	216,245	843,088	220,440	218,102	318,428	333,959	1,090,929
Operating Margin	*33.9%*	*33.0%*	*33.4%*	*33.9%*	*33.5%*	*33.9%*	*33.4%*	*33.3%*	*32.1%*	*33.0%*
G&A Allocation(5)	31,581	29,229	28,163	30,464	119,437	30,038	28,497	39,621	44,415	142,571
Adjusted Operating Income	179,786	175,682	182,402	185,781	723,651	190,402	189,605	278,807	289,544	948,358
Adjusted Operating Margin	*28.8%*	*28.3%*	*28.9%*	*29.1%*	*28.8%*	*29.3%*	*29.0%*	*29.2%*	*27.8%*	*28.7%*

Management Services	**FY 2013**					**FY 2014**				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Revenue (Management Fees)	7,609	7,744	7,622	8,150	31,125	7,402	7,489	10,428	16,920	42,239
Expenses (G&A Allocation) (5)	6,031	6,192	6,106	6,334	24,663	6,116	5,649	7,453	10,732	29,950
Segment Operating Income	1,578	1,552	1,516	1,816	6,462	1,286	1,840	2,975	6,188	12,289
Segment Operating Margin	*20.7%*	*20.0%*	*19.9%*	*22.3%*	*20.8%*	*17.4%*	*24.6%*	*28.5%*	*36.6%*	*29.1%*
Number of communities (period end)	101	101	102	95	95	92	92	161	161	161
Total average units(3)	18,114	18,310	18,291	17,618	18,083	17,140	16,978	20,919	27,318	20,589
Weighted average occupancy	84.9%	84.9%	85.7%	86.1%	85.4%	86.3%	86.8%	86.3%	86.4%	86.5%
Senior Housing average monthly revenue per unit(4)	$ 3,460	$ 3,505	$ 3,499	$ 3,588	$ 3,512	$ 3,706	$ 3,701	$ 3,949	$ 4,236	$ 3,943

Total Senior Housing, Brookdale Ancillary and Management Services	FY 2013					FY 2014				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Revenue	631,979	628,682	638,766	646,731	2,546,158	657,712	661,006	965,940	1,058,878	3,343,536
Expenses	413,003	416,027	420,579	422,336	1,671,945	429,870	435,415	637,084	707,999	2,210,368
Operating Income	218,976	212,655	218,187	224,395	874,213	227,842	225,591	328,856	350,879	1,133,168
Operating Margin	*34.6%*	*33.8%*	*34.2%*	*34.7%*	*34.3%*	*34.6%*	*34.1%*	*34.0%*	*33.1%*	*33.9%*
G&A Allocation (5)	37,612	35,421	34,269	36,798	144,100	36,154	34,146	47,074	55,147	172,521
Adjusted Operating Income	181,364	177,234	183,918	187,597	730,113	191,688	191,445	281,782	295,732	960,647
Adjusted Operating Margin	*28.7%*	*28.2%*	*28.8%*	*29.0%*	*28.7%*	*29.1%*	*29.0%*	*29.2%*	*27.9%*	*28.7%*

(1) During the year ended December 31, 2014, three communities moved between segments to more accurately reflect the underlying product offering of each segment. The movement did not change the Company's reportable segments, but it did impact the operating information reported within the Retirement Centers, Assisted Living, and CCRCs - Rental segments. Prior quarters have not been recast.

(2) In connection with the transactions completed with HCP on August 29, 2014, the Company contributed all but two of its entry fee CCRCs to the entry fee CCRC venture with HCP, at which time the communities were deconsolidated. The results of the entry fee CCRCs contributed to the venture are reported in the Company's CCRCs - Entry Fee segment for the time periods prior to being contributed to the joint venture. The results of the two remaining entry fee CCRCs are reported in the Company's CCRCs - Rental segment beginning with the third quarter of 2014. The Company no longer reports operating results for a CCRCs – Entry Fee segment.

(3) Senior Housing 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.

