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 13, 2017 (February 13, 2017)

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 13, 2017, Brookdale Senior Living Inc. (the "Company") issued a press release announcing its fourth quarter and full year 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 fourth quarter and full year 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 February 13, 2017

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 13, 2017

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 13, 2017
99.2	Supplemental Information

Exhibit 99.1

Brookdale Announces Fourth Quarter and Full Year 2016 Results

FOURTH QUARTER 2016 AND RECENT HIGHLIGHTS:

- Net loss increased 54.1% to $268.6 million for the fourth quarter of 2016 compared to $174.3 million for the fourth quarter of 2015.
- Adjusted EBITDA[(1)] increased 3.5% to $184.2 million for the fourth quarter of 2016 compared to $178.0 million for the fourth quarter of 2015. Excluding integration, transaction, transaction-related and strategic project costs of $10.1 million, Adjusted EBITDA for the fourth quarter of 2016 was $194.2 million.
- Fourth quarter 2016 net cash provided by operating activities decreased 1.9% from the fourth quarter of 2015, to $88.5 million.
- Adjusted Free Cash Flow for the fourth quarter of 2016 increased $65.9 million to a positive $33.2 million, compared to the fourth quarter of 2015. Brookdale's proportionate share of Adjusted Free Cash Flow of unconsolidated ventures for the fourth quarter of 2016 increased $0.6 million to $6.8 million, compared to the fourth quarter of 2015.

(1) Adjusted EBITDA and Adjusted Free Cash Flow are financial measures not calculated in accordance with GAAP. See "Reconciliation of Non-GAAP Financial Measures" below for the Company's definitions of its non-GAAP financial measures, reconciliations of such measures to their most comparable GAAP financial measures and other important information regarding the use of the Company's non-GAAP financial measures.

FULL YEAR 2016 HIGHLIGHTS:

- Net loss decreased 11.7% to $404.6 million for 2016 compared to $458.2 million for 2015.
- Adjusted EBITDA increased 5.8% to $770.8 million for 2016 compared to $728.2 million for 2015. Excluding integration, transaction, transaction-related and strategic project costs of $54.2 million, Adjusted EBITDA for the full year 2016 was $825.0 million.
- Net cash provided by operating activities increased 25.1% to $365.7 million for 2016 compared to $292.4 million for 2015.
- Adjusted Free Cash Flow was $153.8 million for 2016 versus a negative $8.7 million for 2015.
- Completed $304.9 million of dispositions, including the sale of 51 owned communities.
- Entered into agreements to acquire a 15% ownership interest in an unconsolidated joint venture that intends to acquire a portfolio of 64 communities currently leased to Brookdale and to terminate the leases on an additional 33 communities leased to Brookdale, of which four were transitioned to an existing unconsolidated joint venture.
- Total liquidity was $584.0 million at December 31, 2016 compared to $194.6 million at December 31, 2015.

Nashville, Tenn. February 13, 2017 – Brookdale Senior Living Inc. (NYSE: BKD) ("Brookdale" or the "Company") announced results for the quarter and year ended December 31, 2016.

Andy Smith, Brookdale's President and CEO, said, "We accomplished much during 2016, including making significant progress with our portfolio optimization efforts as well as improving our liquidity and the Company's cash flow. We are operating in a difficult environment with intense supply pressure and a competitive labor market. Despite these macro-economic conditions, we were able to grow both fourth quarter Adjusted EBITDA and Adjusted Free Cash Flow over the prior year quarter. With the fourth quarter results, we achieved results at the upper end of our full year guidance range provided last quarter."

"We believe that supply and labor pressures will continue for the majority of 2017 and we have reflected this impact into our guidance. We have prioritized our efforts in marketing, pricing, product positioning, community management retention and capital expenditures in markets where we are experiencing or expect heightened competitive pressure. We remain focused on creating shareholder value while enriching the lives of the seniors we serve."

Fourth Quarter Financial Results

Total revenue for the fourth quarter of 2016 was $1.21 billion compared to $1.24 billion for the prior year period. During the fifteen months ended December 31, 2016, the Company disposed of a total of 74 communities, either through sales or lease terminations. Revenue for these 74 communities was $11.7 million in the fourth quarter of 2016 compared to $48.1 million in the fourth quarter of 2015.

Resident fees were $1.0 billion for the fourth quarter of 2016, a decrease of 3.0% from the fourth quarter of 2015. Fourth quarter monthly RevPAR(2) for the consolidated senior housing portfolio was $3,823, an increase of 2.5% from the fourth quarter of 2015, driven by a year-over-year increase in RevPOR(2) for the consolidated senior housing portfolio of 3.3% and a decrease in weighted average unit occupancy of 80 basis points. The sequential decline in weighted average unit occupancy was 20 basis points.

Facility operating expenses for the fourth quarter of 2016 were $686.2 million, a decrease of 1.6% from the fourth quarter of 2015. Combined segment operating margin was 33.4% for the fourth quarter of 2016 versus 34.0% for the fourth quarter of 2015. Facility operating expenses for the 74 communities disposed of during the fifteen months ended December 31, 2016 were

(2) *RevPAR, or average monthly senior housing resident fee revenues per available unit, is defined by the Company as resident fee revenues, excluding the amortization of entry fees and Brookdale Ancillary Services segment revenue, for the corresponding portfolio for the period, divided by the weighted average number of available units in the corresponding portfolio for the period, divided by the number of months in the period. RevPOR, or average monthly senior housing resident fee revenues per occupied unit, is defined by the Company as resident fee revenues, excluding the amortization of entry fees and Brookdale Ancillary Services segment revenue, for the corresponding portfolio for the period, divided by the weighted average number of occupied units in the corresponding portfolio for the period, divided by the number of months in the period.*

$9.5 million in the fourth quarter of 2016 compared to $39.2 million in the fourth quarter of 2015.

Net loss for the fourth quarter of 2016 was $268.6 million, versus net loss of $174.3 million for the fourth quarter of 2015. During the quarter, the Company incurred $76.3 million of impairment charges related to the transactions with HCP, Inc. ("HCP") which were announced in November 2016. Additionally, the Company incurred $145.6 million of non-cash impairment charges in conjunction with its annual impairment assessment.

Net cash provided by operating activities for the fourth quarter of 2016 was $88.5 million, a decrease of $1.7 million, or 1.9%, compared with the fourth quarter of 2015.

Weighted average shares outstanding were 185.7 million for the fourth quarter of 2016 compared with weighted average shares outstanding of 184.8 million for the prior year quarter.

Annual Financial Results

Total revenue for the full year 2016 was $4.98 billion, an increase of 0.3% from the prior year. Net loss for the full year 2016 was $404.6 million, versus net loss of $458.2 million for the full year 2015. Full year 2016 net cash provided by operating activities was $365.7 million, an increase of $73.4 million, or 25.1%, compared with the prior year.

The Company's full year 2016 results compared to the most recent 2016 full-year guidance were:

(in millions)	Full Year 2016 Guidance as of November 1, 2016	Actual Full Year 2016
Senior housing and ancillary services revenue	$ 4,150 to $4,200	$ 4,169
Adjusted EBITDA, excluding integration, transaction, transaction-related and strategic project costs	$ 818 to $828	$ 825
Adjusted CFFO	$ 365 to $375	$ 375
The Company's proportionate share of CFFO of unconsolidated ventures	$ 55 to $60	$ 58
Capital Expenditures (excl. recurring capex)	$ 200 to $210	$ 186

Non-GAAP Financial Measures

Adjusted EBITDA, Cash From Facility Operations ("CFFO"), Adjusted CFFO and Adjusted Free Cash Flow are financial measures that are not calculated in accordance with GAAP. The Company strongly urges you to review the information under "Reconciliation of Non-GAAP Financial Measures" below for the Company's definitions of each of these non-GAAP financial measures, a detailed description of why the Company believes such measures are useful, the limitations of each measure, and a reconciliation of Adjusted EBITDA from the Company's net income (loss), a reconciliation of the Company's CFFO, Adjusted CFFO, and Adjusted Free Cash Flow from the Company's net cash provided by (used in) operating activities, and a reconciliation of the Company's proportionate share of each of CFFO and Adjusted Cash Flow of unconsolidated ventures from such ventures' net cash provided by (used in) operating activities. The Company changed its definition and calculation of Adjusted EBITDA and CFFO when it reported results for the second quarter of 2016 and third quarter of 2016. Prior period amounts of Adjusted EBITDA, CFFO and Adjusted CFFO presented herein have been recast to conform to the new definitions. See "Reconciliation of Non-GAAP Financial Measures" below for a description of such changes to the definitions of these non-GAAP measures.

Adjusted EBITDA increased 3.5% to $184.2 million in the fourth quarter of 2016, compared to $178.0 million for the fourth quarter of 2015. The Company's CFFO was $66.4 million in the fourth quarter of 2016, an increase of 5.6% from the Company's CFFO of $62.9 million in the prior year period. The Company's proportionate share of CFFO of unconsolidated ventures was $12.9 million for the fourth quarter of 2016, a decrease of 31.9% compared with $18.9 million for the prior year period.

The Company's Adjusted CFFO was $81.5 million for the fourth quarter of 2016, a decrease of $6.2 million, or 7.1%, compared with the fourth quarter of 2015. The Company's Adjusted CFFO for these periods represents the Company's CFFO excluding $15.1 million and $24.9 million of integration, transaction, transaction-related and strategic project costs for the fourth quarter of 2016 and 2015, respectively.

The Company's Adjusted Free Cash Flow for the fourth quarter of 2016 increased $65.9 million to $33.2 million for the fourth quarter of 2016, versus a negative $32.7 million for the fourth quarter of 2015. The Company's proportionate share of Adjusted Free Cash Flow of unconsolidated ventures was $6.8 million for the fourth quarter of 2016 compared with $6.2 million for the prior year period.

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 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 $896.0 million for the fourth quarter of 2016, a decrease of 2.7% from the fourth quarter of 2015. During the fifteen months ended December 31, 2016, the Company disposed of a total of 74 communities, either through sales or lease terminations. Revenue for these 74 communities was $11.7 million in the fourth quarter of 2016 compared to $48.1 million in the fourth quarter of 2015.

Same community revenue for the consolidated senior housing portfolio for the three months ended December 31, 2016 increased 1.0% over the corresponding period in 2015. Same community RevPAR increased 1.1% in the fourth quarter of 2016 from the fourth quarter of 2015, driven by an increase in same community RevPOR of 2.5% and a decline in weighted average unit occupancy of 120 basis points.

