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) May 9, 2016 (May 9, 2016)

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 May 9, 2016, Brookdale Senior Living Inc. (the "Company") issued a press release announcing its first quarter 2016 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 first quarter 2016 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 May 9, 2016

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: May 9, 2016

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 May 9, 2016
99.2	Supplemental Information

Exhibit 99.1

FOR IMMEDIATE RELEASE

Contact:
Brookdale Senior Living Inc.
Investors: Ross Roadman (615) 564-8104
rroadman@brookdale.com

Brookdale Announces First Quarter 2016 Results

Nashville, Tenn. May 9, 2016 – Brookdale Senior Living Inc. (NYSE: BKD) ("Brookdale" or the "Company") today reported financial and operating results for the first quarter of 2016. Highlights included:

- Total revenue was $1.3 billion for the first quarter of 2016, an increase of 1.2% from the first quarter of 2015.
- Adjusted EBITDA(1) was $219.6 million in the first quarter of 2016, excluding integration, transaction, transaction-related and strategic project costs.
- Adjusted CFFO(1) was $0.58 per share for the first quarter of 2016.
- Net loss attributable to Brookdale common stockholders was $0.26 per share for the first quarter of 2016, compared to $0.71 for the first quarter of 2015.
- Brookdale's liquidity position increased by more than $100 million from the fourth quarter of 2015.
- Reaffirmed full-year 2016 guidance.

(1) Adjusted EBITDA and Adjusted Cash From Facility Operations ("Adjusted CFFO") per share are financial measures that are not calculated in accordance with GAAP. Adjusted CFFO represents Cash From Facility Operations ("CFFO") excluding integration, transaction, transaction-related and strategic project costs. Please see "Reconciliation of Non-GAAP Financial Measures" below for the Company's definitions of each of these financial measures and a reconciliation of each measure to net income (loss).

Andy Smith, Brookdale's President and CEO, said, "Overall our first quarter 2016 results are where we expected them to be and, in fact, our first quarter Adjusted CFFO modestly exceeded our plan for the quarter. A disciplined approach to in-place rate increases and pricing led to strong revenue per occupied unit growth. We achieved a modest gain in senior housing revenues, despite occupancy being slightly below our expectations. We remain focused on execution in our core business to drive revenue and improve cash flow. The overall results for the quarter, and what we see as improving momentum during the period, allow us to confidently reiterate our previous guidance for the full year 2016."

Financial Results

Total revenue for the first quarter of 2016 was $1.3 billion compared to $1.2 billion for the prior year period. During the twelve months ended March 31, 2016, the Company has disposed of a total of 30 communities with 2,594 units, either through sales or lease terminations. These communities generated $7.4 million of revenue in the first quarter of 2016 compared to $20.5 million of revenue in the prior year period.

Resident fees of $1.1 billion for the first quarter of 2016 were an 0.8% increase over the first quarter of 2015. Average monthly revenue per occupied unit for the consolidated senior housing portfolio was $4,485 in the first quarter of 2016, an increase of 4.2% compared with the first quarter of 2015. Weighted average occupancy for all consolidated communities during the first quarter of 2016 was 86.1%.

Facility operating expenses for the first quarter of 2016 were $715.9 million, an increase of $19.0 million, or 2.7%, from the first quarter of 2015, and included approximately $4.2 million for an extra day of expenses due to the leap year.

Excluding management services in all periods, Brookdale's consolidated operating margin was 32.5% for the first quarter of 2016 versus 33.8% for the first quarter of 2015. Excluding the impact of the extra day due to the leap year, the margin for the first quarter of 2016 would have been approximately 32.9%.

Net loss attributable to Brookdale common stockholders for the first quarter of 2016 was $48.8 million, or $0.26 per share, versus net loss attributable to Brookdale common stockholders of $130.5 million, or $0.71 per share, for the first quarter of 2015.

Non-GAAP Financial Measures

For the Company's definitions of Adjusted EBITDA, CFFO and Adjusted CFFO (including on a per share basis), and Facility Operating Income, as well as a reconciliation of each of the non-GAAP financial measures from net income (loss), see "Reconciliation of Non-GAAP Financial Measures" below.

Facility Operating Income was $344.3 million in the first quarter of 2016, a decline of $10.3 million, or 2.9%, compared with the first quarter of 2015.

Adjusted EBITDA was $219.6 million in the first quarter of 2016 compared to $230.7 million in the first quarter of 2015, excluding integration, transaction, transaction-related and strategic project costs for the three months ended March 31, 2016 and March 31, 2015 of $20.0 million and $27.3 million, respectively. Adjusted EBITDA was $199.7 million in the first quarter of 2016, compared to $203.4 million for the first quarter of 2015, including integration, transaction, transaction-related and strategic project costs in both periods.

CFFO was $86.2 million in the first quarter of 2016, or $0.47 per share. Adjusted CFFO was $107.1 million, or $0.58 per share, for the first quarter of 2016, a decline of $8.3 million, or 7.2%, compared with the first quarter of 2015. Adjusted CFFO for the periods represents CFFO excluding $20.9 million and $27.3 million for the first quarter of 2016 and 2015, respectively, of integration, transaction, transaction-related and strategic project costs.

Operating Activities

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

Senior Housing

Revenue for the consolidated senior housing portfolio was $939.0 million for the first quarter of 2016, an increase of 0.2% from the first quarter of 2015. During the twelve months ended March 31, 2016, the Company has disposed or terminated leases of 30 communities with 2,594 senior housing units. These communities generated $7.4 million of revenue in the first quarter of 2016 compared to $20.5 million of revenue in the prior year period. Same community revenue for the consolidated senior housing portfolio for the three months ended March 31, 2016 increased 1.5% over the corresponding period in 2015. Weighted average revenue per occupied unit for senior housing increased 4.2% in the first quarter of 2016 from the first quarter of 2015.

Facility operating expenses were $608.2 million for the first quarter of 2016, an increase of 0.7% from the first quarter of 2015. Facilities operating expenses were adversely impacted by the costs of an extra day associated with leap year, totaling approximately $4.2 million. Consolidated same community operating expenses for the first quarter of 2016 increased by 2.7% over the first quarter of 2015.

Operating income for the senior housing portfolio declined by 0.6% from the first quarter of 2015, to $330.7 million for the first quarter of 2016. Same community operating income for the senior housing portfolio for the first quarter of 2016 declined by 0.8% from the first quarter of 2015.

Brookdale Ancillary Services

Revenue for the Company's ancillary services segment increased $6.8 million, or 5.9%, to $122.2 million for the first quarter of 2016 versus the prior year first quarter. The revenue increase was primarily due to an increase in home health average census and the roll-out of our home health and hospice services to additional units subsequent to the prior year period. Ancillary services operating expenses for the first quarter of 2016 increased $15.0 million, or 16.2%, over the first quarter of 2015, primarily due to an increase in expenses related to expansion of ancillary services into the legacy Emeritus communities. As a result, ancillary services operating income for the first quarter of 2016 was $14.5 million, a decline of 36.2% versus the first quarter of 2015.

Liquidity

Total liquidity for the Company was $301.9 million at March 31, 2016, including $70.9 million of unrestricted cash and cash equivalents and $231.0 million of availability on its secured credit facility. Proceeds from asset sales, refinancings and operating cash flow reduced the outstanding balance on our line of credit to $210.0 million at March 31, 2016 compared to $310.0 million at December 31, 2015.

Dispositions of Non-Core Assets

During 2015, the Company began an initiative to dispose of 34 owned communities that were identified as non-core assets that do not fit the Company's long-term strategy. Sixteen of these communities were sold during the fourth quarter of 2015. Seven of these communities were sold during the first quarter of 2016, producing net proceeds of $45.6 million. The results of operations of the disposed communities were previously reported in the Assisted Living and CCRC-Rental segments. As of March 31, 2016, $65.9 million was recorded as assets held for sale and $60.8 million of mortgage debt was included in the current portion of long-term debt within the Company's condensed consolidated balance sheet related to the remaining ten communities classified as held for sale. The sale of the remaining ten communities held for sale, plus an additional community not classified as held for sale, is expected to occur in 2016, although there can be no assurance that the transactions will close or if they do, when the actual closing will occur.

Outlook

Based on results year-to-date, the Company continues to expect 2016 full year Adjusted CFFO per share in a range of $2.45 to $2.55. The Company expects full year senior housing and ancillary services revenue to be in a range of $4.2 to $4.3 billion and full year Adjusted EBITDA to be in a range of $935 million to $955 million, excluding integration, transaction, transaction-related and strategic project costs. The Company also expects its full year capital expenditures (excluding recurring capital expenditures that are included in CFFO) to be in a range of $210 million to $220 million. The foregoing guidance excludes the potential impact of any acquisition or disposition activity other than the planned disposition of 17 communities classified as held for sale as of December 31, 2015.