(5) 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 December 31, 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**	**Q4**	**Full Year**
Revenue	266,322	265,139	267,922	273,439	1,072,822	277,700	277,748	369,078	385,654	1,310,180
Expenses	175,672	176,623	178,382	178,941	709,618	182,706	184,773	247,359	260,901	875,739
Segment Operating Income	90,650	88,516	89,540	94,498	363,204	94,994	92,975	121,719	124,753	434,441
Segment Operating Margin	*34.0%*	*33.4%*	*33.4%*	*34.6%*	*33.9%*	*34.2%*	*33.5%*	*33.0%*	*32.3%*	*33.2%*
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	385,654	1,310,180
Less: revenue amortization (non-cash)	(4,664)	(4,821)	(4,660)	(5,404)	(19,549)	(4,635)	(4,933)	(3,878)	-	(13,446)
Add: net entrance fees (cash)	5,449	10,936	8,014	13,694	38,093	4,079	11,710	(399)	-	15,390
Adjusted revenue	267,107	271,254	271,276	281,729	1,091,366	277,144	284,525	364,801	385,654	1,312,124
Expenses	175,672	176,623	178,382	178,941	709,618	182,706	184,773	247,359	260,901	875,739
Adjusted Segment Operating Income	91,435	94,631	92,894	102,788	381,748	94,438	99,752	117,442	124,753	436,385
Adjusted Segment Operating Margin	*34.2%*	*34.9%*	*34.2%*	*36.5%*	*35.0%*	*34.1%*	*35.1%*	*32.2%*	*32.3%*	*33.3%*
Number of communities (period end)	219	220	220	225		226	226	403	399	
Total average units(1)	22,243	22,153	22,190	22,754		22,775	22,799	32,079	34,904	
Weighted average unit occupancy	88.8%	88.7%	89.1%	89.2%		88.5%	88.0%	88.2%	87.6%	
Senior Housing average monthly revenue per unit(2)	$ 4,416	$ 4,416	$ 4,438	$ 4,402		$ 4,516	$ 4,532	$ 4,302	$ 4,202	

Leased Properties with Purchase Options	**FY 2013**					**FY 2014**				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Revenue	75,096	74,504	75,902	76,651	302,153	77,863	77,418	87,008	86,441	328,730
Expenses	47,706	48,319	48,458	48,811	193,294	49,497	49,719	57,026	57,839	214,081
Segment Operating Income	27,390	26,185	27,444	27,840	108,859	28,366	27,699	29,982	28,602	114,649
Segment Operating Margin	*36.5%*	*35.1%*	*36.2%*	*36.3%*	*36.0%*	*36.4%*	*35.8%*	*34.5%*	*33.1%*	*34.9%*
Number of communities (period end)	83	83	84	84		84	84	111	112	
Total average units(1)	6,313	6,309	6,357	6,381		6,391	6,391	7,347	7,555	
Weighted average unit occupancy	89.6%	89.4%	89.8%	89.8%		89.0%	88.4%	88.6%	88.5%	
Senior Housing average monthly revenue per unit(2)	$ 4,313	$ 4,298	$ 4,318	$ 4,348		$ 4,447	$ 4,440	$ 4,394	$ 4,312	

Leased Properties without Purchase Options	**FY 2013**					**FY 2014**				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Revenue	222,754	222,602	226,158	226,394	897,908	231,330	232,817	404,000	456,405	1,324,552
Expenses	142,527	143,606	144,341	142,118	572,592	147,003	148,294	255,419	295,460	846,176
Segment Operating Income	80,227	78,996	81,817	84,276	325,316	84,327	84,523	148,581	160,945	478,376
Segment Operating Margin	*36.0%*	*35.5%*	*36.2%*	*37.2%*	*36.2%*	*36.5%*	*36.3%*	*36.8%*	*35.3%*	*36.1%*
Number of communities (period end)	246	246	245	245		245	245	472	471	
Total average units(1)	19,397	19,445	19,405	19,414		19,414	19,438	35,165	40,580	
Weighted average unit occupancy	87.9%	87.6%	88.5%	88.6%		88.2%	87.9%	88.6%	88.8%	

	FY 2013 Q1	FY 2013 Q2	FY 2013 Q3	FY 2013 Q4		FY 2014 Q1	FY 2014 Q2	FY 2014 Q3	FY 2014 Q4
Senior Housing average monthly revenue per unit(2)	$ 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**	**Q4**	**Full Year**
Revenue	564,172	562,245	569,982	576,484	2,272,883	586,893	587,983	860,086	928,500	2,963,462
Expenses	365,905	368,548	371,181	369,870	1,475,504	379,206	382,786	559,804	614,200	1,935,996
Operating Income	198,267	193,697	198,801	206,614	797,379	207,687	205,197	300,282	314,300	1,027,466
Operating Margin	*35.1%*	*34.5%*	*34.9%*	*35.8%*	*35.1%*	*35.4%*	*34.9%*	*34.9%*	*33.9%*	*34.7%*