Facility operating expenses were $588.4 million for the fourth quarter of 2016, a decrease of 1.1% from the fourth quarter of 2015. Consolidated same community facility operating expenses for the fourth quarter of 2016 increased by 3.5% over the fourth quarter of 2015, primarily due to increases in salaries and wages from wage rate increases.

Operating income for the consolidated senior housing portfolio decreased by 5.7% from the fourth quarter of 2015, to $307.6 million for the fourth quarter of 2016. Same community operating income for the consolidated senior housing portfolio for the fourth quarter of 2016 decreased by 3.3% from the fourth quarter of 2015, to $299.5 million.

Brookdale Ancillary Services

During the quarter, the Company significantly reduced the number of outpatient therapy clinics because lower reimbursement rates and lower utilization made the business less attractive. Revenue for the Company's ancillary services segment decreased $5.8 million, or 4.9%, to $114.0 million for the fourth quarter of 2016 versus the prior year fourth quarter. Ancillary services facility operating expenses for the fourth quarter of 2016 decreased $4.8 million, or 4.7%, over the fourth quarter of 2015. As a result, ancillary services operating income for the fourth quarter of 2016 was $16.3 million, a decrease of 6.0% versus the fourth quarter of 2015, with operating margin at 14.3% for the fourth quarter of 2016.

Liquidity

Total liquidity for the Company was $584.0 million at December 31, 2016, an increase of $389.4 million from December 31, 2015. Liquidity at December 31, 2016 included $216.4 million of unrestricted cash and cash equivalents and $367.6 million of availability on the Company's secured credit facility. During the fourth quarter of 2016, the Company's unconsolidated CCRC venture obtained non-recourse mortgage financing on certain communities as part of the multi-part transactions with HCP, and the Company received distributions of $221.6 million of the net proceeds from such financing.

Portfolio Optimization Activities

The Company continues to actively explore opportunities to optimize its portfolio through disposing of owned and leased communities and restructuring leases in order to simplify and streamline its business, to increase the quality and durability of cash flow, and to reduce debt and lease leverage.

Dispositions of Owned Communities

The Company began the fourth quarter of 2016 with 28 communities classified as assets held for sale with a carrying value totaling $173.5 million, and $106.9 million of associated mortgage debt was included in the current portion of the Company's long-term debt. During the fourth quarter of 2016, the Company sold 12 of these communities (837 units) for an aggregate sales price of $80.7 million.

As of December 31, 2016, 16 communities (1,423 units) were classified as assets held for sale with a carrying value of $97.8 million, and $60.5 million of associated mortgage debt was included in the current portion of long-term debt. The closings of the sales of the 16 remaining communities held for sale are subject to receipt of regulatory approvals and satisfaction of other customary closing conditions, and are expected to occur in the next 12 months; however, there can be no assurance that the transactions will close or, if they do, when the actual closings will occur.

Dispositions and Restructurings of Leased Communities

During the fourth quarter of 2016, the Company announced that it had entered into a definitive agreement with HCP for a multi-part transaction involving, among other things, the termination of leases for 29 communities and the contribution of four communities then leased to the Company by HCP into an existing RIDEA joint venture with HCP. During the fourth quarter of 2016, the Company terminated triple-net leases with respect to seven of such communities, four of which were contributed to an existing unconsolidated venture. The Company terminated one triple-net lease during January 2017, and expects the triple-net leases with respect to the remaining 25 communities to be terminated in stages through the fourth quarter of 2017.

The Company announced at the same time that it had entered into a definitive agreement with affiliates of Blackstone Real Estate Partners VIII L.P. (collectively "Blackstone") to acquire a 15% ownership interest in a joint venture that intends to acquire a portfolio of 64 communities currently leased to the Company from HCP. Upon completion of the acquisition of the assets, the Company will manage the communities on behalf of the joint venture. The Company expects to contribute a total of approximately $170.0 million to purchase its equity interest, terminate the existing leases and fund its share of anticipated closing costs and working capital. The transaction is expected to close during the first quarter of 2017.

The closings of the various pending transactions with HCP and Blackstone are subject to the satisfaction of various closing conditions, including (where applicable) the receipt of regulatory approvals. There can be no assurance that the transactions will close or, if they do, when the closings will occur.

Share Repurchase

On November 1, 2016, the Company announced that its board of directors had approved a share repurchase program that authorizes the Company to purchase up to $100.0 million in the aggregate of the Company's common stock. Pursuant to this authorization, during the three months ended December 31, 2016, the Company purchased 750,000 shares at a cost of approximately $9.6 million, or a weighted average price of approximately $12.83 per share. As of December 31, 2016, approximately $90.4 million remains available under this share repurchase authorization.

2017 Outlook

For the full year 2017, the Company is providing the following guidance:

(in millions)		Full-Year 2017 Guidance
Adjusted EBITDA, excluding integration, transaction, transaction-related and strategic project costs	$	670 to $710
Adjusted Free Cash Flow	$	140 to $170
The Company's proportionate share of Adjusted Free Cash Flow of unconsolidated ventures	$	25 to $35

The foregoing guidance excludes the potential impact of any future acquisition, disposition or refinancing, including debt modification costs. It includes the pending or planned dispositions of communities, including the 16 communities classified as held for sale as of December 31, 2016, and it includes the pending transactions with HCP and Blackstone announced during the fourth quarter of 2016. For further details on guidance please see the updated Investor Presentation, which will be posted on the Company's website at www.brookdale.com. Reconciliations of the non-GAAP financial measures included in the foregoing guidance to the most comparable GAAP financial measures are not available without unreasonable effort due to the inherent difficulty in forecasting the timing or amounts of items required to reconcile Adjusted EBITDA, Adjusted Free Cash Flow and the Company's proportionate share of Adjusted Free Cash Flow of unconsolidated ventures from the Company's net income (loss), the Company's net cash provided by (used in) operating activities and the unconsolidated ventures' net cash provided by (used in) operating activities, as applicable. Variability in the timing or amounts of items required to reconcile each measure may have a significant impact on the Company's future GAAP results.

Supplemental Information

The Company will post on the Investor Relations section of the Company's website at www.brookdale.com supplemental information relating to the Company's fourth quarter 2016 results. This information will also be furnished in a Form 8-K to be filed with the SEC. An updated Investor Presentation also will be posted.

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, 2016 on Tuesday, February 14, 2017 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 28, 2017 by dialing (855) 859-2056 (from within the U.S.) or (404) 537-3406 (from outside of the U.S.) and referencing access code "65980961". 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 1,055 communities in 47 states and the ability to serve approximately 103,000 residents as of December 31, 2016. Through its ancillary services program, the Company also offers a range of outpatient therapy, home health 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 strategy, our operational, sales, marketing and branding initiatives, our portfolio optimization and growth initiatives and our expectations regarding their effect on our results; our expectations regarding the economy, the senior living industry, senior housing construction, supply and competition, occupancy, and pricing and the demand for senior housing; our expectations regarding our revenue, cash flow, operating income, expenses, capital expenditures, including expected levels and reimbursements and the timing thereof, development, expansion, renovation, redevelopment and repositioning opportunities, including Program Max opportunities, and their projected costs, cost savings and synergies, and our liquidity and leverage; our plans and expectations with respect to disposition, lease restructuring, financing, re-financing and venture transactions and opportunities (including assets currently held for sale and the transactions with HCP, Inc. ("HCP") and affiliates of Blackstone Real Estate Partners VIII L.P. (collectively, "Blackstone")), including the timing thereof and their effects on our results; our expectations regarding taxes, capital deployment and returns on invested capital, Adjusted EBITDA, Cash From Facility Operations, Adjusted Cash From Facility Operations and Adjusted Free Cash Flow (as those terms are defined herein); our expectations regarding returns to shareholders, our share repurchase program and the payment of dividends; 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 changes in government reimbursement programs and their effect on our results; and our plans to expand our offering of ancillary services (therapy, home health and hospice). 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; the risk of overbuilding and new supply; 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 our share 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 acquisition, disposition, lease restructuring, financing, re-financing and venture transactions (including assets currently held for sale and the transactions with HCP and Blackstone) on agreed upon terms or at all, including in respect of the satisfaction of closing conditions, the risk that regulatory approvals are not obtained or are subject to unanticipated conditions, and uncertainties as to the timing of closing; our ability to successfully integrate acquisitions; 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 wage pressure and 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; 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 December 31, 2016	Three Months Ended December 31, 2015	Years Ended December 31, 2016	Years Ended December 31, 2015
Revenue				
Resident fees	$ 1,010,074	$ 1,040,835	$ 4,168,621	$ 4,177,127
Management fees	20,264	15,553	70,762	60,183
Reimbursed costs incurred on behalf of managed communities	178,530	179,314	737,597	723,298
Total revenue	1,208,868	1,235,702	4,976,980	4,960,608
Expense				
Facility operating expense (excluding depreciation and amortization of $117,721, $113,429, $469,388 and $684,488, respectively)	686,176	697,262	2,799,402	2,788,862
General and administrative expense (including non-cash stock-based compensation expense of $5,067, $5,780, $32,285 and $31,651, respectively)	66,668	91,970	313,409	370,579
Transaction costs	2,040	1,089	3,990	8,252
Facility lease expense	91,745	90,621	373,635	367,574
Depreciation and amortization	129,088	126,378	520,402	733,165
Asset impairment	221,877	57,941	248,515	57,941
Loss on facility lease termination	11,113	-	11,113	76,143
Costs incurred on behalf of managed communities	178,530	179,314	737,597	723,298
Total operating expense	1,387,237	1,244,575	5,008,063	5,125,814
Income (loss) from operations	(178,369)	(8,873)	(31,083)	(165,206)
Interest income	694	395	2,933	1,603
Interest expense:				
Debt	(42,605)	(43,480)	(174,027)	(173,484)
Capital and financing lease obligations	(50,451)	(51,669)	(202,012)	(211,132)
Amortization of deferred financing costs and debt premium (discount)	(2,422)	(2,516)	(9,400)	(3,351)
Change in fair value of derivatives	(150)	(7)	(178)	(797)
Debt modification and extinguishment costs	(5,930)	(240)	(9,170)	(7,020)
Equity in earnings (loss) of unconsolidated ventures	1,182	(38)	1,660	(804)
Gain (loss) on sale of assets, net	5,092	(453)	7,218	1,270
Other non-operating income	3,790	2,046	14,801	8,557
Income (loss) before income taxes	(269,169)	(104,835)	(399,258)	(550,364)
Benefit (provision) for income taxes	569	(69,468)	(5,378)	92,209
Net income (loss)	(268,600)	(174,303)	(404,636)	(458,155)
Net (income) loss attributable to noncontrolling interest	113	44	239	678
Net income (loss) attributable to Brookdale Senior Living Inc. common stockholders	$ (268,487)	$ (174,259)	$ (404,397)	$ (457,477)
Basic and diluted net income (loss) per share attributable to Brookdale Senior Living Inc. common stockholders	$ (1.45)	$ (0.94)	$ (2.18)	$ (2.48)
Weighted average shares used in computing basic and diluted net income (loss) per share	185,684	184,805	185,653	184,333