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 first quarter 2016 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 first quarter ended March 31, 2016 on Tuesday, May 10, 2016 at 11:00 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 First 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 May 24, 2016 by dialing (855) 859-2056 (from within the U.S.) or (404) 537-3406 (from outside of the U.S.) and referencing access code "99312415". 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. Brookdale operates independent living, assisted living, and dementia-care communities and continuing care retirement centers, with approximately 1,121 communities in 47 states and the ability to serve approximately 108,000 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, sales and marketing initiatives and growth strategies and our expectations regarding their effect on our results; our expectations regarding the economy, the senior living industry, occupancy, pricing, revenue, cash flow, operating income, expenses, capital expenditures, Program Max opportunities, the integration of Emeritus, cost savings and synergies, liquidity and leverage, senior housing supply, the demand for senior housing, expansion, development and construction activity, acquisition opportunities, asset dispositions, the expansion of our ancillary services offerings, innovation and revenue growth opportunities, our share repurchase program, taxes, capital deployment, returns on invested capital, Adjusted EBITDA, CFFO and Adjusted CFFO on an aggregate and per-share basis, and/or Facility Operating Income (as such terms are defined herein). Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "could," "would," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "overestimate," "underestimate," "believe," "project," "predict," "continue," "plan," "target," or other similar words or expressions. 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 and our outstanding convertible notes) 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; our ability to successfully integrate acquisitions, including our acquisition of Emeritus; 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; and the ability to obtain, or delays in obtaining, cost savings and synergies from the Emeritus acquisition; 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. We expressly disclaim any obligation to release publicly any updates or revisions to any of these forward-looking statements 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 March 31, 2016	Three Months Ended March 31, 2015
Revenue		
Resident fees	$ 1,061,148	$ 1,052,232
Management fees	16,780	15,097
Reimbursed costs incurred on behalf of managed communities	185,228	180,552
Total revenue	1,263,156	1,247,881
Expense		
Facility operating expense (excluding depreciation and amortization of $114,103 and $208,823, respectively)	715,902	696,889
General and administrative expense (including non-cash stock-based compensation expense of $9,769 and $8,873, respectively)	92,621	89,530
Transaction costs	850	6,742
Facility lease expense	96,689	94,471
Depreciation and amortization	127,137	220,427
Asset impairment	3,375	-
Loss on facility lease termination	-	76,143
Costs incurred on behalf of managed communities	185,228	180,552
Total operating expense	1,221,802	1,364,754
Income (loss) from operations	41,354	(116,873)
Interest income	702	427
Interest expense:		
Debt	(43,990)	(42,348)
Capital and financing lease obligations	(50,579)	(53,203)
Amortization of deferred financing costs and debt premium (discount)	(2,310)	(381)
Change in fair value of derivatives	(24)	(550)
Debt modification and extinguishment costs	(1,110)	(44)
Equity in earnings of unconsolidated ventures	1,018	1,484
Other non-operating income	7,787	2,491
Income (loss) before income taxes	(47,152)	(208,997)
(Provision) benefit for income taxes	(1,665)	78,288
Net income (loss)	(48,817)	(130,709)
Net (income) loss attributable to noncontrolling interest	42	258
Net income (loss) attributable to Brookdale Senior Living Inc. common stockholders	$ (48,775)	$ (130,451)
Basic and diluted net income (loss) per share attributable to Brookdale Senior Living Inc. common stockholders	$ (0.26)	$ (0.71)
Weighted average shares used in computing basic and diluted net income (loss) per share	185,153	183,678

Condensed Consolidated Balance Sheets
(*in thousands*)

	March 31, 2016	December 31, 2015
Cash and cash equivalents	$ 70,862	$ 88,029
Cash and escrow deposits - restricted	28,645	32,570
Accounts receivable, net	146,791	144,053
Assets held for sale	65,906	110,620
Other current assets	155,295	122,671
Total current assets	467,499	497,943
Property, plant, and equipment and leasehold intangibles, net	8,004,357	8,031,376
Other assets, net	1,516,816	1,519,245
Total assets	$ 9,988,672	$ 10,048,564
Current liabilities	$ 855,915	$ 840,148
Long-term debt, less current portion	3,753,068	3,769,371
Capital and financing lease obligations, less current portion	2,403,191	2,427,438
Other liabilities	557,065	552,880
Total liabilities	7,569,239	7,589,837
Total Brookdale Senior Living Inc. stockholders' equity	2,419,636	2,458,888
Noncontrolling interest	(203)	(161)
Total equity	2,419,433	2,458,727
Total liabilities and equity	$ 9,988,672	$ 10,048,564

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

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Cash Flows from Operating Activities		
Net income (loss)	$ (48,817)	$ (130,709)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Loss on extinguishment of debt, net	139	44
Depreciation and amortization, net	129,447	220,808
Asset impairment	3,375	-
Equity in earnings of unconsolidated ventures	(1,018)	(1,484)
Distributions from unconsolidated ventures from cumulative share of net earnings	-	500
Amortization of deferred gain	(1,093)	(1,093)
Amortization of entrance fees	(926)	(767)
Proceeds from deferred entrance fee revenue	3,087	2,455
Deferred income tax provision (benefit)	934	(79,237)
Change in deferred lease liability	3,935	2,801
Change in fair value of derivatives	24	550
Gain on sale of assets	(2,749)	-
Non-cash stock-based compensation	9,769	8,873
Non-cash interest expense on financing lease obligations	6,439	5,700
Amortization of above (below) market rents, net	(1,733)	(1,959)
Other	(2,330)	-
Changes in operating assets and liabilities:		
Accounts receivable, net	(2,738)	(13,140)
Prepaid expenses and other assets, net	(36,554)	24,504
Accounts payable and accrued expenses	(1,388)	(38,773)
Tenant refundable fees and security deposits	(226)	(510)
Deferred revenue	12,766	11,494
Net cash provided by operating activities	70,343	10,057
Cash Flows from Investing Activities		
(Increase) decrease in lease security deposits and lease acquisition deposits, net	(1,210)	13,037
Decrease in cash and escrow deposits — restricted	72	12,289
Additions to property, plant, and equipment and leasehold intangibles, net	(108,510)	(79,129)
Acquisition of assets, net of related payables and cash received	(12,157)	(174,305)
Investment in unconsolidated ventures	(2,365)	(3,923)
Distributions received from unconsolidated ventures	1,724	-
Proceeds from sale of assets, net	45,584	-
Other	2,414	740
Net cash used in investing activities	(74,448)	(231,291)
Cash Flows from Financing Activities		
Proceeds from debt	177,370	85,365
Repayment of debt and capital and financing lease obligations	(84,016)	(47,555)
Proceeds from line of credit	357,000	445,000
Repayment of line of credit	(457,000)	(245,000)
Payment of financing costs, net of related payables	(818)	(1,481)
Refundable entrance fees:		
Proceeds from refundable entrance fees	535	36
Refunds of entrance fees	(1,128)	(829)
Cash portion of loss on extinguishment of debt	-	(44)
Payment on lease termination	(4,625)	(3,875)
Other	(380)	716
Net cash (used in) provided by financing activities	(13,062)	232,333
Net (decrease) increase in cash and cash equivalents	(17,167)	11,099
Cash and cash equivalents at beginning of period	88,029	104,083
Cash and cash equivalents at end of period	$ 70,862	$ 115,182

Reconciliation of Non-GAAP Financial Measures

This earnings release and the supplemental information referred to in the earnings release contain financial measures utilized by management to evaluate our financial and operating performance that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Each of these measures, Adjusted EBITDA, CFFO and Adjusted CFFO on an aggregate and per-share basis, and Facility Operating Income, should not be considered in isolation from or as superior to or as a substitute for net income (loss), income (loss) from operations, cash flows provided by or used in operations, or other financial measures determined in accordance with GAAP. We strongly urge you to review the reconciliations of such measures from GAAP net income (loss), along with our consolidated financial statements included herein. We caution investors that amounts presented in accordance with our definitions of Adjusted EBITDA, CFFO and Adjusted CFFO (including on a per share basis, and Facility Operating Income may not be comparable to similar measures disclosed by other companies, because not all companies calculate these non-GAAP measures in the same manner.

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss) before provision (benefit) for income taxes, non-operating (income) expense items, depreciation and amortization (including non-cash impairment charges), (gain) loss on sale or acquisition of communities (including gain (loss) on facility lease termination), 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) and Cash From Facility Operations from unconsolidated ventures. Management uses Adjusted EBITDA to, among other things, assess our overall financial and operating performance because this metric excludes non-cash items such as depreciation and amortization, asset impairment charges, non-cash stock-based compensation expense, gain (loss) on facility lease termination and straight-line lease expense, net of deferred gain amortization. In addition, management uses Adjusted EBITDA to assess decisions which are expected to facilitate meeting current financial goals as well as to achieve optimal financial performance, and to provide an indicator to determine if adjustments to current spending decisions are needed. We believe Adjusted EBITDA is useful to investors in evaluating our operating performance, results of operations and financial position because it is helpful in identifying trends in our day-to-day performance since the items excluded have little or no significance to our day-to-day operations and it provides an assessment of our expense management.