	FY 2013 Q1	FY 2013 Q2	FY 2013 Q3	FY 2013 Q4	FY 2014 Q1	FY 2014 Q2	FY 2014 Q3	FY 2014 Q4
Number of communities (period end)	548	549	549	554	555	555	986	982
Total average units(1)	47,953	47,907	47,952	48,549	48,580	48,628	74,591	83,039
Weighted average unit occupancy	88.5%	88.3%	89.0%	89.0%	88.6%	88.1%	88.5%	88.3%
Senior Housing average monthly revenue per unit(2)	$ 4,375	$ 4,373	$ 4,397	$ 4,387	$ 4,491	$ 4,518	$ 4,317	$ 4,220

(1) Senior Housing 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.
Same Community and Capital Expenditure Information
As of December 31, 2014

Same Community Information

($ in 000s, except Avg. Mo. Revenue/Unit)	Legacy Brookdale Senior Housing Three Months Ended December 31,			Legacy Brookdale Senior Housing Year Ended December 31,		
	2014	**2013**	% Change	**2014**	**2013**	% Change
Revenue	$ 483,815	$ 470,145	2.9%	$ 1,885,371	$ 1,832,998	2.9%
Operating Expense	325,731	297,975	9.3%	1,223,943	1,177,932	3.9%
Facility Operating Income	$ 158,084	$ 172,170	-8.2%	$ 661,428	$ 655,066	1.0%
Facility Operating Margin	32.7%	36.6%	-3.9%	35.1%	35.7%	-0.6%
# Communities	509	509		500	500	
Avg. Period Occupancy	88.8%	89.6%	-0.8%	88.7%	89.2%	-0.5%
Avg. Mo. Revenue/Unit	$ 4,524	$ 4,356	3.9%	$ 4,514	$ 4,367	3.4%

	Legacy Emeritus Senior Housing Three Months Ended December 31,			Legacy Emeritus Senior Housing Year Ended December 31,		
	2014	**2013**	% Change	**2014**	**2013**	% Change
Revenue	$ 400,226	$ 400,672	-0.1%	$ 1,417,778	$ 1,405,712	0.9%
Operating Expense	258,896	254,229	1.8%	933,501	914,650	2.1%
Facility Operating Income	$ 141,330	$ 146,443	-3.5%	$ 484,277	$ 491,062	-1.4%
Facility Operating Margin	35.3%	36.5%	-1.2%	34.2%	34.9%	-0.7%
# Communities	442	442		397	397	
Avg. Period Occupancy	88.1%	89.0%	-0.9%	88.1%	88.2%	-0.1%
Avg. Mo. Revenue/Unit	$ 3,902	$ 3,867	0.9%	$ 3,957	$ 3,921	0.9%

	Combined Brookdale and Emeritus Senior Housing Three Months Ended December 31,			Combined Brookdale and Emeritus Senior Housing Year Ended December 31,		
	2014	**2013**	% Change	**2014**	**2013**	% Change
Revenue	$ 884,041	$ 870,817	1.5%	$ 3,303,149	$ 3,238,710	2.0%
Operating Expense	584,627	552,204	5.9%	2,157,444	2,092,582	3.1%
Facility Operating Income	$ 299,414	$ 318,613	-6.0%	$ 1,145,705	$ 1,146,128	-
Facility Operating Margin	33.9%	36.6%	-2.7%	34.7%	35.4%	-0.7%
# Communities	951	951		897	897	
Avg. Period Occupancy	88.4%	89.3%	-0.9%	88.4%	88.7%	-0.3%
Avg. Mo. Revenue/Unit	$ 4,220	$ 4,117	2.5%	$ 4,257	$ 4,162	2.3%

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 December 31,	
Type	**2014**	**2013**
Recurring	$ 16,353	$ 10,786
Corporate (1)	11,450	3,282
EBITDA-enhancing / Major Projects (2)	35,727	50,598
Program Max / Development, net (3)	21,610	17,119
Net Total Capital Expenditures (4)	$ 85,140	$ 81,785

(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 $6.6 million and $14.2 million for the three months ended December 31, 2014 and 2013, respectively.
(4) Approximately $16.9 million and $11.2 million of expense was recognized during the three months ended December 31, 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 December 31, 2014
($ in 000s)

Debt Maturities and Scheduled Principal Repayments

	Maturities						
	Mortgage Debt (1)	weighted rate (2)	**Line of Credit**	weighted rate (2)	**Capital and Financing Leases**	weighted rate (2)	**Total Debt**
2015	$ 159,923	4.53%	$ -	-	$ 52,084	8.16%	$ 212,007
2016	67,837	5.03%	-	-	134,497	9.78%	202,334
2017	556,195	5.87%	-	-	99,349	8.18%	655,544
2018	1,301,374	4.59%	-	-	93,182	7.66%	1,394,556
2019	148,471	6.09%	-	-	121,532	8.18%	270,003
Thereafter	1,282,930	4.03%	100,000	2.65%	2,148,582	8.58%	3,531,512
Total	$ 3,516,730	4.66%	$ 100,000	2.65%	$ 2,649,226	8.57%	$ 6,265,956