Condensed Consolidated Balance Sheets
(*in thousands*)

	December 31, 2016	December 31, 2015
Cash and cash equivalents	$ 216,397	$ 88,029
Cash and escrow deposits - restricted	32,864	32,570
Accounts receivable, net	141,705	144,053
Assets held for sale	97,843	110,620
Other current assets	130,695	122,671
Total current assets	619,504	497,943
Property, plant and equipment and leasehold intangibles, net	7,379,305	8,031,376
Other assets, net	1,218,878	1,519,245
Total assets	$ 9,217,687	$ 10,048,564
Current liabilities	$ 731,142	$ 840,148
Long-term debt, less current portion	3,413,998	3,769,371
Capital and financing lease obligations, less current portion	2,415,914	2,427,438
Other liabilities	578,901	552,880
Total liabilities	7,139,955	7,589,837
Total Brookdale Senior Living Inc. stockholders' equity	2,077,982	2,458,888
Noncontrolling interest	(250)	(161)
Total equity	2,077,732	2,458,727
Total liabilities and equity	$ 9,217,687	$ 10,048,564

Condensed Consolidated Statements of Cash Flows
(in thousands)

	Years Ended December 31, 2016	Years Ended December 31, 2015
Cash Flows from Operating Activities		
Net income (loss)	$ (404,636)	$ (458,155)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Loss on extinguishment of debt, net	1,251	121
Depreciation and amortization, net	529,802	736,516
Asset impairment	248,515	57,941
Equity in (earnings) loss of unconsolidated ventures	(1,660)	804
Distributions from unconsolidated ventures from cumulative share of net earnings	23,544	7,825
Amortization of deferred gain	(4,372)	(4,372)
Amortization of entrance fee revenue	(4,195)	(3,204)
Proceeds from deferred entrance fee revenue	13,980	11,113
Deferred income tax provision (benefit)	3,248	(95,261)
Change in deferred lease liability	767	6,956
Change in fair value of derivatives	178	797
Gain on sale of assets, net	(7,218)	(1,270)
Change in future service obligation	-	(941)
Non-cash stock-based compensation	32,285	31,651
Non-cash interest expense on financing lease obligations	26,496	23,472
Amortization of (above) below market lease, net	(6,864)	(7,158)
Other	(9,137)	(3,157)
Changes in operating assets and liabilities:		
Accounts receivable, net	1,581	5,608
Prepaid expenses and other assets, net	2,954	51,079
Accounts payable and accrued expenses	(83,248)	(60,564)
Tenant refundable fees and security deposits	(839)	(524)
Deferred revenue	3,300	(6,911)
Net cash provided by operating activities	365,732	292,366
Cash Flows from Investing Activities		
(Increase) decrease in lease security deposits and lease acquisition deposits, net	(2,225)	10,866
Decrease in cash and escrow deposits — restricted	5,027	29,286
Additions to property, plant and equipment and leasehold intangibles, net	(333,647)	(411,051)
Acquisition of assets, net of related payables	(12,157)	(191,216)
Investment in unconsolidated ventures	(13,377)	(69,297)
Distributions received from unconsolidated ventures	218,973	9,054
Proceeds from sale of assets, net	297,932	49,226
Property insurance proceeds	9,137	3,175
Other	7,162	980
Net cash provided by (used in) investing activities	176,825	(568,977)
Cash Flows from Financing Activities		
Proceeds from debt	387,348	585,650
Repayment of debt and capital and financing lease obligations	(469,309)	(485,762)
Proceeds from line of credit	1,276,500	1,175,000
Repayment of line of credit	(1,586,500)	(965,000)
Purchase of treasury stock	(9,640)	-
Payment of financing costs, net of related payables	(2,938)	(32,622)
Refundable entrance fees:		
Proceeds from refundable entrance fees	3,083	1,939
Refunds of entrance fees	(3,984)	(4,411)
Cash portion of loss on extinguishment of debt	-	(44)
Payment on lease termination	(9,250)	(17,000)
Other	501	2,807
Net cash (used in) provided by financing activities	(414,189)	260,557
Net increase (decrease) in cash and cash equivalents	128,368	(16,054)
Cash and cash equivalents at beginning of year	88,029	104,083
Cash and cash equivalents at end of year	$ 216,397	$ 88,029

Reconciliation of Non-GAAP Financial Measures

This earnings release contains financial measures utilized by management to evaluate our operating performance and liquidity that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Each of these measures, Adjusted EBITDA, CFFO, Adjusted CFFO and Adjusted Free Cash Flow should not be considered in isolation from or as superior to or as a substitute for net income (loss), income (loss) from operations, net cash provided by (used in) operating activities, or other financial measures determined in accordance with GAAP. We use these non-GAAP financial measures to supplement our GAAP results in order to provide a more complete understanding of the factors and trends affecting our business. We strongly urge you to review the reconciliations of Adjusted EBITDA from the Company's net income (loss), the Company's CFFO, Adjusted CFFO and Adjusted Free Cash Flow from the Company's net cash provided by (used in) operating activities, and the Company's proportionate share of each of CFFO and Adjusted Free Cash Flow of unconsolidated ventures from such ventures' net cash provided by (used in) operating activities, along with our consolidated financial statements included herein. We also strongly urge you not to rely on any single financial measure to evaluate our business. We caution investors that amounts presented in accordance with our definitions of Adjusted EBITDA, CFFO, Adjusted CFFO and Adjusted Free Cash Flow may not be comparable to similar measures disclosed by other companies, because not all companies calculate these non-GAAP measures in the same manner.

We changed our definitions and calculations of Adjusted EBITDA and CFFO from prior periods when we reported results for the second and third quarters of 2016, as follows:

- We changed our definition and calculation of Adjusted EBITDA when we reported results for the second quarter of 2016. Prior period amounts of Adjusted EBITDA presented herein have been recast to conform to the new definition. The current definition of Adjusted EBITDA reflects the removal of the following adjustments to our net income (loss) that were used in the former definition: the addition of our proportionate share of CFFO of unconsolidated ventures and our entrance fee receipts, net of refunds, and the subtraction of our amortization of entrance fees.

- We changed our definition and calculation of CFFO when we reported results for the third quarter of 2016. Prior period amounts of the Company's CFFO and Adjusted CFFO have been recast to reflect the Company's CFFO and Adjusted CFFO separate from, and exclusive of, the Company's proportionate share of CFFO of unconsolidated ventures. Previously, in connection with our reporting results for the second quarter of 2016, we began reporting CFFO as a measure of liquidity, and as such we changed the definition of CFFO to reflect the reconciliation of such measure from the Company's net cash provided by (used in) operating activities. This previous change had no effect on the amounts of CFFO or Adjusted CFFO presented herein for this period or prior periods.

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; non-cash stock-based compensation expense; and change in future service obligation.

We use Adjusted EBITDA to assess our overall operating performance. We believe this non-GAAP measure, as we have defined it, is helpful in identifying trends in our day-to-day performance because the items excluded have little or no significance on our day-to-day operations. This measure provides an assessment of controllable expenses and affords management the ability to make decisions which are expected to facilitate meeting current operating goals as well as achieve optimal operating performance. It provides an indicator for management to determine if adjustments to current spending decisions are needed.

Adjusted EBITDA provides us with a measure of operating performance, independent of items that are beyond the control of management in the short-term, such as the change in the liability for the obligation to provide future services under existing lifecare contracts, depreciation and amortization (including non-cash impairment charges), straight-line lease expense (income), taxation and interest expense associated with our capital structure. This metric measures our operating performance based on operational factors that management can impact in the short-term, namely revenues and the cost structure or expenses of the organization. Adjusted EBITDA is one of the metrics used by senior management and the board of directors to review the operating performance of the business on a regular basis. We believe that Adjusted EBITDA is also used by research analysts and investors to evaluate the performance of and value companies in our industry.

Adjusted EBITDA has limitations as an analytical tool. Material limitations in making the adjustments to our net income (loss) to calculate Adjusted EBITDA, and using this non-GAAP financial measure as compared to GAAP net income (loss), include:

- the cash portion of interest expense, income tax (benefit) provision and non-recurring charges related to gain (loss) on sale of communities (or facility lease termination) and extinguishment of debt activities generally represent charges (gains), which may significantly affect our operating results; and

- depreciation and amortization and asset impairment represent the wear and tear and/or reduction in value of our communities and other assets, which affects the services we provide to residents and may be indicative of future needs for capital expenditures.

We believe Adjusted EBITDA is useful to investors in evaluating our operating performance 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 revenue and expense management.

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

	Three Months Ended December 31, (1)		Years Ended December 31, (1)	
	2016	**2015**	**2016**	**2015**
Net income (loss)	$ (268,600)	$ (174,303)	$ (404,636)	$ (458,155)
(Benefit) provision for income taxes	(569)	69,468	5,378	(92,209)
Equity in (earnings) loss of unconsolidated ventures	(1,182)	38	(1,660)	804
Debt modification and extinguishment costs	5,930	240	9,170	7,020
(Gain) loss on sale of assets, net	(5,092)	453	(7,218)	(1,270)
Other non-operating income	(3,790)	(2,046)	(14,801)	(8,557)
Interest expense	95,628	97,672	385,617	388,764
Interest income	(694)	(395)	(2,933)	(1,603)
Income (loss) from operations	(178,369)	(8,873)	(31,083)	(165,206)
Depreciation and amortization	129,088	126,378	520,402	733,165
Asset impairment	221,877	57,941	248,515	57,941
Loss on facility lease termination	11,113	-	11,113	76,143
Straight-line lease expense (income)	(1,786)	505	767	6,956
Amortization of (above) below market lease, net	(1,699)	(1,733)	(6,864)	(7,158)
Amortization of deferred gain	(1,093)	(1,093)	(4,372)	(4,372)
Non-cash stock-based compensation expense	5,067	5,780	32,285	31,651
Change in future service obligation	-	(941)	-	(941)
Adjusted EBITDA	$ 184,198	$ 177,964	$ 770,763	$ 728,179

(1) For the three and twelve months ended December 31, 2016, the calculation of Adjusted EBITDA includes integration, transaction, transaction-related and strategic project costs of $10.1 million and $54.2 million, respectively. For the three and twelve months ended December 31, 2015, the calculation of Adjusted EBITDA includes integration, transaction, transaction-related and strategic project costs of $24.7 million and $116.8 million, 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.