The table below reconciles Adjusted EBITDA from net income (loss) for the three months ended March 31, 2016 and March 31, 2015 (*in thousands*):

	Three Months Ended March 31,[1]	
	2016	**2015**
Net income (loss)	$ (48,817)	$ (130,709)
Provision (benefit) for income taxes	1,665	(78,288)
Equity in earnings of unconsolidated ventures	(1,018)	(1,484)
Debt modification and extinguishment costs	1,110	44
Other non-operating income	(7,787)	(2,491)
Interest expense:		
Debt	43,990	42,348
Capital and financing lease obligations	50,579	53,203
Amortization of deferred financing costs and debt (premium) discount	2,310	381
Change in fair value of derivatives	24	550
Interest income	(702)	(427)
Income (loss) from operations	41,354	(116,873)
Depreciation and amortization	127,137	220,427
Asset impairment	3,375	-
Loss on facility lease termination	-	76,143
Straight-line lease expense (income)	3,935	2,801
Amortization of (above) below market lease, net	(1,733)	(1,959)
Amortization of deferred gain	(1,093)	(1,093)
Amortization of entrance fees	(926)	(767)
Non-cash stock-based compensation expense	9,769	8,873
Entrance fee receipts[2]	3,622	2,491
Entrance fee disbursements	(1,128)	(829)
CFFO from unconsolidated ventures	15,354	14,213
Adjusted EBITDA	$ 199,666	$ 203,427

(1) The calculation of Adjusted EBITDA includes integration, transaction, transaction-related and strategic project costs of $20.0 million and $27.3 million for the three months ended March 31, 2016 and March 31, 2015, respectively. Integration costs include transition costs associated with the Emeritus merger and organizational restructuring (such as severance and retention payments and recruiting expenses), third party consulting expenses directly related to the integration of Emeritus (in areas such as cost savings and synergy realization, branding and technology and systems work), and internal costs such as training, travel and labor, reflecting time spent by Company personnel on integration activities and projects. Transaction and transaction-related costs include third party costs directly related to the acquisition of Emeritus, other acquisition and disposition activity, community financing and leasing activity and corporate capital structure assessment activities (including shareholder relations advisory matters), and are primarily comprised of legal, finance, consulting, professional fees and other third party costs. Strategic project costs include costs associated with certain strategic projects related to refining the Company's strategy, building out enterprise-wide capabilities for the post-merger platform (including the EMR roll-out project) and reducing costs and achieving synergies by capitalizing on scale.

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

CFFO and Adjusted CFFO

We define CFFO as net income (loss) before deferred income tax provision (benefit), non-operating (income) expense items, non-cash financing lease interest expense, (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), Cash From Facility Operations from unconsolidated ventures, recurring capital expenditures, net, lease financing debt amortization with fair market value or no purchase options, 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.

Adjusted CFFO represents CFFO, excluding integration, transaction, transaction-related and strategic project costs. Integration costs include transition costs associated with the Emeritus merger and organizational restructuring (such as severance and retention payments and recruiting expenses), third party consulting expenses directly related to the integration of Emeritus (in areas such as cost savings and synergy realization, branding and technology and systems work), and internal costs such as training, travel and labor, reflecting time spent by Company personnel on integration activities and projects. Transaction and transaction-related costs include third party costs directly related to the acquisition of Emeritus, other acquisition and disposition activity, community financing and leasing activity and corporate capital structure assessment activities (including shareholder relations advisory matters), and are primarily comprised of legal, finance, consulting, professional fees and other third party costs. Strategic project costs include costs associated with certain strategic projects related to refining the Company's strategy, building out enterprise-wide capabilities for the post-merger platform (including the EMR roll-out project) and reducing costs and achieving synergies by capitalizing on scale.

The calculations of CFFO per share and Adjusted CFFO per share are based on weighted average shares used in computing basic net income (loss) per share for the period, which excludes potentially dilutive common stock equivalents (unvested restricted stock, restricted stock units and convertible debt instruments and warrants).

Management uses these metrics to, among other things, assess our overall financial and operating performance because these metrics exclude non-cash items such as depreciation and amortization, asset impairment charges, non-cash stock-based compensation expense, gain (loss) on facility lease termination and straight-line lease expense, net of deferred gain amortization. In addition, management uses these metrics to assess decisions which are expected to facilitate meeting current financial goals as well as to achieve optimal financial performance, and to provide an indicator to determine if adjustments to current spending decisions are needed. We believe these metrics are useful to investors in evaluating our operating performance, results of operations and financial position because they are helpful in identifying trends in our day-to-day performance since the items excluded have little or no significance to our day-to-day operations and they provide an assessment of our expense management.

The table below reconciles CFFO and Adjusted CFFO (including on a per-share basis) from net income (loss) for the three months ended March 31, 2016 and March 31, 2015 (*in thousands*):

	Three Months Ended March 31,			
	2016		2015	
Net income (loss)	$	(48,817)	$	(130,709)
Deferred income tax provision (benefit)		934		(79,237)
Other non-operating income		(7,787)		(2,491)
Equity in earnings of unconsolidated ventures		(1,018)		(1,484)
Debt modification and extinguishment costs		1,110		44
Interest expense				
Amortization of deferred financing costs and debt (premium) discount		2,310		381
Change in fair value of derivatives		24		550
Non-cash interest expense on financing lease obligations		6,439		5,700
Loss on facility lease termination		-		76,143
Depreciation and amortization		127,137		220,427
Asset impairment		3,375		-
Straight-line lease expense (income)		3,935		2,801
Amortization of (above) below market lease, net		(1,733)		(1,959)
Amortization of deferred gain		(1,093)		(1,093)
Amortization of entrance fees		(926)		(767)
Non-cash stock-based compensation expense		9,769		8,873
Entrance fee receipts		3,622		2,491
Entrance fee disbursements		(1,128)		(829)
CFFO from unconsolidated ventures		15,354		14,213
Recurring capital expenditures, net		(13,281)		(15,003)
Lease financing debt amortization with fair market value or no purchase options		(13,809)		(12,439)
Other		1,737		2,491
CFFO	$	86,154	$	88,103
Integration, transaction, transaction-related and strategic project costs		20,928		27,300
Adjusted CFFO	$	107,082	$	115,403
Weighted average shares used in computing basic net income (loss) per share		185,153		184,175
CFFO per share	$	0.47	$	0.48
Adjusted CFFO per share	$	0.58	$	0.63

Facility Operating Income

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, amortization of deferred entrance fee revenue, change in future service obligation and management fees. Management uses Facility Operating Income to, among other things, assess our facility operating performance, to assess decisions which are expected to facilitate meeting current financial goals as well as to achieve optimal facility financial performance, and to provide an indicator to determine if adjustments to current spending decisions are needed. We believe Facility Operating Income is useful to investors in evaluating our facility operating performance because it is helpful in identifying trends in our day-to-day facility performance since the items excluded have little or no significance on our day-to-day facility operations and it provides and an assessment of our revenue generation and expense management.

The table below reconciles Facility Operating Income from net income (loss) for the three months ended March 31, 2016 and March 31, 2015 (*in thousands*):

	Three Months Ended March 31,	
	2016	**2015**
Net income (loss)	$ (48,817)	$ (130,709)
Provision (benefit) for income taxes	1,665	(78,288)
Equity in earnings of unconsolidated ventures	(1,018)	(1,484)
Debt modification and extinguishment costs	1,110	44
Other non-operating income	(7,787)	(2,491)
Interest expense:		
Debt	43,990	42,348
Capital and financing lease obligations	50,579	53,203
Amortization of deferred financing costs and debt (premium) discount	2,310	381
Change in fair value of derivatives	24	550
Interest income	(702)	(427)
Income (loss) from operations	41,354	(116,873)
Loss on facility lease termination	-	76,143
Depreciation and amortization	127,137	220,427
Asset impairment	3,375	-
Facility lease expense	96,689	94,471
General and administrative (including non-cash stock-based compensation expense)	92,621	89,530
Transaction costs	850	6,742
Amortization of entrance fees	(926)	(767)
Management fees	(16,780)	(15,097)
Facility Operating Income	$ 344,320	$ 354,576

Exhibit 99.2

Brookdale Senior Living Inc.
Corporate Overview - selected financial information
As of March 31, 2016