Coverage Ratios

	Year ended December 31, 2014				
	Units	FOI	Adj. FOI **	Interest/Cash Lease Payments	Coverage
Owned communities	35,032	$ 451,882	$ 369,286	$ 128,002	2.9x
Leased communities *	48,144	$ 614,377	$ 509,242	$ 456,177	1.1x

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

Debt Amortization

	Year ended December 31,	
	2014	2013
Scheduled debt amortization	$ 65,505	$ 50,425
Lease financing debt amortization - FMV or no purchase option (3)	28,618	13,927
Lease financing debt amortization - bargain purchase option	13,417	17,244
Total debt amortization	$ 107,540	$ 81,596

Line Availability

	12/31/13	**03/31/14**	**06/30/14**	**09/30/14**	**12/31/14**
Total line commitment	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 500,000
Line availability (5)	$ 250,000	$ 250,000	$ 250,000	$ 202,860	$ 488,389
Ending line balance	30,000	25,000	12,000	-	100,000
Available to draw	$ 220,000	$ 225,000	$ 238,000	$ 202,860	$ 388,389
Cash and cash equivalents	58,511	45,701	50,934	238,324	104,083
Total liquidity (available to draw + cash)	$ 278,511	$ 270,701	$ 288,934	$ 441,184	$ 492,472
Total letters of credit outstanding	$ 72,464	$ 71,675	$ 71,650	$ 74,488	$ 72,730

Leverage Ratios

		Annualized Leverage
Three months ended December 31, 2014 annualized Adjusted EBITDAR	1,190,948	
Less: cash lease expense	(386,360)	
Three months ended December 31, 2014 annualized Adjusted EBITDA	804,588	
Less: cash capital and financing lease payments	(240,804)	
Three months ended December 31, 2014 annualized Adjusted EBITDA after capital and financing lease payments	563,784	
Debt	**3,516,730**	**6.2x**
Line of credit	100,000	
Less: unrestricted cash	(104,083)	
Less: cash held as collateral against existing debt	(2,935)	
Total net debt	**3,509,712**	**6.2x**
Plus: Three months ended December 31, 2014 annualized cash capital and financing lease payments multiplied by 8	1,926,432	
Total net debt after capital and financing leases	**5,436,144**	**6.8x**
Three months ended December 31, 2014 annualized cash lease expense multiplied by 8	3,090,880	
Total adjusted net debt	**8,527,024**	**7.2x**

Debt Structure

	Balance	Weighted rate (2)
Fixed rate debt (1)	$ 2,553,870	5.28%
Variable rate debt (1)	962,860	3.01%
Capital and financing leases	2,649,226	8.57%
Line of credit (cash borrowings)	100,000	2.65%
Total debt	$ 6,265,956	

	Balance	% of total
Variable rate debt with interest rate caps (1) (4)	$ 826,220	85.8%
Variable rate debt - unhedged (1)	136,640	14.2%
Total variable rate debt (1)	$ 962,860	100.0%

(1) Includes mortgage debt and convertible notes, but excludes capital and financing leases and line of credit.
(2) Pertaining to variable rate debt, reflects a) market rates for stated reporting period and b) applicable cap rates for hedged debt.
(3) Payments are included in CFFO.
(4) Weighted cap rate for stated reporting period of 4.31% 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.

Brookdale Senior Living Inc.
CFFO Reconciliation
As of December 31, 2014

CFFO Calculation
($ in 000s)

	Three Months Ended December 31, 2014	Three Months Ended December 31, 2013
Net cash provided by operating activities (includes non-refundable entrance fees)	$ 85,804	$ 117,046
Changes in operating assets and liabilities (eliminates cash flow effect)	(18,610)	(27,473)
Add: Refundable entrance fees received	12	18,875
Less: Entrance fee refunds disbursed	(538)	(10,821)
Less: Recurring capital expenditures, net	(16,353)	(10,786)
Less: Lease financing debt amortization with fair market value or no purchase options	(10,028)	(3,594)
Less: Distributions from unconsolidated ventures from cumulative share of net earnings	(630)	(602)
Add: CFFO from unconsolidated ventures	11,662	1,825
Cash From Facility Operations	$ 51,319	$ 84,470
Add: Integration, transaction and EMR roll-out costs	46,023	4,078
Adjusted Cash From Facility Operations	$ 97,342	$ 88,548

Revenue Reconciliation (1)
($ in 000s except average monthly revenue per quarter)