CFFO, Adjusted CFFO and Adjusted Free Cash Flow

We define Cash From Facility Operations (CFFO) as net cash provided by (used in) operating activities *before*: changes in operating assets and liabilities; gain (loss) on facility lease termination; and distributions from unconsolidated ventures from cumulative share of net earnings; and *adjusted for*: recurring capital expenditures, net; lease financing debt amortization with fair market value or no purchase options; proceeds from refundable entrance fees; refunds of entrance fees; 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 capital expenditures related to community expansions, renovations and major projects (including major community redevelopment and repositioning projects), the development of new communities and corporate capital expenditures (including systems projects and integration capital expenditures) that are funded using lease or financing proceeds, available cash and/or proceeds from the sale of communities.

Adjusted CFFO represents the Company's 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.

We define Adjusted Free Cash Flow as net cash provided by (used in) operating activities *before*: changes in operating assets and liabilities, gain (loss) on facility lease termination; and distributions from unconsolidated ventures from cumulative share of net earnings; *plus:* proceeds from refundable entrance fees, net of refunds; and property insurance proceeds; *less*: lease financing debt amortization and Non-Development Capital Expenditures. Non-Development Capital Expenditures is comprised of corporate and community-level capital expenditures, including those related to maintenance, renovations, upgrades and other major building infrastructure projects for our communities. Non-Development Capital Expenditures does not include capital expenditures for community expansions and major community redevelopment and repositioning projects, including our Program Max initiative, and the development of new communities. Amounts of Non-Development Capital Expenditures are presented net of lessor reimbursements received or anticipated to be received in the calculation of Adjusted Free Cash Flow.

Our proportionate share of each of CFFO and Adjusted Free Cash Flow of unconsolidated ventures is calculated based on our equity ownership percentage and in a manner consistent with the definition of CFFO and Adjusted Free Cash Flow for our consolidated entities, respectively. Our investments in our unconsolidated ventures are accounted for under the equity method of accounting and, therefore, our proportionate share of each of CFFO and Adjusted Free Cash Flow of unconsolidated ventures does not represent cash available to our consolidated business except to the extent it is distributed to us.

We use CFFO, Adjusted CFFO and Adjusted Free Cash Flow to assess our overall liquidity. These measures provide an assessment of controllable expenses and afford management the ability to make decisions which are expected to facilitate meeting current financial and liquidity goals as well as to achieve optimal financial performance. They provide indicators for management to determine if adjustments to current spending decisions are needed.

These metrics measure our liquidity based on operational factors that management can impact in the short-term, namely the cost structure or expenses of the organization. CFFO, Adjusted CFFO and Adjusted Free Cash Flow are some of the metrics used by our senior management and board of directors (i) to review our ability to service our outstanding indebtedness, including our credit facilities, (ii) to review our ability to pay dividends to stockholders or engage in share repurchases, (iii) to review our ability to make capital expenditures, (iv) for other corporate planning purposes and/or (v) in making compensation determinations for certain of our associates (including our named executive officers).

Each of CFFO, Adjusted CFFO and Adjusted Free Cash Flow has limitations as an analytical tool. Material limitations in making the adjustments to our net cash provided by (used in) operating activities to calculate such measures, and using these non-GAAP financial measures as compared to GAAP net cash provided by (used in) operating activities, include:

- CFFO, Adjusted CFFO and Adjusted Free Cash Flow do not represent cash available for dividends or discretionary expenditures, since we have mandatory debt service requirements and other non-discretionary expenditures not reflected in these measures; and

- the cash portion of non-recurring charges related to gain (loss) on lease termination and extinguishment of debt activities generally represent charges (gains), which may significantly affect our financial results.

In addition, our proportionate share of each of CFFO and Adjusted Free Cash Flow of unconsolidated ventures has limitations as an analytical tool because such measures do not represent cash available directly for use by our consolidated business except to the extent actually distributed to us, and we do not have control, or we share control in determining, the timing and amount of distributions from our unconsolidated ventures and, therefore, we may never receive such cash.

We believe each of CFFO, Adjusted CFFO and Adjusted Free Cash Flow is useful to investors because it assists their ability to meaningfully evaluate (1) our ability to service our outstanding indebtedness, including our credit facilities and capital and financing leases, (2) our ability to pay dividends to stockholders or engage in share repurchases, (3) our ability to make capital expenditures, and (4) the underlying value of our assets, including our interests in real estate.

We believe presentation of our proportionate share of each of CFFO and Adjusted Free Cash Flow of unconsolidated ventures is useful to investors since such measure reflects the cash generated by the operating activities of the unconsolidated ventures for the reporting period and, to the extent such cash is not distributed to us, it generally represents cash used or to be used by the ventures for the repayment of debt, investing in expansions or acquisitions, reserve requirements, capital expenditures for community renovations, apartment upgrades and other major building infrastructure projects (in the case of CFFO), or other corporate uses by such ventures, and such uses reduce our potential need to make capital contributions to the ventures of our proportionate share of cash needed for such items.

The table below reconciles the Company's CFFO, Adjusted CFFO and Adjusted Free Cash Flow from net cash provided by (used in) operating activities for the three and twelve months ended December 31, 2016 and December 31, 2015 (*in thousands*):

	Three Months Ended December 31, (1)		Years Ended December 31, (1)	
	2016	2015	2016	2015
Net cash provided by operating activities	$ 88,451	$ 90,181	$ 365,732	$ 292,366
Net cash provided by (used in) investing activities	231,199	(70,675)	176,825	(568,977)
Net cash (used in) provided by financing activities	(177,437)	(1,868)	(414,189)	260,557
Net increase (decrease) in cash and cash equivalents	$ 142,213	$ 17,638	$ 128,368	$ (16,054)
Net cash provided by operating activities	$ 88,451	$ 90,181	$ 365,732	$ 292,366
Changes in operating assets and liabilities	13,725	664	76,252	11,312
Proceeds from refundable entrance fees	1,097	429	3,083	1,939
Refunds of entrance fees	(1,091)	(1,160)	(3,984)	(4,411)
Lease financing debt amortization	(16,409)	(14,914)	(63,267)	(56,922)
Loss on facility lease termination	11,113	-	11,113	76,143
Distributions from unconsolidated ventures from cumulative share of net earnings	(17,144)	-	(23,544)	(7,825)
Non-development capital expenditures	(49,363)	(108,828)	(220,767)	(324,479)
Property insurance proceeds	2,777	909	9,137	3,175
Adjusted Free Cash Flow	$ 33,156	$ (32,719)	$ 153,755	$ (8,702)
Add: Non-development capital expenditures	49,363	108,828	220,767	324,479
Less: Recurring capital expenditures, net	(14,744)	(13,978)	(58,583)	(60,937)
Less: Property insurance proceeds	(2,777)	(909)	(9,137)	(3,175)
Add: Lease financing debt amortization with bargain purchase option	1,432	1,665	5,765	5,626
CFFO	$ 66,430	$ 62,887	$ 312,567	$ 257,291
Integration, transaction, transaction-related and strategic project costs	15,104	24,853	62,131	123,679
Adjusted CFFO	$ 81,534	$ 87,740	$ 374,698	$ 380,970

(1) For the three and twelve months ended December 31, 2016, the calculation of CFFO and Adjusted Free Cash Flow include integration, transaction, transaction-related and strategic project costs of $15.1 million and $62.1 million (including $5.1 million and $7.9 million of debt modification costs excluded from Adjusted EBITDA for the three and twelve months ended December 31, 2016, respectively). For the three and twelve months ended December 31, 2015, the calculation of CFFO and Adjusted Free Cash Flow include integration, transaction, transaction-related and strategic project costs of $24.9 million and $123.7 million, respectively (including $0.2 million and $6.9 million of debt modification costs excluded from Adjusted EBITDA for the three and twelve months ended December 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.

The table below reconciles the Company's proportionate share of each of CFFO and Adjusted Free Cash Flow of unconsolidated ventures from net cash provided by (used in) operating activities of such unconsolidated ventures for the three and twelve months ended December 31, 2016 and December 31, 2015 (in thousands). For purposes of this presentation, amounts for each line item represent the aggregate amounts of such line items for all of our unconsolidated ventures.

	Three Months Ended December 31,		Years Ended December 31,	
	2016	2015	2016	2015
Net cash provided by operating activities	$ 40,994	$ 67,839	$ 198,524	$ 180,266
Net cash provided by (used in) investing activities	5,556	(175,244)	(118,935)	(1,218,101)
Net cash (used in) provided by financing activities	(55,554)	96,706	(88,262)	1,028,562
Net (decrease) increase in cash and cash equivalents	$ (9,004)	$ (10,699)	$ (8,673)	$ (9,273)
Net cash provided by operating activities	$ 40,994	$ 67,839	$ 198,524	$ 180,266
Changes in operating assets and liabilities	8,617	(17,274)	(2,508)	(7,634)
Proceeds from refundable entrance fees	9,820	13,720	43,698	37,819
Refunds of entrance fees	(14,751)	(9,565)	(51,373)	(42,663)
Non-development capital expenditures	(26,232)	(43,332)	(98,305)	(121,895)
Adjusted Free Cash Flow of unconsolidated ventures	$ 18,448	$ 11,388	$ 90,036	$ 45,893
Brookdale's Weighted Average Ownership percentage	36.7%	54.4%	36.2%	49.0%
Brookdale's proportionate share of Adjusted Free Cash Flow of unconsolidated ventures	$ 6,763	$ 6,191	$ 32,630	$ 22,470
Adjusted Free Cash Flow of unconsolidated ventures	$ 18,448	$ 11,388	$ 90,036	$ 45,893
Add: Non-development capital expenditures	26,232	43,332	98,305	121,895
Less: Recurring capital expenditures, net	(5,075)	(6,253)	(19,836)	(19,843)
CFFO of unconsolidated ventures	$ 39,605	$ 48,467	$ 168,505	$ 147,945
Brookdale's Weighted Average Ownership percentage	32.5%	39.0%	34.4%	38.8%
Brookdale's proportionate share of CFFO of unconsolidated ventures	$ 12,870	$ 18,896	$ 58,000	$ 57,379

Contact:
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Investors: Ross Roadman (615) 564-8104
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Exhibit 99.2