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. As of March 31, 2016, the Company operates independent living, assisted living and dementia-care communities and continuing care retirement centers ("CCRCs"), with 1,121 communities in 47 states and the ability to serve approximately 108,000 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	Period End Number of Communities	Period End Number of Units	Percentage of Q1 2016 Resident and Management Fees	Percentage of Q1 2016 Facility Operating Income
Owned	407	35,654	38.6%	38.0%
Leased	552	45,423	48.5%	53.4%
Brookdale Ancillary Services	N/A	N/A	11.3%	4.0%
Managed	162	27,238	1.6%	4.6%
Total	1,121	108,315	100.0%	100.0%
Operating Type - By Segment				
Retirement Centers	95	17,143	15.7%	20.6%
Assisted Living	820	53,507	57.3%	61.0%
CCRCs - Rental	44	10,427	14.1%	9.8%
Brookdale Ancillary Services	N/A	N/A	11.3%	4.0%
Management Services	162	27,238	1.6%	4.6%
Total	1,121	108,315	100.0%	100.0%

CFFO and Adjusted CFFO Per Share

($ except where indicated)	FY 2015 Q1	FY 2015 Q2	FY 2015 Q3	FY 2015 Q4	FY 2015 Full Year(2)	FY 2016 Q1
CFFO per share	$ 0.48	$ 0.44	$ 0.36	$ 0.44	$ 1.72	$ 0.47
Add: integration, transaction, transaction-related and strategic project costs (1)	0.15	0.16	0.23	0.14	0.68	0.11
Adjusted CFFO per share	$ 0.63	$ 0.60	$ 0.59	$ 0.58	$ 2.40	$ 0.58
Weighted average shares (000's) (3)	183,678	184,266	184,570	184,805		185,153
Period end outstanding shares (excluding unvested restricted shares) (000's)	184,143	184,500	184,779	184,885		185,803

(1) The calculation of Cash From Facility Operations ("CFFO") includes integration, transaction, transaction-related and strategic project costs of $20.9 million and $27.3 million for the three months ended March 31, 2016 and March 31, 2015, respectively. For the three months ended March 31, 2016, integration costs include $7.6 million of transition costs associated with the Emeritus merger and organizational restructuring (such as severance and retention payments and recruiting expenses), $0.8 million of third party consulting expenses directly related to the integration of Emeritus (in areas such as technology and systems work), and $1.6 million of internal costs such as training, travel and labor, reflecting time spent by Company personnel on integration activities and projects. Transaction and transaction-related costs of $1.8 million for the three months ended March 31, 2016 include third party costs directly related to acquisition and disposition activity, community financing and leasing activity and corporate capital structure assessment activities, and are primarily comprised of legal, finance, consulting, professional fees and other third party costs. Strategic project costs of $9.1 million for the three months ended March 31, 2016 include costs associated with certain strategic projects related to refining the Company's strategy, building out enterprise-wide capabilities for the post-merger platform (including the EMR roll-out project) and reducing costs and achieving synergies by capitalizing on scale.
(2) Full year CFFO per share for 2015 is calculated as the sum of the quarterly amounts for the year. Full year CFFO per share for 2016 will be calculated based on weighted average shares used in computing basic net income (loss) per share for the period.
(3) The calculations of CFFO per share and Adjusted CFFO per share are based on weighted average shares used in computing basic net income (loss) per share for the period, which excludes any potentially dilutive common stock equivalents (unvested restricted stock, restricted stock units and convertible debt instruments and warrants).

Investor Relations

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Note Regarding Non-GAAP Financial Measures. This supplemental presentation contains financial measures utilized by management to evaluate the Company's financial and operating performance that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Each of these measures, Adjusted EBITDA, CFFO and Adjusted CFFO (including on a per-share basis) and Facility Operating Income, should not be considered in isolation from or as superior to or as a substitute for net income (loss), income (loss) from operations, cash flows provided by or used in operations, or other financial measures determined in accordance with GAAP. This supplemental presentation should be read in conjunction with the Company's earnings release dated May 9, 2016 and the consolidated financial statements included therein. The Company strongly urges you to review the information under "Reconciliation of Non-GAAP Financial Measures" in such earnings release for the Company's definitions of each of these non-GAAP financial measures and a reconciliation of each measure to net income (loss). The Company cautions investors that amounts presented in accordance with the Company's definitions of such financial measures may not be comparable to similar measures disclosed by other companies, because not all companies calculate these non-GAAP financial measures in the same manner.

Brookdale Senior Living Inc.
Segment Financial Data
As of March 31, 2016

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

Retirement Centers	FY 2015 Q1 (1)	FY 2015 Q2	FY 2015 Q3	FY 2015 Q4	FY 2015 Full Year	FY 2016 Q1
Revenue	$ 163,486	$ 164,409	$ 164,415	$ 165,630	$ 657,940	$ 169,426
Expenses	92,962	92,365	94,081	93,275	372,683	94,977
Segment Operating Income	$ 70,524	$ 72,044	$ 70,334	$ 72,355	$ 285,257	$ 74,449
Segment Operating Margin	*43.1%*	*43.8%*	*42.8%*	*43.7%*	*43.4%*	*43.9%*
Number of communities (period end)	99	98	98	95	95	95
Total average units(2)	17,369	17,279	17,289	17,293	17,308	17,096
Weighted average unit occupancy	88.8%	88.4%	88.7%	89.1%	88.8%	88.9%
Senior Housing average monthly revenue per unit(3)	$ 3,533	$ 3,589	$ 3,573	$ 3,584	$ 3,570	$ 3,715

Assisted Living	FY 2015 Q1 (1)	FY 2015 Q2	FY 2015 Q3	FY 2015 Q4	FY 2015 Full Year	FY 2016 Q1
Revenue	$ 617,344	$ 611,838	$ 608,393	$ 607,882	$ 2,445,457	$ 617,270
Expenses	393,838	388,479	397,180	388,657	1,568,154	396,460
Segment Operating Income	$ 223,506	$ 223,359	$ 211,213	$ 219,225	$ 877,303	$ 220,810
Segment Operating Margin	*36.2%*	*36.5%*	*34.7%*	*36.1%*	*35.9%*	*35.8%*
Number of communities (period end)	837	833	832	820	820	820
Total average units(2)	55,073	54,700	54,592	54,492	54,714	53,510
Weighted average unit occupancy	87.2%	86.4%	86.5%	86.6%	86.7%	85.6%
Senior Housing average monthly revenue per unit(3)	$ 4,283	$ 4,316	$ 4,292	$ 4,296	$ 4,297	$ 4,493

CCRCs - Rental	FY 2015 Q1 (1)	FY 2015 Q2	FY 2015 Q3	FY 2015 Q4	FY 2015 Full Year	FY 2016 Q1
Revenue	$ 155,991	$ 151,561	$ 149,572	$ 147,448	$ 604,572	$ 152,260
Expenses	117,420	115,701	108,177	112,779	454,077	116,791
Segment Operating Income	$ 38,571	$ 35,860	$ 41,395	$ 34,669	$ 150,495	$ 35,469
Segment Operating Margin	*24.7%*	*23.7%*	*27.7%*	*23.5%*	*24.9%*	*23.3%*
Number of communities (period end)	45	46	45	44	44	44
Total average units(2)	10,480	10,543	10,515	10,405	10,486	10,335
Weighted average unit occupancy	86.0%	83.6%	83.9%	83.9%	84.4%	84.3%
Senior Housing average monthly revenue per unit(3)	$ 5,744	$ 5,697	$ 5,626	$ 5,601	$ 5,668	$ 5,790

Total Senior Housing	FY 2015 Q1 (1)	FY 2015 Q2	FY 2015 Q3	FY 2015 Q4	FY 2015 Full Year	FY 2016 Q1
Revenue	$ 936,821	$ 927,808	$ 922,380	$ 920,960	$ 3,707,969	$ 938,956
Expenses	604,220	596,545	599,438	594,711	2,394,914	608,228
Operating Income	$ 332,601	$ 331,263	$ 322,942	$ 326,249	$ 1,313,055	$ 330,728
Operating Margin	*35.5%*	*35.7%*	*35.0%*	*35.4%*	*35.4%*	*35.2%*
G&A Allocation(4)	$ 42,093	$ 37,399	$ 36,968	$ 42,881	$ 159,341	$ 44,524
Adjusted Operating Income	$ 290,508	$ 293,864	$ 285,974	$ 283,368	$ 1,153,714	$ 286,204
Adjusted Operating Margin	*31.0%*	*31.7%*	*31.0%*	*30.8%*	*31.1%*	*30.5%*
Number of communities (period end)	981	977	975	959	959	959
Total average units(2)	82,922	82,522	82,396	82,190	82,508	80,941
Weighted average unit occupancy	87.4%	86.5%	86.7%	86.8%	86.8%	86.1%
Senior Housing average monthly revenue per unit(3)	$ 4,305	$ 4,331	$ 4,303	$ 4,302	$ 4,310	$ 4,485