	FY 2013					FY 2014					Q4 2014 CFFO Distribution		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Owned	Other (3)	Transaction/ Integration
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	4,220	4,357	4,202	4,232	-
Average monthly units (excluding equity homes) available	47,956	47,929	47,953	48,548	48,097	48,562	48,608	74,538	82,995	254,923	34,923	48,141	-
Average occupancy for the quarter	88.5%	88.3%	89.0%	89.0%	88.7%	88.6%	88.1%	88.5%	88.3%	88.3%	87.6%	88.7%	-
Senior Housing resident fee revenue	$ 557,039	$ 555,213	$ 562,969	$ 568,653	$ 2,243,874	$ 579,691	$ 580,436	$ 854,329	$ 927,786	$ 2,942,242	$ 385,654	$ 542,132	$ -
Add: Brookdale Ancillary Services segment revenue	60,198	58,693	61,162	62,097	242,150	63,417	65,534	95,426	113,458	337,835	-	113,458	-
Add: management fee revenue	7,609	7,744	7,622	8,150	31,125	7,402	7,489	10,428	16,920	42,239	-	16,920	-
Total revenues excluding entrance fee amortization	$ 624,846	$ 621,650	$ 631,753	$ 638,900	$ 2,517,149	$ 650,510	$ 653,459	$ 960,183	$1,058,164	$ 3,322,316	$ 385,654	$ 672,510	$ -

CFFO Reconciliation to the Income Statement													
Resident and management fee revenue	$ 631,979	$ 628,682	$ 638,766	$ 646,731	$ 2,546,158	$ 657,712	$ 661,006	$ 965,940	$1,058,878	$ 3,343,536	$ 385,654	$ 673,224	$ -
Less: Entrance fee amortization	(7,133)	(7,032)	(7,013)	(7,831)	(29,009)	(7,202)	(7,547)	(5,757)	(714)	(21,220)	-	(714)	-
Adjusted revenues	624,846	621,650	631,753	638,900	2,517,149	650,510	653,459	960,183	1,058,164	3,322,316	385,654	672,510	-
Less: Facility operating expenses	(413,003)	(416,027)	(420,579)	(422,336)	(1,671,945)	(429,870)	(435,415)	(637,084)	(707,999)	(2,210,368)	(260,901)	(447,098)	-
Add: Change in future service obligation	-	-	-	(1,917)	(1,917)	-	-	-	670	670	-	670	-
Adjusted facility operating expenses	(413,003)	(416,027)	(420,579)	(424,253)	(1,673,862)	(429,870)	(435,415)	(637,084)	(707,329)	(2,209,698)	(260,901)	(446,428)	-
Less: G&A including non-cash stock-based compensation expense	(46,018)	(44,944)	(44,161)	(45,504)	(180,627)	(44,665)	(47,008)	(90,020)	(98,574)	(280,267)	(16,055)	(44,221)	(38,298)
Less: Transaction costs	(593)	(1,091)	(1,663)	(574)	(3,921)	(10,844)	(6,808)	(41,572)	(7,725)	(66,949)	-	-	(7,725)
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	5,129	28,299	1,366	3,763	-
Net G&A (4)	(39,717)	(39,047)	(38,930)	(40,876)	(158,570)	(47,937)	(46,087)	(123,723)	(101,170)	(318,917)	(14,689)	(40,458)	(46,023)
Less: Facility lease expense	(69,019)	(68,777)	(69,232)	(69,701)	(276,729)	(69,869)	(70,030)	(91,462)	(92,469)	(323,830)	-	(92,469)	-
Add: Straight-line lease expense	748	684	818	347	2,597	(223)	(217)	2,840	(961)	1,439	-	(961)	-
Add: Amortization of (above) below market lease, net	-	-	-	-	-	-	-	(1,377)	(2,067)	(3,444)	-	(2,067)	-
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)	-	(1,093)	-
Net lease expense	(69,364)	(69,186)	(69,507)	(70,447)	(278,504)	(71,185)	(71,340)	(91,092)	(96,590)	(330,207)	-	(96,590)	-
Add: Entrance fee receipts	16,873	23,878	19,098	32,482	92,331	14,959	25,924	9,576	2,587	53,046	-	2,587	-
Less: Entrance fee disbursements	(9,320)	(7,456)	(7,728)	(10,821)	(35,325)	(8,446)	(9,213)	(7,668)	(538)	(25,865)	-	(538)	-
Net entrance fees	7,553	16,422	11,370	21,661	57,006	6,513	16,711	1,908	2,049	27,181	-	2,049	-
Adjusted EBITDA	**110,315**	**113,812**	**114,107**	**124,985**	**463,219**	**108,031**	**117,328**	**110,192**	**155,124**	**490,675**	**110,064**	**91,083**	**(46,023)**
Less: Recurring capital expenditures, net	(9,324)	(10,664)	(12,127)	(10,786)	(42,901)	(9,369)	(11,841)	(13,199)	(16,353)	(50,762)	(6,382)	(9,971)	-
Less: Interest expense, net	(30,668)	(29,591)	(29,170)	(30,557)	(119,986)	(29,677)	(29,372)	(73,030)	(91,933)	(224,012)	(41,759)	(50,174)	-
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)	(10,028)	(28,618)	-	(10,028)	-
Add: CFFO from unconsolidated ventures	1,958	2,099	1,922	1,825	7,804	2,241	1,996	9,435	11,662	25,334	-	11,662	-
Less: Other	(1,068)	(1,060)	(655)	2,597	(186)	133	2,528	217	2,847	5,725	-	2,847	-
Reported CFFO	**$ 67,842**	**$ 71,152**	**$ 70,559**	**$ 84,470**	**$ 294,023**	**$ 67,462**	**$ 76,656**	**$ 22,905**	**$ 51,319**	**$ 218,342**	**$ 61,923**	**$ 35,419**	**$ (46,023)**