BROOKDALE
SENIOR LIVING SOLUTIONS

Supplemental Information

4th Quarter 2016

Table of Contents

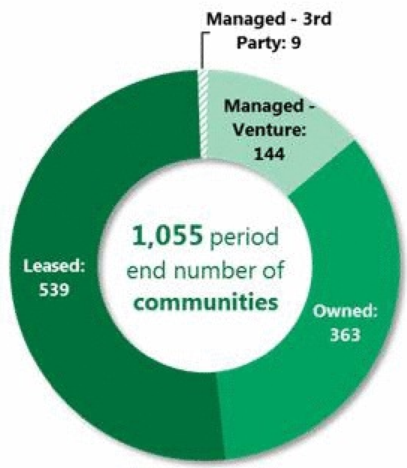
BROOKDALE
— SENIOR LIVING SOLUTIONS —

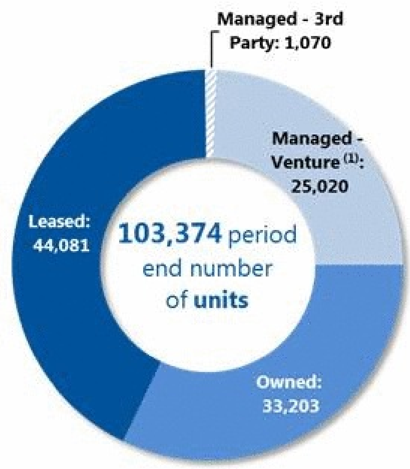
Financial Overview	3-6
Segment Overview	7
Senior Housing	8-12
Ancillary Services	13
G&A Expense & Transaction Costs	14
Capital Expenditures	15
Cash Lease Payments	16
Unconsolidated Ventures	17
Capital Structure	18-19
Net Asset Value Elements	20
Definitions	21-22
Appendix:	
Consolidated Statements of Cash Flows	24
Non-GAAP Financial Measures	25-30

Overview

BROOKDALE
— SENIOR LIVING SOLUTIONS —

($ in 000s, except Total RevPAR)	FY 2015	FY 2016				*YoY*
	Q4	Q1	Q2	Q3	Q4	*Q4*
Resident fee and management fee revenue	$ 1,056,388	$ 1,077,928	$ 1,072,754	$ 1,058,363	$ 1,030,338	*-2.5%*
Net income (loss)	$ (174,303)	$ (48,817)	$ (35,491)	$ (51,728)	$ (268,600)	n/m
Net cash provided by operating activities	$ 90,181	$ 70,343	$ 107,496	$ 99,442	$ 88,451	-1.9%
Adjusted EBITDA	$ 177,964	$ 182,744	$ 201,478	$ 202,343	$ 184,198	*3.5%*
Adjusted Free Cash Flow	$ (32,719)	$ 27,884	$ 44,886	$ 47,829	$ 33,156	*n/m*
Brookdale's Proportionate Share of Adjusted Free Cash Flow of Unconsolidated Ventures	$ 6,191	$ 8,505	$ 9,860	$ 7,502	$ 6,763	*9.2%*
Total RevPAR	$ 4,218	$ 4,366	$ 4,352	$ 4,337	$ 4,310	*2.2%*





Q4 2016 weighted average unit occupancy

	Community	
Occupancy Band	**Count**	**% of Period End Communities**
Greater than 95%	275	26%
Between 90% and 95%	208	20%
Between 85% and 90%	191	18%
Between 80% and 85%	124	12%
Less than 80%	257	24%
Total	1,055	

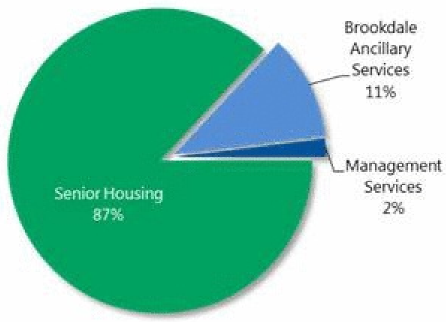
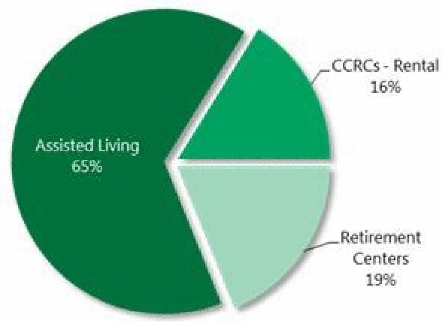
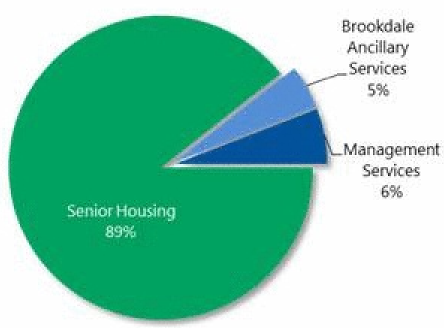
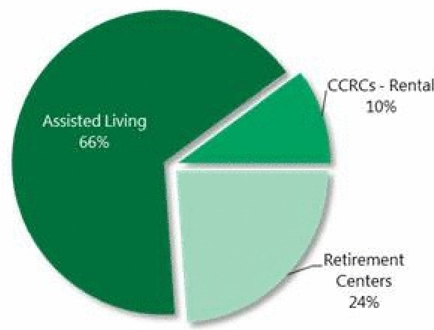
Consolidated Portfolio Average Asset Age	≈ 20 years

(1) Brookdale's weighted average unit ownership percentage is 24.6%.

Important Note Regarding Non-GAAP Financial Measures. Adjusted EBITDA, Adjusted Free Cash Flow and Brookdale's Proportionate Share of Adjusted Free Cash Flow of Unconsolidated Ventures are financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (GAAP). See the definitions of such measures under "Definitions" below and important information regarding such measures, including reconciliations to the most comparable GAAP financial measures, under "Non-GAAP Financial Measures" below.

Consolidated Portfolio Overview

BROOKDALE
—SENIOR LIVING SOLUTIONS—

	Segment Overview (1)	Senior Housing Segments
Revenue (2)		
Segment Operating Income (3)		

(1) Brookdale's five segments are Retirement Centers, Assisted Living, CCRCs–Rental (which combined are referred to as Senior Housing), Ancillary Services and Management Services.
(2) Percentage of revenue is based on Q4 2016 resident fee and management fee revenue.
(3) Percentage of operating income is based on Q4 2016 results.

Adjusted EBITDA and Adjusted Free Cash Flow

BROOKDALE
— SENIOR LIVING SOLUTIONS —

(All amounts in 000s)	FY 2015	FY 2016				YoY
	Q4	Q1	Q2	Q3	Q4	Q4
Resident fee and management fee revenue	$1,056,388	$1,077,928	$1,072,754	$1,058,363	$1,030,338	
Less: Facility operating expenses	(697,262)	(715,902)	(693,103)	(704,221)	(686,176)	
Combined Segment Operating Income	359,126	362,026	379,651	354,142	344,162	*-4.2%*
Add: Change in future service obligation	(941)	-	-	-	-	
Less: G&A expense (including non-cash stock-based compensation expense)	(91,970)	(92,621)	(90,695)	(63,425)	(66,668)	
Add: Non-cash stock-based compensation expense	5,780	9,769	8,994	8,455	5,067	
Less: Transaction costs	(1,089)	(850)	(441)	(659)	(2,040)	
Less: Cash operating lease payments *(see page 16)*	(92,942)	(95,580)	(96,031)	(96,170)	(96,323)	
Adjusted EBITDA	**177,964**	**182,744**	**201,478**	**202,343**	**184,198**	***3.5%***
Less: Interest expense, net	(88,738)	(87,428)	(87,008)	(86,581)	(85,594)	
Less: Lease financing debt amortization	(14,914)	(15,302)	(15,532)	(16,024)	(16,409)	
Add: Proceeds from entrance fees, net of refunds and amortization	607	1,568	3,352	2,389	1,575	
Add/Less: Other [1]	1,190	3,336	1,355	1,313	(1,251)	
Less: Non-Development Capital Expenditures, net *(see page 15)*	(108,828)	(57,034)	(58,759)	(55,611)	(49,363)	
Adjusted Free Cash Flow	**$ (32,719)**	**$ 27,884**	**$ 44,886**	**$ 47,829**	**$ 33,156**	***n/m***
Brookdale's Proportionate Share of Unconsolidated Ventures' Adjusted Free Cash Flow	**$ 6,191**	**$ 8,505**	**$ 9,860**	**$ 7,502**	**$ 6,763**	***9.2%***
Weighted average shares used in computing basic and diluted net income (loss) per share	**184,805**	**185,153**	**185,825**	**185,946**	**185,684**	

(1) Primarily consists of proceeds from property insurance, cash paid for debt modification and extinguishment costs, cash paid for state income taxes, and cash proceeds from litigation insurance.

Adjusted EBITDA and Adjusted Free Cash Flow Distribution

BROOKDALE
— SENIOR LIVING SOLUTIONS —

($ in 000s)

	Q4 2016					
	Total	Senior Housing Owned Portfolio	Senior Housing Leased Portfolio	Ancillary Services	Management Services	Other [1]
Resident fee and management fee revenue	$ 1,030,338	$ 383,588	$ 512,444	$ 114,042	$ 20,264	$ -
Less: Facility operating expenses	(686,176)	(259,430)	(328,993)	(97,753)	-	-
Combined Segment Operating Income	344,162	124,158	183,451	16,289	20,264	-
Less: G&A expense (including non-cash stock-based compensation expense)	(66,668)	(16,163)	(21,592)	(6,331)	(9,505)	(13,077)
Add: Non-cash stock-based compensation expense	5,067	-	-	-	-	5,067
Less: Transaction costs	(2,040)	-	-	-	-	(2,040)
Less: Cash operating lease payments	(96,323)	-	(95,163)	-	-	(1,160)
Adjusted EBITDA	**184,198**	**107,995**	**66,696**	**9,958**	**10,759**	**(11,210)**
Less: Interest expense, net	(85,594)	(42,302)	(43,683)	(303)	-	694
Less: Lease financing debt amortization	(16,409)	-	(16,409)	-	-	-
Add: Proceeds from entrance fees, net of refunds and amortization	1,575	-	1,575	-	-	-
Less: Other	(1,251)	-	-	-	-	(1,251)
Less: Non-Development Capital Expenditures, net	(49,363)	(18,668)	(16,585)	(51)	-	(14,059)
Adjusted Free Cash Flow	**$ 33,156**	**$ 47,025**	**$ (8,406)**	**$ 9,604**	**$ 10,759**	**$ (25,826)**

(1) Other is primarily comprised of corporate capital expenditures, unallocated G&A expense (primarily integration, transaction-related and strategic project costs) and transaction costs.