Brookdale Senior Living Inc.
Segment Financial Data
As of March 31, 2016

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

Brookdale Ancillary Services	FY 2015 Q1 (1)	FY 2015 Q2	FY 2015 Q3	FY 2015 Q4	FY 2015 Full Year	FY 2016 Q1
Revenue	$ 115,411	$ 116,170	$ 117,702	$ 119,875	$ 469,158	$ 122,192
Expenses	92,669	98,446	100,282	102,551	393,948	107,674
Segment Operating Income	$ 22,742	$ 17,724	$ 17,420	$ 17,324	$ 75,210	$ 14,518
Segment Operating Margin	*19.7%*	*15.3%*	*14.8%*	*14.5%*	*16.0%*	*11.9%*
G&A Allocation(4)	$ 8,251	$ 7,811	$ 6,678	$ 8,203	$ 30,943	$ 7,965
Adjusted Segment Operating Income	$ 14,491	$ 9,913	$ 10,742	$ 9,121	$ 44,267	$ 6,553
Adjusted Segment Operating Margin	*12.6%*	*8.5%*	*9.1%*	*7.6%*	*9.4%*	*5.4%*
Brookdale units served:						
Outpatient Therapy	59,660	61,385	66,581	63,938		60,949
Home Health	63,497	64,307	66,078	65,936		65,031
Outpatient Therapy treatment codes	636,413	667,836	612,970	588,984	2,506,203	509,651
Home Health average census	13,767	13,884	14,126	15,065	14,211	16,490

Total Senior Housing and Brookdale Ancillary Services	FY 2015 Q1 (1)	FY 2015 Q2	FY 2015 Q3	FY 2015 Q4	FY 2015 Full Year	FY 2016 Q1
Revenue	$ 1,052,232	$ 1,043,978	$ 1,040,082	$ 1,040,835	$ 4,177,127	$ 1,061,148
Expenses	696,889	694,991	699,720	697,262	2,788,862	715,902
Operating Income	$ 355,343	$ 348,987	$ 340,362	$ 343,573	$ 1,388,265	$ 345,246
Operating Margin	*33.8%*	*33.4%*	*32.7%*	*33.0%*	*33.2%*	*32.5%*
G&A Allocation (4)	$ 50,344	$ 45,210	$ 43,646	$ 51,084	$ 190,284	$ 52,489
Adjusted Operating Income	$ 304,999	$ 303,777	$ 296,716	$ 292,489	$ 1,197,981	$ 292,757
Adjusted Operating Margin	*29.0%*	*29.1%*	*28.5%*	*28.1%*	*28.7%*	*27.6%*

Management Services	FY 2015 Q1 (1)	FY 2015 Q2	FY 2015 Q3	FY 2015 Q4	FY 2015 Full Year	FY 2016 Q1
Revenue (Management Fees)	$ 15,097	$ 14,839	$ 14,694	$ 15,553	$ 60,183	$ 16,780
Expenses (G&A Allocation)(4)	9,755	8,878	9,978	11,506	40,117	11,256
Segment Operating Income	$ 5,342	$ 5,961	$ 4,716	$ 4,047	$ 20,066	$ 5,524
Segment Operating Margin	*35.4%*	*40.2%*	*32.1%*	*26.0%*	*33.3%*	*32.9%*
Number of communities (period end)	160	160	157	164	164	162
Total average units(2)	27,185	27,026	26,590	26,464	26,834	26,613
Weighted average occupancy	86.5%	85.2%	85.8%	86.6%	86.0%	87.1%
Senior Housing average monthly revenue per unit(3)	$ 4,277	$ 4,238	$ 4,224	$ 4,246	$ 4,249	$ 4,371

Total Senior Housing, Brookdale Ancillary and Management Services	FY 2015 Q1 (1)	FY 2015 Q2	FY 2015 Q3	FY 2015 Q4	FY 2015 Full Year	FY 2016 Q1
Revenue	$ 1,067,329	$ 1,058,817	$ 1,054,776	$ 1,056,388	$ 4,237,310	$ 1,077,928
Expenses	696,889	694,991	699,720	697,262	2,788,862	715,902
Operating Income	$ 370,440	$ 363,826	$ 355,056	$ 359,126	$ 1,448,448	$ 362,026
Operating Margin	*34.7%*	*34.4%*	*33.7%*	*34.0%*	*34.2%*	*33.6%*
G&A Allocation(4)	$ 60,099	$ 54,088	$ 53,624	$ 62,590	$ 230,401	$ 63,745
Adjusted Operating Income	$ 310,341	$ 309,738	$ 301,432	$ 296,536	$ 1,218,047	$ 298,281
Adjusted Operating Margin	*29.1%*	*29.3%*	*28.6%*	*28.1%*	*28.7%*	*27.7%*

(1) Certain prior period expense amounts have been reclassified to conform to the current financial statement presentation, with no effect on the Company's consolidated financial position or results of operations.
(2) Total average units operated represents the average number of units operated during the period, excluding equity homes.
(3) Senior Housing average monthly revenue per unit represents the average of total monthly resident fee revenues, excluding amortization of entrance fees and Brookdale Ancillary Services segment revenue, divided by average occupied units.
(4) Excludes non-cash stock-based compensation expense and integration, transaction, transaction-related and strategic project costs.

Brookdale Senior Living Inc.
Senior Housing Data by Ownership Type
As of March 31, 2016

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

Owned Properties	**FY 2015**					**FY 2016**
	Q1 (1)	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**
Revenue	$ 412,555	$ 411,576	$ 409,249	$ 412,678	$ 1,646,058	$ 415,775
Expenses	276,225	274,608	274,427	277,509	1,102,769	278,140
Segment Operating Income	$ 136,330	$ 136,968	$ 134,822	$ 135,169	$ 543,289	$ 137,635
Segment Operating Margin	*33.0%*	*33.3%*	*32.9%*	*32.8%*	*33.0%*	*33.1%*
Number of communities (period end)	422	424	424	413		407
Total average units(2)	36,923	37,182	37,128	37,431		36,248
Weighted average unit occupancy	86.5%	85.4%	85.7%	85.9%		85.5%
Senior Housing average monthly revenue per unit(3)	$ 4,305	$ 4,319	$ 4,286	$ 4,277		$ 4,470

Leased Properties with Purchase Options	**FY 2015**					**FY 2016**
	Q1 (1)	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**
Revenue	$ 82,064	$ 79,516	$ 79,568	$ 75,462	$ 316,610	$ 77,455
Expenses	52,414	50,638	51,187	47,852	202,091	49,583
Segment Operating Income	$ 29,650	$ 28,878	$ 28,381	$ 27,610	$ 114,519	$ 27,872
Segment Operating Margin	*36.1%*	*36.3%*	*35.7%*	*36.6%*	*36.2%*	*36.0%*
Number of communities (period end)	103	101	101	96		95
Total average units(2)	7,027	6,803	6,806	6,340		6,336
Weighted average unit occupancy	87.8%	86.7%	87.4%	88.2%		87.8%
Senior Housing average monthly revenue per unit(3)	$ 4,433	$ 4,492	$ 4,458	$ 4,498		$ 4,641

Leased Properties without Purchase Options	**FY 2015**					**FY 2016**
	Q1 (1)	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**
Revenue	$ 442,202	$ 436,716	$ 433,563	$ 432,820	$ 1,745,301	$ 445,726
Expenses	275,581	271,299	273,824	269,350	1,090,054	280,505
Segment Operating Income	$ 166,621	$ 165,417	$ 159,739	$ 163,470	$ 655,247	$ 165,221
Segment Operating Margin	*37.7%*	*37.9%*	*36.8%*	*37.8%*	*37.5%*	*37.1%*
Number of communities (period end)	456	452	450	450		457
Total average units(2)	38,972	38,537	38,462	38,419		38,357
Weighted average unit occupancy	88.2%	87.4%	87.5%	87.3%		86.4%
Senior Housing average monthly revenue per unit(3)	$ 4,282	$ 4,313	$ 4,289	$ 4,294		$ 4,474

Total Senior Housing	**FY 2015**					**FY 2016**
	Q1 (1)	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**
Revenue	$ 936,821	$ 927,808	$ 922,380	$ 920,960	$ 3,707,969	$ 938,956
Expenses	604,220	596,545	599,438	594,711	2,394,914	608,228
Operating Income	$ 332,601	$ 331,263	$ 322,942	$ 326,249	$ 1,313,055	$ 330,728
Operating Margin	*35.5%*	*35.7%*	*35.0%*	*35.4%*	*35.4%*	*35.2%*
Number of communities (period end)	981	977	975	959		959
Total average units(2)	82,922	82,522	82,396	82,190		80,941
Weighted average unit occupancy	87.4%	86.5%	86.7%	86.8%		86.1%
Senior Housing average monthly revenue per unit(3)	$ 4,305	$ 4,331	$ 4,303	$ 4,302		$ 4,485

(1) Certain prior period expense amounts have been reclassified to conform to the current financial statement presentation, with no effect on the Company's consolidated financial position or results of operations.
(2) Total average units operated represents the average number of units operated during the period, excluding equity homes.
(3) Senior Housing average monthly revenue per unit represents the average of total monthly resident fee 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 March 31, 2016

Senior Housing Same Community Information

($ in 000s, except Senior Housing average monthly revenue per unit)	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	% Change
Revenue	$ 901,258	$ 888,230	1.5%
Operating Expense	582,300	566,823	2.7%
Same Community Operating Income	$ 318,958	$ 321,407	-0.8%
Same Communitity Operating Margin	35.4%	36.2%	-0.8%
Number of communities (period end)	934	934	
Weighted average unit occupancy	86.3%	88.2%	-1.9%
Senior Housing average monthly revenue per unit	$ 4,466	$ 4,306	3.7%

Same community information reflects historical results from senior housing operations for same store communities (utilizing the Company's methodology for determining same store communities).