	FY 2013 Q1	FY 2013 Q2	FY 2013 Q3	FY 2013 Q4	FY 2013 Full Year(2)	FY 2014 Q1	FY 2014 Q2	FY 2014 Q3	FY 2014 Q4	FY 2014 Full Year(2)	Q4 2014 Distribution Owned	Q4 2014 Distribution Other	Q4 2014 Distribution Transaction/ Integration
Add: integration, transaction and EMR roll-out costs	2,105	3,626	4,661	4,078	14,470	11,783	11,941	76,649	46,023	146,396	-	-	46,023
Adjusted CFFO	**$ 69,947**	**$ 74,778**	**$ 75,220**	**$ 88,548**	**$ 308,493**	**$ 79,245**	**$ 88,597**	**$ 99,554**	**$ 97,342**	**$ 364,738**	**$ 61,923**	**$ 35,419**	**$ -**

CFFO Per Share

($ except where indicated)	FY 2013					FY 2014					Q4 2014 Distribution		
	Q1	Q2	Q3	Q4	Full Year(2)	Q1	Q2	Q3	Q4	Full Year(2)	Owned	Other	Transaction/ Integration
Reported CFFO	$ 0.55	$ 0.58	$ 0.57	$ 0.68	$ 2.38	$ 0.54	$ 0.61	$ 0.14	$ 0.28	$ 1.57	$ 0.34	$ 0.19	$ (0.25)
Add: integration, transaction and EMR roll-out costs	0.02	0.03	0.04	0.03	0.12	0.10	0.10	0.49	0.25	0.94	-	-	0.25
Adjusted CFFO	$ 0.57	$ 0.61	$ 0.61	$ 0.71	$ 2.50	$ 0.64	$ 0.71	$ 0.63	$ 0.53	$ 2.51	$ 0.34	$ 0.19	$ -
Shares used in calculation of CFFO (000's)	122,823	123,405	124,128	124,308		124,478	125,058	159,003	183,432		183,432	183,432	183,432

(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.
(3) Other includes financial data and operating information from leased communities, Brookdale Ancillary Services, and Management Services.
(4) Allocation of G&A to Owned and Other is based upon a percentage of revenue and excludes non-cash stock-based compensation expense and integration, transaction and EMR roll-out costs.
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 December 31, 2014