Segment Overview

BROOKDALE
— SENIOR LIVING SOLUTIONS —

($ in 000s, except RevPAR and RevPOR)

	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4	YoY Q4
Total Senior Housing, Brookdale Ancillary and Management Services [1]						
Revenue	$ 1,056,388	$ 1,077,928	$ 1,072,754	$ 1,058,363	$ 1,030,338	-2.5%
Combined Segment Operating Income	$ 359,126	$ 362,026	$ 379,651	$ 354,142	$ 344,162	-4.2%
Combined Segment Operating Margin	34.0%	33.6%	35.4%	33.5%	33.4%	-59 bps
Senior Housing *(see page 8)*						
Revenue	$ 920,960	$ 938,956	$ 931,232	$ 925,568	$ 896,032	-2.7%
Senior Housing Operating Income	$ 326,249	$ 330,728	$ 342,433	$ 323,986	$ 307,609	-5.7%
Senior Housing Operating Margin	35.4%	35.2%	36.8%	35.0%	34.3%	-109 bps
Number of communities (period end)	959	959	956	921	902	
Total Average Units	82,190	80,941	80,700	80,059	78,029	
RevPAR	$ 3,731	$ 3,863	$ 3,842	$ 3,849	$ 3,823	2.5%
Weighted average unit occupancy	86.8%	86.1%	85.8%	86.2%	86.0%	-80 bps
RevPOR	$ 4,302	$ 4,485	$ 4,476	$ 4,465	$ 4,446	3.3%
Brookdale Ancillary Services Segment						
Revenue	$ 119,875	$ 122,192	$ 123,336	$ 117,263	$ 114,042	-4.9%
Segment Operating Income	$ 17,324	$ 14,518	$ 19,032	$ 14,624	$ 16,289	-6.0%
Segment Operating Margin	14.5%	11.9%	15.4%	12.5%	14.3%	-17 bps
Management Services Segment						
Segment Operating Income (comprised solely of management fees)	$ 15,553	$ 16,780	$ 18,186	$ 15,532	$ 20,264	30.3%
G&A Allocation *(see page 14)*	$ (11,506)	$ (11,256)	$ (11,200)	$ (8,567)	$ (9,505)	n/m
Segment Operating Income (Adjusted to Include G&A Allocation)	$ 4,047	$ 5,524	$ 6,986	$ 6,965	$ 10,759	165.9%
Segment Operating Margin (Adjusted to Include G&A Allocation)	26.0%	32.9%	38.4%	44.8%	53.1%	2,707 bps
Resident fee revenue under management	$ 294,418	$ 307,457	$ 304,047	$ 300,750	$ 297,713	
Number of communities (period end)	164	162	158	156	153	
Total Average Units	26,464	26,613	26,435	26,088	25,623	
RevPAR	$ 3,708	$ 3,851	$ 3,834	$ 3,843	$ 3,873	4.4%
Weighted average occupancy	86.6%	87.1%	86.8%	87.2%	86.8%	20 bps
RevPOR	$ 4,246	$ 4,371	$ 4,350	$ 4,322	$ 4,367	2.8%

(1) Excludes reimbursed costs on behalf of managed communities of $179,314, $185,228, $186,076, $187,763, and $178,530 (in thousands), respectively.

Senior Housing Segments

BROOKDALE
— SENIOR LIVING SOLUTIONS —

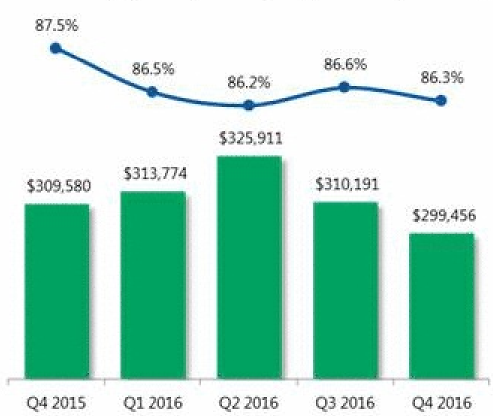
($ in 000s, except RevPAR and RevPOR)	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4	YoY Q4
Retirement Centers						
Revenue	$ 165,630	$ 169,426	$ 169,990	$ 170,706	$ 169,381	*2.3%*
Segment Operating Income	$ 72,355	$ 74,449	$ 74,754	$ 73,112	$ 72,215	*-0.2%*
Segment Operating Margin	*43.7%*	*43.9%*	*44.0%*	*42.8%*	*42.6%*	*-105 bps*
Number of communities (period end)	95	95	95	95	93	
Total Average Units	17,293	17,096	17,095	17,105	17,115	
RevPAR	$ 3,193	$ 3,303	$ 3,315	$ 3,327	$ 3,299	*3.3%*
Weighted average unit occupancy	89.1%	88.9%	88.9%	89.3%	88.9%	*-20 bps*
RevPOR	$ 3,584	$ 3,715	$ 3,727	$ 3,727	$ 3,711	*3.5%*
Assisted Living						
Revenue	$ 607,882	$ 617,270	$ 613,017	$ 607,345	$ 581,827	*-4.3%*
Segment Operating Income	$ 219,225	$ 220,810	$ 234,085	$ 217,878	$ 204,044	*-6.9%*
Segment Operating Margin	*36.1%*	*35.8%*	*38.2%*	*35.9%*	*35.1%*	*-99 bps*
Number of communities (period end)	820	820	818	783	768	
Total Average Units	54,492	53,510	53,521	52,991	51,087	
RevPAR	$ 3,718	$ 3,845	$ 3,818	$ 3,820	$ 3,796	*2.1%*
Weighted average unit occupancy	86.6%	85.6%	85.3%	85.6%	85.6%	*-100 bps*
RevPOR	$ 4,296	$ 4,493	$ 4,478	$ 4,461	$ 4,437	*3.3%*
CCRCs - Rental						
Revenue	$ 147,448	$ 152,260	$ 148,225	$ 147,517	$ 144,824	*-1.8%*
Segment Operating Income	$ 34,669	$ 35,469	$ 33,594	$ 32,996	$ 31,350	*-9.6%*
Segment Operating Margin	*23.5%*	*23.3%*	*22.7%*	*22.4%*	*21.6%*	*-187 bps*
Number of communities (period end)	44	44	43	43	41	
Total Average Units	10,405	10,335	10,084	9,963	9,827	
RevPAR	$ 4,695	$ 4,881	$ 4,866	$ 4,896	$ 4,876	*3.8%*
Weighted average unit occupancy	83.9%	84.3%	83.7%	84.0%	83.2%	*-70 bps*
RevPOR	$ 5,601	$ 5,790	$ 5,812	$ 5,833	$ 5,861	*4.6%*

Senior Housing: Same Community

BROOKDALE
—SENIOR LIVING SOLUTIONS—

($ in 000s, except RevPAR and RevPOR)	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4	YoY Q4
Revenue	$ 846,234	$ 869,100	$ 863,513	$ 863,894	$ 854,678	*1.0%*
Community Labor Expenses	(345,417)	(355,465)	(354,529)	(355,200)	(359,760)	
Other facility operating expenses	(191,237)	(199,861)	(183,073)	(198,503)	(195,462)	
Facility operating expenses	(536,654)	(555,326)	(537,602)	(553,703)	(555,222)	
Same Community Operating Income	$ 309,580	$ 313,774	$ 325,911	$ 310,191	$ 299,456	*-3.3%*
Same Community Operating Margin	*36.6%*	*36.1%*	*37.7%*	*35.9%*	*35.0%*	*-155 bps*
Number of communities (period end)	881	881	881	881	881	
Total Average Units	74,684	74,687	74,685	74,678	74,605	
RevPAR	$ 3,773	$ 3,875	$ 3,850	$ 3,851	$ 3,814	*1.1%*
Weighted average unit occupancy	87.5%	86.5%	86.2%	86.6%	86.3%	*-120 bps*
RevPOR	$ 4,312	$ 4,478	$ 4,464	$ 4,449	$ 4,420	*2.5%*

Same Community Operating Income / Weighted average unit occupancy



Same Community RevPAR

Senior Housing: Owned Portfolio

BROOKDALE
—SENIOR LIVING SOLUTIONS—

($ in 000s, except RevPAR and RevPOR)	FY 2015	FY 2016				YoY
	Q4	Q1	Q2	Q3	Q4	Q4
Resident fee revenue	$ 412,678	$ 415,775	$ 406,908	$ 403,655	$ 383,588	
Less: Facility operating expenses	(277,509)	(278,140)	(267,901)	(271,664)	(259,430)	
Owned Portfolio Operating Income	135,169	137,635	139,007	131,991	124,158	-8.1%
Less: G&A Portfolio Allocation *(see page 14)*	(20,989)	(19,715)	(20,015)	(14,685)	(16,163)	
Owned Portfolio Operating Income (Adjusted to Include G&A Allocation)	**$ 114,180**	**$ 117,920**	**$ 118,992**	**$ 117,306**	**$ 107,995**	***-5.4%***
Additional Information						
Interest expense: property level and corporate debt	$ (43,164)	$ (43,667)	$ (43,408)	$ (43,380)	$ (42,302)	
Community level capital expenditures, net *(see page 15)*	$ (35,574)	$ (24,008)	$ (18,661)	$ (19,983)	$ (18,668)	
Number of communities (period end)	413	407	407	375	363	
Total Average Units	37,431	36,248	35,615	35,206	33,489	
RevPAR	$ 3,675	$ 3,823	$ 3,808	$ 3,822	$ 3,818	3.9%
Weighted average unit occupancy	85.9%	85.5%	85.1%	85.4%	85.2%	-70 bps
RevPOR	$ 4,277	$ 4,470	$ 4,474	$ 4,473	$ 4,481	4.8%
Interest Coverage *(as of December 31, 2016)*					2.6x	
Net Debt *(as of December 31, 2016; see page 19)*					$ 3,341,431	