Schedule of Capital Expenditures
($ in 000s)

Type	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Recurring	$ 15,283	$ 16,762
Less: reimbursements	(2,002)	(1,759)
Net Recurring (1)	13,281	15,003
EBITDA-enhancing / Major Projects (2)	32,478	26,136
Program Max, net (3)	4,214	9,139
Corporate, integration and other (4)	11,275	13,555
Total Capital Expenditures (5)	$ 61,248	$ 63,833

(1) Payments are included in CFFO.
(2) Includes EBITDA-enhancing projects (primarily community renovations and apartment upgrades) and other major building infrastructure projects. Amounts shown are amounts invested, net of third party lessor funding of $7.0 million and $2.8 million for the three months ended March 31, 2016 and 2015, respectively.
(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 of $8.8 million and $10.7 million for the three months ended March 31, 2016 and 2015, respectively.
(4) Corporate, integration and other includes capital expenditures for information technology systems and equipment and expenditures supporting the expansion of our support platform and ancillary services programs.
(5) Amounts shown are gross expenditures (including related payables), net of lessor reimbursements. Approximately $16.9 million and $14.9 million of expense was recognized during the three months ended March 31, 2016 and 2015, respectively, for normal repairs and maintenance and capital spend under $1,500 per invoice, except for unit turnovers.

Brookdale Senior Living Inc.
Capital Structure - selected financial information
As of March 31, 2016
($ in 000s)

Debt Maturities and Scheduled Principal Repayments

	Maturities						
	Mortgage Debt (1)	weighted rate (2)	**Line of Credit**	weighted rate (2)	**Financing Leases**	weighted rate (2)	**Total Debt**
2016 (3)	$ 171,061	4.72%	$ -	-	$ 47,702	7.84%	$ 218,763
2017	291,470	5.60%	-	-	94,090	8.34%	385,560
2018	1,185,445	4.45%	-	-	117,803	7.81%	1,303,248
2019	137,399	5.79%	-	-	100,437	7.39%	237,836
2020	491,958	5.03%	210,000	3.87%	50,115	7.46%	752,073
Thereafter	1,451,376	3.88%	-	-	2,083,063	8.13%	3,534,439
Total	$ 3,728,709	4.46%	$ 210,000	3.87%	$ 2,493,210	8.07%	$ 6,431,919

Coverage Ratios

	Three months ended March 31, 2016 (4)				
		Senior Housing		Interest/Cash	
	Units	Operating Income	Adj. Operating Income **	Lease Payments	Coverage
Owned communities	35,654	$ 137,635	$ 113,725	$ 43,990	2.6x
Leased communities *	45,423	$ 193,093	$ 162,959	$ 153,529	1.1x

* Leased communities include communities subject to capital and financing leases.
** Adjusted for 5% management fee and capital expenditures @ $350/unit.

Debt Amortization

	Three months ended March 31,	
	2016	**2015**
Scheduled debt amortization	$ 21,545	$ 22,384
Lease financing debt amortization - FMV or no purchase option (5)	13,809	12,439
Lease financing debt amortization - bargain purchase option	1,623	1,158
Total debt amortization	$ 36,977	$ 35,981

Line Availability

	03/31/15	**06/30/15**	**09/30/15**	**12/31/15**	**03/31/16**
Total line commitment	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000
Line of credit (6)	$ 466,746	$ 468,092	$ 443,378	$ 416,605	$ 441,048
Ending line balance	300,000	270,000	310,000	310,000	210,000
Available to draw	$ 166,746	$ 198,092	$ 133,378	$ 106,605	$ 231,048
Cash and cash equivalents	115,182	78,496	70,391	88,029	70,862
Total liquidity (available to draw + cash)	$ 281,928	$ 276,588	$ 203,769	$ 194,634	$ 301,910
Total letters of credit outstanding	$ 83,935	$ 83,685	$ 83,940	$ 82,413	$ 86,667

Leverage Ratios (7)

		Annualized Leverage
Trailing twelve months ended March 31, 2016 Adjusted EBITDAR	$ 1,272,064	
Less: cash lease payments	(373,006)	
Adjusted EBITDA	899,058	
Less: cash capital and financing lease payments	(236,963)	
Adjusted EBITDA after capital and financing lease payments	662,095	
Debt (1)	**3,728,709**	**5.6x**
Line of credit	210,000	
Less: unrestricted cash	(70,862)	
Less: cash held as collateral against existing debt	(4,846)	
Total net debt	**3,863,001**	**5.8x**
Plus: cash capital and financing lease payments multiplied by 8	1,895,704	
Total net debt including capital and financing leases	**5,758,705**	**6.4x**

Plus: cash lease payments multiplied by 8	2,984,048	
Total adjusted net debt	**$ 8,742,753**	**6.9x**

Debt Structure

	Balance	Weighted rate (2)
Fixed rate debt (1)	$ 2,472,764	5.14%
Variable rate debt (1)	1,255,945	3.12%
Capital and financing leases	2,493,210	8.07%
Line of credit (cash borrowings)	210,000	3.87%
Total debt	$ 6,431,919	

	Balance	% of total
Variable rate debt with interest rate caps (1) (8)	$ 949,910	75.6%
Variable rate debt - unhedged (1)	306,035	24.4%
Total variable rate debt (1)	$ 1,255,945	100.0%

(1) Includes mortgage debt, convertible notes and other notes payable, but excludes capital and financing leases and line of credit.
(2) Pertaining to variable rate debt, reflects a) market rates as of March 31, 2016 and b) applicable cap rates for hedged debt.
(3) Maturities of mortgage debt in 2016 includes the following debt instruments with post-2016 scheduled maturity dates: (i) $61 million of debt on Assets Held for Sale and (ii) $29 million of demand notes payable to the unconsolidated entrance fee venture, which we utilize in certain states in lieu of cash reserves.
(4) Senior housing operating income and adjusted operating income exclude Brookdale Ancillary Services segment operating income.
(5) Payments are included in CFFO.
(6) The actual amount available to borrow under the line of credit 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.
(7) Adjusted EBITDAR and Adjusted EBITDA as reported in the calculation of leverage ratios exclude integration, transaction, transaction-related and strategic project costs of $109.4 million (excluding $7.9 million of debt modification costs included in CFFO) for the trailing twelve months ended March 31, 2016.
(8) Weighted cap rate for stated reporting period of 4.33% is materially above current market rates, therefore caps have no impact on consolidated interest expense for given period.

Brookdale Senior Living Inc.
CFFO Reconciliation
As of March 31, 2016

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

	FY 2015					FY 2016	Q1 2016 CFFO Distribution		
	Q1 (3)	Q2	Q3	Q4	Full Year	Q1	Owned	Other (4)	Transaction/ Integration
Revenue reconciliation excluding entrance fee amortization									
Senior Housing average monthly revenue per unit	$ 4,305	$ 4,331	$ 4,303	$ 4,302	$ 4,310	$ 4,485	$ 4,470	$ 4,496	$ -
Weighted average monthly units (excluding equity homes) available	82,927	82,470	82,358	82,132	82,524	80,971	36,263	44,711	-
Weighted average unit occupancy	87.4%	86.5%	86.7%	86.8%	86.8%	86.1%	85.5%	86.6%	-
Senior Housing resident fee revenue	$ 936,054	$ 926,878	$ 921,761	$ 920,072	$ 3,704,765	$ 938,030	$ 415,775	$ 522,255	$ -
Add: Brookdale Ancillary Services segment revenue	115,411	116,170	117,702	119,875	469,158	122,192	-	122,192	-
Add: Management fee revenue	15,097	14,839	14,694	15,553	60,183	16,780	-	16,780	-
Total revenues excluding entrance fee amortization	$1,066,562	$1,057,887	$1,054,157	$1,055,500	$ 4,234,106	$1,077,002	$ 415,775	$ 661,227	$ -

CFFO Reconciliation to the Income Statement
($ in 000s)