CFFO from Unconsolidated Ventures reconciliation

($ in 000s)	Entrance Fee Ventures FY 2014 Q3	Entrance Fee Ventures FY 2014 Q4	Senior Housing Rental Ventures FY 2014 Q3	Senior Housing Rental Ventures FY 2014 Q4
Resident revenue	$ 33,257	$ 85,546	$ 80,862	$ 125,970
Less: Entrance fee amortization	(638)	(554)	-	-
Adjusted revenues	32,619	84,992	80,862	125,970
Less: Facility operating expenses	(25,040)	(69,459)	(51,698)	(84,306)
Add: Change in future service obligation	-	-	-	-
Adjusted facility operating expenses	(25,040)	(69,459)	(51,698)	(84,306)
Less: G&A including non-cash stock-based compensation expense	(6,015)	(3,777)	(3,925)	(6,077)
Add: G&A non-cash stock-based compensation expense	-	-	-	-
Net G&A	(6,015)	(3,777)	(3,925)	(6,077)
Add: Entrance fee receipts	16,112	26,210	-	-
Less: Entrance fee disbursements	(4,780)	(13,888)	-	-
Net entrance fees	11,332	12,322	-	-
Adjusted EBITDA	**12,896**	**24,078**	**25,239**	**35,587**
Less: Recurring capital expenditures, net	(193)	(1,347)	(974)	(2,431)
Less: Interest expense, net	(1,161)	(1,575)	(15,648)	(26,447)
Less: Other	-	-	-	(276)
Reported Cash From Facility Operations for Unconsolidated Ventures	**$ 11,542**	**$ 21,156**	**$ 8,617**	**$ 6,433**
Add: integration, transaction and EMR roll-out costs	4,088	210	738	-
Adjusted Cash From Facility Operations for Unconsolidated Ventures	**$ 15,630**	**$ 21,366**	**$ 9,355**	**$ 6,433**
Brookdale Weighted Average Ownership %	51.7%	51.0%	14.5%	11.9%
CFFO from Unconsolidated Ventures	**$ 8,081**	**$ 10,896**	**$ 1,354**	**$ 766**

Leverage Ratio for Unconsolidated Ventures

	Entrance Fee Ventures	Senior Housing Rental Ventures
Debt Principal as of December 31, 2014	$ 196,761	1,332,020
Annualized Adjusted EBITDA	96,312	142,348
Annualized Leverage	**2.0x**	**9.4x**

Unconsolidated Ventures Schedule of Capital Expenditures

($ in 000s) **Type**	FY 2014 Q3	FY 2014 Q4
Recurring	$ 1,167	$ 3,778
EBITDA-enhancing / Major Projects	5,247	17,199
Program Max / Development, net	2,758	3,665
Net Total Capital Expenditures	$ 9,172	$ 24,642

Brookdale Senior Living Inc.
Cash Lease and Interest Expense
As of December 31, 2014

Cash Lease and Interest Expense		
($ in 000s)	**FY 2014**	
	Q3	**Q4**
Facility Lease Payments		
Facility lease expense	91,462	92,469
Less: Straight-line lease expense	(1,463)	3,028
Add: Amortization of deferred gain	1,093	1,093
Cash lease payments - Operating Leases	91,092	96,590
Supplemental breakout:		
Communities with purchase options	5,590	6,320
Communities without purchase options	85,502	90,270
	91,092	96,590
Capital Lease Interest	40,916	56,873
Capital Lease Interest - noncash	(5,947)	(6,700)
Capital lease principal (1)	10,710	10,028
Net lease payments - Capital and Financing Leases	45,679	60,201
Supplemental breakout:		
Communities with purchase options	13,571	14,755
Communities without purchase options	32,108	45,446
	45,679	60,201
Total net lease payments	136,771	156,791
Interest Expense		
Property level debt interest expense	36,278	39,930
Convertible debt interest expense	2,174	2,174
Total debt interest payments	38,452	42,104
Less: interest income	(392)	(345)
Interest expense, net	38,060	41,759

(1) 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 December 31, 2014
($ in 000s)

Cash Flow Statements

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
Cash Flows from Operating Activities										
Net income (loss)	$ 3,558	$ (5,200)	$ (967)	$ (975)	$ (3,584)	$ (2,299)	$ (3,295)	$ (37,036)	$(106,796)	$(149,426)
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	2,621	6,387
Depreciation and amortization, net	69,228	71,602	72,744	72,237	285,811	74,334	75,166	178,810	216,202	544,512
Asset impairment	-	2,154	504	10,233	12,891	-	-	-	9,992	9,992
Equity in (earnings) loss of unconsolidated ventures	(115)	(445)	(431)	(493)	(1,484)	(636)	(1,523)	1,246	742	(171)
Distributions from unconsolidated ventures from cumulative share of net earnings	668	773	648	602	2,691	245	370	595	630	1,840
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	(7,133)	(7,032)	(7,013)	(7,831)	(29,009)	(7,202)	(7,547)	(5,757)	(714)	(21,220)
Proceeds from deferred entrance fee revenue	9,237	12,124	9,223	13,607	44,191	9,035	14,906	6,188	2,575	32,704
Deferred income tax (benefit) provision	-	-	-	(183)	(183)	598	(5)	(116,757)	(66,207)	(182,371)
Change in deferred lease liability	748	684	818	347	2,597	(223)	(217)	2,840	(961)	1,439
Change in fair value of derivatives	(135)	(1,836)	1,377	(386)	(980)	847	1,322	10	532	2,711
(Gain) loss on sale of assets	(926)	24	26	(96)	(972)	76	39	200	(761)	(446)
Change in future service obligation	-	-	-	(1,917)	(1,917)	-	-	-	670	670
Non-cash stock-based compensation	6,894	6,988	6,894	5,202	25,978	7,572	7,729	7,869	5,129	28,299
Non-cash interest expense on financing leases	-	-	-	-	-	-	-	5,947	6,700	12,647
Amortization of (above) below market rents, net	-	-	-	-	-	-	-	(1,377)	(2,067)	(3,444)
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	(21,576)	3,510
Prepaid expenses and other assets, net	9,140	(12,679)	734	10,288	7,483	(5,816)	(8,369)	(53,861)	15,178	(52,868)
Accounts payable and accrued expenses	(10,871)	12,926	18,540	13,242	33,837	(27,561)	14,245	6,222	23,906	16,812
Tenant refundable fees and security deposits	(335)	(258)	(235)	36	(792)	(615)	138	(674)	(32)	(1,183)
Deferred revenue	(5,316)	(1,018)	4,579	(126)	(1,881)	7,933	(7,459)	(4,978)	1,134	(3,370)
Net cash provided by operating activities	64,485	80,343	104,247	117,046	366,121	52,696	91,518	12,634	85,804	242,652
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	(52,204)	(48,944)