Senior Housing: Leased Portfolio

BROOKDALE
— SENIOR LIVING SOLUTIONS —

($ in 000s, except RevPAR and RevPOR)	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4	YoY Q4
Resident fee revenue	$ 508,282	$ 523,181	$ 524,324	$ 521,913	$ 512,444	
Less: Facility operating expenses	(317,202)	(330,088)	(320,898)	(329,918)	(328,993)	
Leased Portfolio Operating Income	191,080	193,093	203,426	191,995	183,451	*-4.0%*
Add: Change in future service obligation	(941)	-	-	-	-	
Less: G&A Portfolio Allocation *(see page 14)*	(21,892)	(24,809)	(25,791)	(18,987)	(21,592)	
Leased Portfolio Operating Income (Adjusted to Include G&A Allocation)	**$ 168,247**	**$ 168,284**	**$ 177,635**	**$ 173,008**	**$ 161,859**	***-3.8%***
Additional Information						
Total cash lease payments *(see page 16)*	$ (152,715)	$ (153,888)	$ (154,398)	$ (154,699)	$ (155,255)	
Proceeds from entrance fees, net of refunds and amortization	$ 607	$ 1,568	$ 3,352	$ 2,389	$ 1,575	
Community level capital expenditures, net *(see page 15)*	$ (50,695)	$ (21,376)	$ (23,573)	$ (17,360)	$ (16,585)	
Number of communities (period end)	546	552	549	546	539	
Total Average Units	44,759	44,693	45,085	44,853	44,540	
RevPAR	$ 3,779	$ 3,895	$ 3,869	$ 3,870	$ 3,827	*1.3%*
Weighted average unit occupancy	87.0%	86.7%	86.4%	86.8%	86.6%	*-40 bps*
RevPOR	$ 4,344	$ 4,495	$ 4,478	$ 4,458	$ 4,420	*1.7%*
Lease Coverage *(as of December 31, 2016)*					1.06x	

Lease Maturity Information as of December 31, 2016

Initial lease maturities	Leased communities with purchase options: Community count	Leased communities with purchase options: Total Average Units	Leased communities without purchase options: Community count	Leased communities without purchase options: Total Average Units	Total leased communities: Community count	Total leased communities: Total Average Units	Trailing twelve months ended September 30, 2016: Total cash lease payments
2017	31	2,050	27	2,282	58	4,332	$ 30,457
2018	42	2,169	11	1,501	53	3,670	46,764
2019	3	327	50	2,762	53	3,089	46,606
2020	2	301	90	4,686	92	4,987	58,201
2021	-	-	27	1,686	27	1,686	20,684
Thereafter	16	1,296	240	25,021	256	26,317	389,420
Total	94	6,143	445	37,938	539	44,081	$ 592,132

New Supply (1)

BROOKDALE
—SENIOR LIVING SOLUTIONS—

Brookdale's Largest 20 Markets - Competitive Summary

	Brookdale in NIC Markets				Competition Within 20 Minute Drive					
Market	Community Count	Total Average Units (IL/AL/MC)	Q4 2016 Weighted Average Unit Occupancy	Q4 2016 RevPAR	New Const. Properties (2)	IL/AL/MC New Const. Units (2)	1 Yr Projected Unit Opens % of Supply (2)	Current Saturation (3)	5 Yr Projected Total Pop Growth (4)	5 Yr Projected Age 75+ Pop w/ Inc. $50k+ Growth (4)
Chicago, IL	17	2,619	91.6%	$ 3,973	22	2,210	9.1%	21.8%	1.4%	20.0%
Los Angeles, CA	23	2,484	84.3%	3,950	3	391	1.4%	11.9%	3.6%	22.4%
Seattle, WA	25	2,448	90.6%	3,667	6	694	3.3%	30.4%	7.1%	32.9%
Dallas, TX	30	2,322	87.0%	3,613	26	1,897	7.3%	30.4%	8.5%	35.1%
Phoenix, AZ	24	2,228	87.5%	3,897	10	1,081	5.2%	29.4%	7.3%	43.3%
Portland, OR	19	1,649	94.3%	3,523	2	299	1.6%	51.3%	6.0%	45.2%
Charlotte, NC	21	1,629	89.7%	4,158	3	263	2.6%	39.4%	8.6%	45.8%
Denver, CO	14	1,503	83.5%	4,540	17	1,547	12.8%	27.6%	8.6%	34.4%
Houston, TX	15	1,361	84.3%	4,000	12	1,242	9.8%	19.6%	10.1%	38.6%
Riverside, CA	12	1,205	86.0%	3,213	3	268	2.5%	17.1%	4.7%	19.9%
Tampa, FL	11	1,172	82.5%	3,049	4	428	3.2%	25.9%	5.8%	41.2%
Miami, FL	8	1,132	78.8%	2,850	4	664	4.8%	18.0%	6.5%	40.3%
Orlando, FL	14	1,061	82.8%	3,622	4	491	6.9%	23.1%	9.3%	50.2%
Austin, TX	10	1,042	86.8%	5,134	7	583	8.6%	27.4%	13.5%	41.3%
Atlanta, GA	12	1,034	86.0%	3,229	9	963	8.8%	31.3%	7.8%	55.2%
Jacksonville, FL	9	1,013	89.1%	3,632	7	666	14.7%	25.8%	6.3%	50.6%
Richmond, VA	2	981	88.4%	1,947	3	196	2.8%	42.9%	5.6%	8.7%
San Antonio, TX	13	980	72.6%	3,139	3	619	8.9%	23.9%	8.7%	29.3%
Detroit, MI	10	955	89.0%	3,369	10	1,189	7.7%	28.9%	1.4%	42.9%
Cleveland, OH	8	928	83.3%	4,300	1	84	1.0%	25.4%	-0.3%	38.0%
Top 20 Markets	**297**	**29,746**	**86.5%**	**$ 3,717**	**156**	**15,775**	**5.7%**	**23.7%**	**6.1%**	**33.2%**
All Other NIC Markets	**339**	**28,035**	**85.8%**	**$ 3,849**	**131**	**13,843**	**4.3%**	**23.7%**	**4.5%**	**28.7%**

(1) Data reflected is for the consolidated senior housing portfolio only.
(2) NIC MAP Supply Set, Q4 2016 "New Construction" properties with projected open dates through Q4 2017.
(3) Saturation is equal to units per population Age 75+ with income 50k+.
(4) Percentage changes are based on data from Esri for 2016-2021.

Ancillary Services

BROOKDALE
— SENIOR LIVING SOLUTIONS —

($ in 000s)	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4	YoY Q4
Resident fee revenue						
Home Health	$ 95,083	$ 96,903	$ 97,423	$ 91,858	$ 91,199	
Outpatient Therapy	17,066	15,380	14,511	12,667	9,320	
Hospice	7,367	9,120	10,503	11,766	12,531	
Brookdale at Home	358	789	899	972	993	
Segment resident fee revenue	119,875	122,192	123,336	117,263	114,042	-4.9%
Segment Operating Income	17,324	14,518	19,032	14,624	16,289	-6.0%
Segment Operating Margin	*14.5%*	*11.9%*	*15.4%*	*12.5%*	*14.3%*	*-17 bps*
G&A Allocation *(see page 14)*	(8,203)	(7,965)	(7,998)	(6,323)	(6,331)	
Segment Operating Income (Adjusted to Include G&A Allocation)	$ 9,121	$ 6,553	$ 11,034	$ 8,301	$ 9,958	*9.2%*
Segment Operating Margin (Adjusted to Include G&A Allocation)	*7.6%*	*5.4%*	*8.9%*	*7.1%*	*8.7%*	*112 bps*
Additional Information						
Interest expense	*$ (316)*	*$ (323)*	*$ (323)*	*$ (321)*	*$ (303)*	
Community level capital expenditures, net *(see page 15)*	*$ (193)*	*$ (375)*	*$ (77)*	*$ (155)*	*$ (51)*	
Home Health average daily census	14,862	15,835	15,388	14,456	14,587	*-1.9%*
Outpatient Therapy treatment codes	588,984	509,651	476,530	419,619	307,933	*-47.7%*
Hospice average daily census	558	654	737	813	863	*54.7%*

G&A Expense & Transaction Costs

BROOKDALE
— SENIOR LIVING SOLUTIONS —

($ in 000s)	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4	YoY Q4
G&A Expense Allocations [1]						
Senior Housing Owned Portfolio allocation	$ 20,989	$ 19,715	$ 20,015	$ 14,685	$ 16,163	
Senior Housing Leased Portfolio allocation	21,892	24,809	25,791	18,987	21,592	
Ancillary Services allocation	8,203	7,965	7,998	6,323	6,331	
Management Services allocation	11,506	11,256	11,200	8,567	9,505	
Total allocations [1]	62,590	63,745	65,004	48,562	53,591	
Non-cash stock-based compensation expense	5,780	9,769	8,994	8,455	5,067	
Integration, Transaction-Related and Strategic Project Costs	23,600	19,107	16,697	6,408	8,010	
General and administrative expense	91,970	92,621	90,695	63,425	66,668	*-27.5%*
Transaction Costs	1,089	850	441	659	2,040	
General and administrative expense and transaction costs	$ 93,059	$ 93,471	$ 91,136	$ 64,084	$ 68,708	*-26.2%*

($ in 000s)	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4
Allocated G&A Expense as a Percentage of Resident Fee Revenue					
Resident fee revenue	$ 1,040,835	$ 1,061,148	$ 1,054,568	$ 1,042,831	$ 1,010,074
Senior Housing Owned Portfolio allocation	20,989	19,715	20,015	14,685	16,163
Senior Housing Leased Portfolio allocation	21,892	24,809	25,791	18,987	21,592
Ancillary Services allocation	8,203	7,965	7,998	6,323	6,331
Non-cash stock-based compensation expense	5,780	9,769	8,994	8,455	5,067
Total	$ 56,864	$ 62,258	$ 62,798	$ 48,450	$ 49,153
As a % of resident fee revenue	*5.5%*	*5.9%*	*6.0%*	*4.6%*	*4.9%*

(1) G&A allocations are calculated using a methodology which the Company believes best matches the type of general and administrative cost with the community, segment, or portfolio. Some of the allocations are based on direct utilization and some are based on formulas such as unit proportion. G&A allocations presented herein exclude non-cash stock-based compensation expense and integration, transaction, transaction-related and strategic project costs.