	Q1 (3)	Q2	Q3	Q4	Full Year	Q1	Owned	Other (4)	Transaction/ Integration
Resident and management fee revenue	$1,067,329	$1,058,817	$1,054,776	$1,056,388	$ 4,237,310	$1,077,928	$ 415,775	$ 662,153	$ -
Less: Entrance fee amortization	(767)	(930)	(619)	(888)	(3,204)	(926)	-	(926)	-
Adjusted revenues	1,066,562	1,057,887	1,054,157	1,055,500	4,234,106	1,077,002	415,775	661,227	-
Less: Facility operating expenses	(696,889)	(694,991)	(699,720)	(697,262)	(2,788,862)	(715,902)	(278,140)	(437,762)	-
Add: Change in future service obligation	-	-	-	(941)	(941)	-	-	-	-
Adjusted facility operating expenses	(696,889)	(694,991)	(699,720)	(698,203)	(2,789,803)	(715,902)	(278,140)	(437,762)	-
Less: G&A including non-cash stock-based compensation expense	(89,530)	(89,545)	(99,534)	(91,970)	(370,579)	(92,621)	(19,715)	(53,799)	(19,107)
Less: Transaction costs	(6,742)	(421)	-	(1,089)	(8,252)	(850)	-	-	(850)
Add: G&A non-cash stock-based compensation expense	8,873	6,851	10,147	5,780	31,651	9,769	-	9,769	-
Net G&A (5)	(87,399)	(83,115)	(89,387)	(87,279)	(347,180)	(83,702)	(19,715)	(44,030)	(19,957)
Less: Facility lease expense	(94,471)	(91,338)	(91,144)	(90,621)	(367,574)	(96,689)	-	(96,689)	
Add: Straight-line lease expense	2,801	1,919	1,731	505	6,956	3,935	-	3,935	-
Add: Amortization of (above) below market lease, net	(1,959)	(1,840)	(1,626)	(1,733)	(7,158)	(1,733)	-	(1,733)	-
Less: Amortization of deferred gain	(1,093)	(1,093)	(1,093)	(1,093)	(4,372)	(1,093)	-	(1,093)	-
Net lease expense	(94,722)	(92,352)	(92,132)	(92,942)	(372,148)	(95,580)	-	(95,580)	-
Add: Entrance fee receipts	2,491	3,408	4,498	2,655	13,052	3,622	-	3,622	-
Less: Entrance fee disbursements	(829)	(988)	(1,434)	(1,160)	(4,411)	(1,128)	-	(1,128)	-

Net entrance fees	1,662	2,420	3,064	1,495	8,641	2,494	-	2,494	-
Add: CFFO from unconsolidated ventures	14,213	11,177	15,481	18,896	59,767	15,354	-	15,354	-
Adjusted EBITDA	**203,427**	**201,026**	**191,463**	**197,467**	**793,383**	**199,666**	**117,920**	**101,703**	**(19,957)**
Less: Recurring capital expenditures, net	(15,003)	(17,425)	(14,531)	(13,978)	(60,937)	(13,281)	(6,019)	(7,262)	-
Less: Interest expense, net	(89,424)	(90,530)	(90,847)	(88,738)	(359,539)	(87,428)	(43,990)	(43,438)	-
Less: Lease financing debt amortization with fair market value or no purchase options	(12,439)	(12,756)	(12,852)	(13,249)	(51,296)	(13,809)	-	(13,809)	-
Less: Other	1,542	607	(6,983)	281	(4,553)	1,006	-	1,977	(971)
CFFO	**$ 88,103**	**$ 80,922**	**$ 66,250**	**$ 81,783**	**$ 317,058**	**$ 86,154**	**$ 67,911**	**$ 39,171**	**$ (20,928)**
Add: integration, transaction, transaction-related and strategic project costs	27,300	29,027	42,499	24,853	123,679	20,928	-	-	20,928
Adjusted CFFO	**$ 115,403**	**$ 109,949**	**$ 108,749**	**$ 106,636**	**$ 440,737**	**$ 107,082**	**$ 67,911**	**$ 39,171**	**$ -**

CFFO and Adjusted CFFO Per Share									
($ except where indicated)	**FY 2015**					**FY 2016**	**Q1 2016 Distribution**		
	Q1	**Q2**	**Q3**	**Q4**	**Full Year(2)**	**Q1**	**Owned**	**Leased**	**Transaction/ Integration**
CFFO per share	$ 0.48	$ 0.44	$ 0.36	$ 0.44	$ 1.72	$ 0.47	$ 0.37	$ 0.21	$ (0.11)
Add: integration, transaction, transaction-related and strategic project costs	0.15	0.16	0.23	0.14	0.68	0.11	-	-	0.11
Adjusted CFFO per share	$ 0.63	$ 0.60	$ 0.59	$ 0.58	$ 2.40	$ 0.58	$ 0.37	$ 0.21	$ -
Weighted average shares (000's) (6)	183,678	184,266	184,570	184,805		185,153	185,153	185,153	185,153

(1) Revenue excludes reimbursed costs incurred on behalf of managed communities.
(2) Full year CFFO per share for 2015 is calculated as the sum of the quarterly amounts for the year. Full year CFFO per share for 2016 will be calculated based on weighted average shares used in computing basic net income (loss) per share for the period.

(3) Certain prior period expense amounts have been reclassified to conform to the current financial statement presentation, with no effect on the Company's consolidated financial position or results of operations.
(4) Other includes financial data from leased communities, Brookdale Ancillary Services, and Management Services.
(5) 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, transaction-related and strategic project costs.
(6) The calculations of CFFO per share and Adjusted CFFO per share are based on weighted average shares used in computing basic net income (loss) per share for the period, which excludes any potentially dilutive common stock equivalents (unvested restricted stock, restricted stock units and convertible debt instruments and warrants).

Brookdale Senior Living Inc.
CFFO from Unconsolidated Ventures
As of March 31, 2016

CFFO from Unconsolidated Ventures Reconciliation
($ in 000s except Senior Housing average monthly revenue per unit)

	CCRC Venture						Other Ventures					
	FY 2015					FY 2016	FY 2015					FY 2016
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**
Number of communities (period end)	14	14	14	15		15	86	122	122	125		125
Total average units	6,843	6,848	6,919	7,068		7,187	11,949	12,082	17,219	17,283		17,481
Weighted average unit occupancy	85.3%	84.4%	84.0%	84.8%		86.1%	86.6%	86.0%	87.5%	88.1%		88.2%
Senior Housing average monthly revenue per unit	$ 4,929	$ 4,829	$ 4,887	$ 4,901		$ 4,966	$ 4,110	$ 4,119	$ 3,930	$ 3,947		$ 4,092
Resident fee revenue	$ 87,473	$ 85,179	$ 87,059	$ 89,830	$ 349,541	$ 95,639	$127,513	$126,435	$ 177,678	$ 180,362	$ 611,988	$ 189,291
Less: Entrance fee amortization	(1,141)	(1,482)	(1,828)	(1,718)	(6,169)	(3,395)	-	-		-	-	
Adjusted revenues	86,332	83,697	85,231	88,112	343,372	92,244	127,513	126,435	177,678	180,362	611,988	189,291
Less: Facility operating expenses	(67,451)	(68,544)	(70,756)	(70,788)	(277,539)	(73,580)	(83,469)	(83,094)	(117,433)	(116,343)	(400,339)	(120,111)
Less: General and administrative expenses including management fees	(4,707)	(4,691)	(4,765)	(5,345)	(19,508)	(5,241)	(6,153)	(6,080)	(8,625)	(9,344)	(30,202)	(10,147)
Add: Entrance fee receipts	23,251	26,040	27,744	35,017	112,052	25,882	-	-	-	-	-	-
Less: Entrance fee disbursements	(9,181)	(13,042)	(10,875)	(9,565)	(42,663)	(10,776)	-	-	-	-	-	-
Net entrance fees	14,070	12,998	16,869	25,452	69,389	15,106	-	-	-	-	-	-
Adjusted EBITDA	**28,244**	**23,460**	**26,579**	**37,431**	**115,714**	**28,529**	**37,891**	**37,261**	**51,620**	**54,675**	**181,447**	**59,033**
Less: Recurring capital expenditures, net	(1,159)	(1,898)	(1,860)	(2,201)	(7,118)	(1,522)	(2,336)	(2,760)	(3,577)	(4,052)	(12,725)	(2,794)
Less: Interest expense, net	(1,530)	(1,500)	(1,528)	(1,462)	(6,020)	(1,433)	(25,845)	(26,198)	(34,371)	(35,300)	(121,714)	(35,206)
Less: Other	-	-	-	(8)	(8)	10	(613)	(103)	(300)	(616)	(1,632)	(759)
CFFO	**$ 25,555**	**$ 20,062**	**$ 23,191**	**$ 33,760**	**$ 102,568**	**$ 25,584**	**$ 9,097**	**$ 8,201**	**$ 13,372**	**$ 14,707**	**$ 45,377**	**$ 20,274**
Add: Integration, transaction, transaction-related and strategic project costs (1)	-	-	4,683	-	4,683	-	-	-	-	-	-	-
Adjusted CFFO	**$ 25,555**	**$ 20,062**	**$ 27,874**	**$ 33,760**	**$ 107,251**	**$ 25,584**	**$ 9,097**	**$ 8,201**	**$ 13,372**	**$ 14,707**	**$ 45,377**	**$ 20,274**