Decrease (increase) in cash and escrow deposits — restricted	826	2,195	(537)	8,242	10,726	6,627	(6,039)	14,052	42,295	56,935
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)	(91,712)	(304,245)
Acquisition of assets, net of related payables and cash received	(2)	(4,833)	(2,559)	(27,292)	(34,686)	(515)	-	(39,303)	(623)	(40,441)
Acquisition of Emeritus Corporation, net of cash acquired	-	-	-	-	-	-	-	28,429	-	28,429
(Issuance of) payment on notes receivable, net	(17)	(47)	159	73	168	76	2,564	73	556	3,269
Investment in unconsolidated ventures	(5,843)	(2,149)	(9,180)	-	(17,172)	-	-	(25,532)	(967)	(26,499)
Distributions received from unconsolidated ventures	-	-	100	1,500	1,600	-	2,643	9,414	218	12,275
Proceeds from sale of assets, net	440	7,114	-	26,582	34,136	-	-	-	4,339	4,339
Net cash used in investing activities	(58,162)	(47,463)	(72,276)	(86,905)	(264,806)	(53,522)	(74,617)	(88,645)	(98,098)	(314,882)
Cash Flows from Financing Activities										
Proceeds from debt	8,955	418,667	170,230	65,082	662,934	20,516	159,638	46,356	100,129	326,639
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)	(309,964)	(584,345)
Proceeds from line of credit	105,000	85,000	130,000	105,000	425,000	70,000	12,000	160,000	200,000	442,000
Repayment of line of credit	(140,000)	(60,000)	(155,000)	(120,000)	(475,000)	(75,000)	(25,000)	(172,000)	(100,000)	(372,000)
Proceeds from public equity offering, net	-	-	-	-	-	-	-	330,405	(19)	330,386
Payment of financing costs, net of related payables	(2,200)	(5,695)	(3,299)	(382)	(11,576)	(2,905)	2,087	(202)	(8,373)	(9,393)
Refundable entrance fees:										
Proceeds from refundable entrance fees	7,636	11,754	9,875	18,875	48,140	5,924	11,018	3,388	12	20,342
Refunds of entrance fees	(9,320)	(7,456)	(7,728)	(10,821)	(35,325)	(8,446)	(9,213)	(7,668)	(538)	(25,865)
Cash portion of loss on extinguishment of debt	-	(453)	(49)	-	(502)	-	(3,180)	(921)	-	(4,101)
Payment on lease termination	-	-	-	-	-	-	-	(3,875)	(3,875)	(7,750)
Purchase of derivatives	-	(1,489)	(1,374)	-	(2,863)	-	-	-	-	-
Other	315	321	327	318	1,281	328	394	486	681	1,889
Net cash (used in) provided by financing activities	(47,321)	(30,176)	(20,227)	(14,320)	(112,044)	(11,984)	(11,668)	263,401	(121,947)	117,802
Net (decrease) increase in cash and cash equivalents	(40,998)	2,704	11,744	15,821	(10,729)	(12,810)	5,233	187,390	(134,241)	45,572
Cash and cash equivalents at beginning of period	69,240	28,242	30,946	42,690	69,240	58,511	45,701	50,934	238,324	58,511
Cash and cash equivalents at end of period	$ 28,242	$ 30,946	$ 42,690	$ 58,511	$ 58,511	$ 45,701	$ 50,934	$ 238,324	$ 104,083	$ 104,083