Brookdale Weighted Average Ownership %	51.0%	51.0%	51.0%	51.0%	51.0%	51.0%	13.0%	11.5%	9.5%	11.4%	11.2%	11.4%
CFFO from Unconsolidated Ventures	**$ 13,033**	**$ 10,232**	**$ 14,216**	**$ 17,218**	**$ 54,698**	**$ 13,048**	**$ 1,180**	**$ 945**	**$ 1,265**	**$ 1,678**	**$ 5,069**	**$ 2,306**

Leverage Ratio for Unconsolidated Ventures		
Debt Principal as of March 31, 2016	$210,517	$1,972,843
Annualized Adjusted EBITDA	114,116	236,132
Leverage	**1.8x**	**8.4x**

Unconsolidated Ventures Schedule of Capital Expenditures

($ in 000s)	**FY 2015**					**FY 2016**
Type	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**
Recurring	$ 3,495	$ 4,658	$ 5,437	$ 6,253	$ 19,843	$ 4,316
EBITDA-enhancing / Major Projects	13,243	24,562	27,167	37,079	$ 102,051	17,490
Program Max	4,340	7,685	6,178	8,332	$ 26,535	5,756
Total Capital Expenditures	$ 21,078	$ 36,905	$ 38,782	$ 51,664	$ 148,429	$ 27,562

(1) Integration, transaction, transaction-related and strategic project costs include third party expenses directly related to integration activities, as well as internal costs such as labor reflecting time spent by Company personnel on integration and strategic project activity. Transaction costs include third party costs directly related to the formation of the unconsolidated ventures and other acquisition activity.

Brookdale Senior Living Inc.
Cash Lease and Interest Expense
As of March 31, 2016

Cash Lease and Interest Expense
($ in 000s)

	FY 2015 Q1	FY 2015 Q2	FY 2015 Q3	FY 2015 Q4	FY 2016 Q1
Facility Lease Payments					
Facility lease expense	$ 94,471	$ 91,338	$ 91,144	$ 90,621	$ 96,689
Less: Straight-line lease expense, net	(842)	(79)	(105)	1,228	(2,202)
Add: Amortization of deferred gain	1,093	1,093	1,093	1,093	1,093
Cash lease payments - Operating Leases	$ 94,722	$ 92,352	$ 92,132	$ 92,942	$ 95,580
Supplemental breakout:					
Communities with purchase options	$ 6,343	$ 6,311	$ 5,734	$ 5,968	$ 5,779
Communities without purchase options	88,379	86,041	86,398	86,974	89,801
	$ 94,722	$ 92,352	$ 92,132	$ 92,942	$ 95,580
Interest Expense: Capital and financing lease obligations	$ 53,203	$ 53,043	$ 53,217	$ 51,669	$ 50,579
Less: Capital and financing Lease Interest - noncash	(5,700)	(5,816)	(5,942)	(6,014)	(6,439)
Add: Capital and financing lease principal (1)	12,439	12,756	12,852	13,249	13,809
Cash lease payments - Capital and Financing Leases	$ 59,942	$ 59,983	$ 60,127	$ 58,904	$ 57,949
Supplemental breakout:					
Communities with purchase options	$ 14,205	$ 13,558	$ 13,975	$ 12,233	$ 12,563
Communities without purchase options	45,737	46,425	46,152	46,671	45,386
	$ 59,942	$ 59,983	$ 60,127	$ 58,904	$ 57,949
Total cash lease payments	$ 154,664	$ 152,335	$ 152,259	$ 151,846	$ 153,529
Interest Expense					
Property level debt interest expense	$ 40,174	$ 41,510	$ 41,798	$ 41,306	$ 41,816
Convertible debt interest expense	2,174	2,174	2,174	2,174	2,174
Total debt interest expense	42,348	43,684	43,972	43,480	43,990
Less: interest income	(427)	(382)	(398)	(396)	(702)
Interest expense, net	$ 41,921	$ 43,302	$ 43,574	$ 43,084	$ 43,288

(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 March 31, 2016
($ in 000s)

Cash Flow Statements

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016
Cash Flows from Operating Activities						
Net income (loss)	$ (130,709)	$ (84,807)	$ (68,336)	$ (174,303)	$ (458,155)	$ (48,817)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Loss on extinguishment of debt, net	44	-	-	77	121	139
Depreciation and amortization, net	220,808	225,483	161,331	128,894	736,516	129,447
Asset impairment	-	-	-	57,941	57,941	3,375
Equity in (earnings) loss of unconsolidated ventures	(1,484)	672	1,578	38	804	(1,018)
Distributions from unconsolidated ventures from cumulative share of net earnings	500	950	6,375	-	7,825	-
Amortization of deferred gain	(1,093)	(1,093)	(1,093)	(1,093)	(4,372)	(1,093)
Amortization of entrance fees	(767)	(930)	(619)	(888)	(3,204)	(926)
Proceeds from deferred entrance fee revenue	2,455	2,858	3,574	2,226	11,113	3,087
Deferred income tax (benefit) provision	(79,237)	(53,225)	(31,552)	68,753	(95,261)	934
Change in deferred lease liability	2,801	1,919	1,731	505	6,956	3,935
Change in fair value of derivatives	550	76	164	7	797	24
(Gain) loss on sale of assets	-	-	(1,723)	453	(1,270)	(2,749)
Change in future service obligation	-	-	-	(941)	(941)	-
Non-cash stock-based compensation	8,873	6,851	10,147	5,780	31,651	9,769
Non-cash interest expense on financing lease obligations	5,700	5,816	5,942	6,014	23,472	6,439
Amortization of (above) below market rents, net	(1,959)	(1,840)	(1,626)	(1,733)	(7,158)	(1,733)
Other	-	(1,416)	(856)	(885)	(3,157)	(2,330)
Changes in operating assets and liabilities:						
Accounts receivable, net	(13,140)	899	9,334	8,515	5,608	(2,738)
Prepaid expenses and other assets, net	24,504	12,989	2,404	11,182	51,079	(36,554)
Accounts payable and accrued expenses	(38,773)	(10,763)	26,344	(37,372)	(60,564)	(1,388)
Tenant refundable fees and security deposits	(510)	(7)	(221)	214	(524)	(226)
Deferred revenue	11,494	(3,665)	(31,537)	16,797	(6,911)	12,766
Net cash provided by operating activities	10,057	100,767	91,361	90,181	292,366	70,343
Cash Flows from Investing Activities						
Decrease (increase) in lease security deposits and lease acquisition deposits, net	13,037	2,686	(3,182)	(1,675)	10,866	(1,210)
Decrease (increase) in cash and escrow deposits — restricted	12,289	(2,083)	(3,384)	22,464	29,286	72
Additions to property, plant and equipment and leasehold intangibles, net	(79,129)	(99,219)	(123,430)	(109,273)	(411,051)	(108,510)
Acquisition of assets, net of related payables and cash received	(174,305)	(18,396)	(750)	2,235	(191,216)	(12,157)
Investment in unconsolidated ventures	(3,923)	(34,686)	(2,100)	(28,588)	(69,297)	(2,365)
Distributions received from unconsolidated ventures	-	-	7,038	2,016	9,054	1,724
Proceeds from sale of assets, net	-	4,993	3,079	41,154	49,226	45,584
Other	740	1,499	924	992	4,155	2,414
Net cash used in investing activities	(231,291)	(145,206)	(121,805)	(70,675)	(568,977)	(74,448)
Cash Flows from Financing Activities						
Proceeds from debt	85,365	79,828	384,938	35,519	585,650	177,370
Repayment of debt and capital and financing lease obligations	(47,555)	(36,482)	(369,352)	(32,373)	(485,762)	(84,016)
Proceeds from line of credit	445,000	240,000	285,000	205,000	1,175,000	357,000
Repayment of line of credit	(245,000)	(270,000)	(245,000)	(205,000)	(965,000)	(457,000)
Payment of financing costs, net of related payables	(1,481)	(1,985)	(28,785)	(371)	(32,622)	(818)
Refundable entrance fees:						
Proceeds from refundable entrance fees	36	550	924	429	1,939	535
Refunds of entrance fees	(829)	(988)	(1,434)	(1,160)	(4,411)	(1,128)
Cash portion of loss on extinguishment of debt, net	(44)	-	-	-	(44)	-

Payment on lease termination	(3,875)	(3,875)	(4,625)	(4,625)	(17,000)	(4,625)
Other	716	705	673	713	2,807	(380)
Net cash provided by (used in) financing activities	232,333	7,753	22,339	(1,868)	260,557	(13,062)
Net increase (decrease) in cash and cash equivalents	11,099	(36,686)	(8,105)	17,638	(16,054)	(17,167)
Cash and cash equivalents at beginning of period	104,083	115,182	78,496	70,391	104,083	88,029
Cash and cash equivalents at end of period	$ 115,182	$ 78,496	$ 70,391	$ 88,029	$ 88,029	$ 70,862