Capital Expenditures

BROOKDALE
— SENIOR LIVING SOLUTIONS —

($ in 000s, except for Community level capital expenditures per unit)	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4	YoY Q4
Community level capital expenditures, including allocations (1)						
Senior Housing Owned Portfolio	$ 35,574	$ 24,008	$ 18,661	$ 19,983	$ 18,668	
Senior Housing Leased Portfolio	50,695	21,376	23,573	17,360	16,585	
Ancillary Services	193	375	77	155	51	
Community level capital expenditures, net (1)	86,462	45,759	42,311	37,499	35,304	-59.2%
Corporate capital expenditures (2)	22,366	11,275	16,448	18,112	14,059	-37.1%
Non-Development Capital Expenditures, net	**108,828**	**57,034**	**58,759**	**55,611**	**49,363**	**-54.6%**
Development Capital Expenditures, net	**12,384**	**4,214**	**6,508**	**6,000**	**7,186**	**-42.0%**
Total capital expenditures, net	**$ 121,212**	**$ 61,248**	**$ 65,267**	**$ 61,611**	**$ 56,549**	**-53.3%**
Community level capital expenditures per unit	$ 1,052	$ 565	$ 524	$ 468	$ 452	-57.0%

Reconciliation to Additions to PP&E	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4
Total capital expenditures, net	$ 121,212	$ 61,248	$ 65,267	$ 61,611	$ 56,549
Add: Total lessor reimbursements	25,692	17,769	14,557	10,385	12,727
Add: Change in related payables	(37,631)	29,493	1,726	1,894	421
Additions to property, plant and equipment and leasehold intangibles, net	$ 109,273	$ 108,510	$ 81,550	$ 73,890	$ 69,697

(1) Includes net recurring and EBITDA-enhancing projects which were formerly reported separately.
(2) Formerly referred to by the Company as corporate, integration and other.

Cash Lease Payments

BROOKDALE
— SENIOR LIVING SOLUTIONS —

($ in 000s)	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4	YoY Q4
Operating Leases						
Facility lease expense	$ 90,621	$ 96,689	$ 92,682	$ 92,519	$ 91,745	
Less: Straight-line (income) expense, net	(505)	(3,935)	523	859	1,786	
Less: Amortization of (above) below market lease, net	1,733	1,733	1,733	1,699	1,699	
Add: Amortization of deferred gain	1,093	1,093	1,093	1,093	1,093	
Cash operating lease payments [1]	$ 92,942	$ 95,580	$ 96,031	$ 96,170	$ 96,323	*3.6%*
Capital and Financing Leases						
Interest expense: capital and financing lease obligations	$ 51,669	$ 50,579	$ 50,581	$ 50,401	$ 50,451	
Less: Non-cash interest expense on financing lease obligations	(6,014)	(6,439)	(6,575)	(6,714)	(6,768)	
Add: Lease financing debt amortization	14,914	15,302	15,532	16,024	16,409	
Cash capital and financing lease payments	$ 60,569	$ 59,442	$ 59,538	$ 59,711	$ 60,092	*-0.8%*
Total cash lease payments [1]	**$ 153,511**	**$ 155,022**	**$ 155,569**	**$ 155,881**	**$ 156,415**	***1.9%***

	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4
Interest Expense Reconciliation to Income Statement					
Interest expense: capital and financing lease obligations	$ 51,669	$ 50,579	$ 50,581	$ 50,401	$ 50,451
Less: Non-cash interest expense on financing lease obligations	(6,014)	(6,439)	(6,575)	(6,714)	(6,768)
Interest expense: capital and financing lease obligations - cash payments	45,655	44,140	44,006	43,687	43,683
Less: Interest income	(395)	(702)	(728)	(809)	(694)
Interest expense: debt	43,480	43,990	43,731	43,701	42,605
Interest expense, net	88,740	87,428	87,009	86,579	85,594
Add: Amortization of deferred financing costs and debt premium (discount)	2,516	2,310	2,288	2,380	2,422
Add: Change in fair value of derivatives	7	24	4	-	150
Add: Non-cash interest expense on financing lease obligations	6,014	6,439	6,575	6,714	6,768
Add: Interest income	395	702	728	809	694
Interest expense per income statement	$ 97,672	$ 96,903	$ 96,604	$ 96,482	$ 95,628

(1) Includes corporate lease expense of $796, $1,134, $1,171, $1,182, and $1,160 (in thousands), respectively.

Unconsolidated Ventures

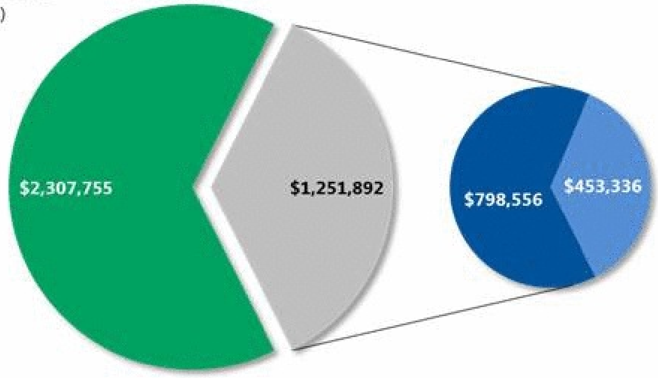
BROOKDALE
—SENIOR LIVING SOLUTIONS—

($ in 000s)	Q4 2016 Total	Q4 2016 CCRC Venture	Q4 2016 Other Ventures	Year ended December 31, 2016 Total
Resident fee revenue	$ 285,095	$ 98,444	$ 186,651	$ 1,133,151
Less: Facility operating expenses	(193,472)	(73,662)	(119,810)	(778,956)
Less: General and administrative expenses including management fees	(15,120)	(5,428)	(9,692)	(59,925)
Operating Income (including G&A expenses)	**76,503**	**19,354**	**57,149**	**294,270**
Less: Interest expense, net	(38,208)	(3,112)	(35,096)	(148,480)
Add: Proceeds from entrance fees, net of refunds and amortization	7,517	7,517	-	46,572
Less: Other	(1,132)	(142)	(990)	(4,021)
Less: Community level capital expenditures, net	(26,232)	(9,265)	(16,967)	(98,305)
Adjusted Free Cash Flow of Unconsolidated Ventures	**$ 18,448**	**$ 14,352**	**$ 4,096**	**$ 90,036**
Brookdale's Proportionate Share of:				
Adjusted Free Cash Flow of Unconsolidated Ventures	$ 6,763	$ 7,320	$ (557)	$ 32,630
Debt principal of unconsolidated ventures as of December 31, 2016	$ 623,855	$ 327,461	$ 296,394	$ 623,855
Statistics				
Brookdale's weighted average unit ownership percentage	24.6%	51.0%	13.1%	24.6%
Non-recourse debt principal of unconsolidated ventures as of December 31, 2016	$ 2,668,109	$ 642,081	$ 2,026,028	$ 2,668,109
Number of communities (period end)	144	16	128	144
Total Average Units	24,465	7,195	17,270	24,543

Debt & Liquidity

BROOKDALE
— SENIOR LIVING SOLUTIONS —

Debt Structure (1)
($ in 000s)

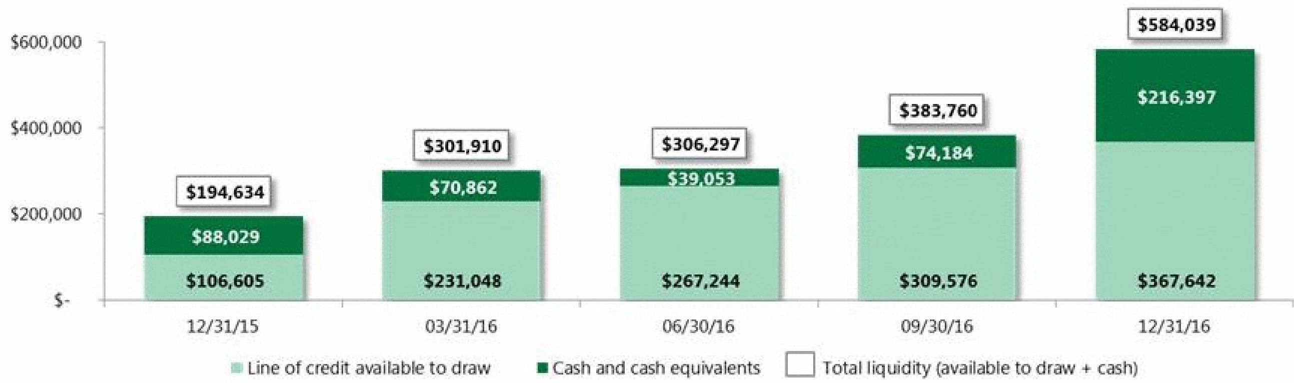


As of December 31, 2016

	Weighted Rate
Fixed rate debt	5.05%
Variable rate debt (2)	3.12%
Total debt and line of credit	**4.37%**

	Balance
Total debt	$ 3,559,647

Total Liquidity
($ in 000s)

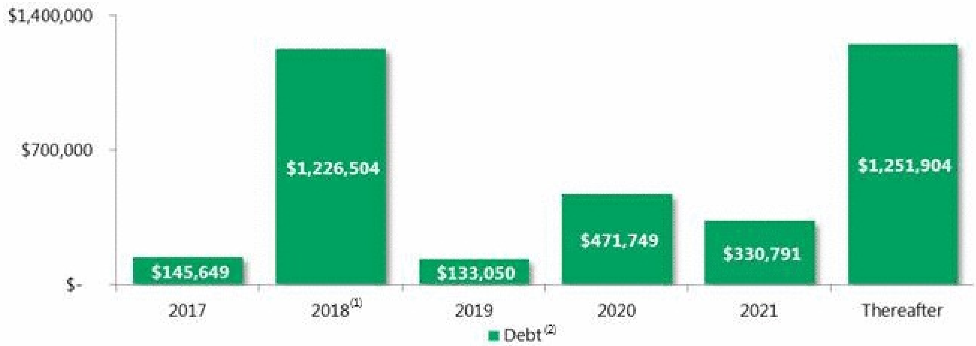


(1) Includes mortgage debt, convertible notes, line of credit and other notes payable, but excludes capital and financing lease obligations.
(2) Pertaining to variable rate debt, reflects a) market rates as of December 31, 2016 and b) applicable cap rates for hedged debt.

Debt Maturity & Leverage

BROOKDALE
—SENIOR LIVING SOLUTIONS—

Debt Maturity Schedule
($ in 000s)



	Weighted Rate	
	Debt (2)	Line of Credit
2017	5.04%	-
2018	4.47%	-
2019	5.87%	-
2020	5.10%	-
2021	5.72%	-
Thereafter	3.41%	-
Total	**4.37%**	-

	Total Balance
Debt (2)	$ 3,559,647

(1) Includes $295.4 million of convertible notes.

Leverage Ratios
($ in 000s)

Year ended December 31, 2016			Annualized Leverage	
Adjusted EBITDAR (3)	(A)	$ 1,209,079		
Less: Cash operating lease payments *(see page 16)*		(384,104)		
Adjusted EBITDA (3)		824,975		
Less: Cash capital and financing lease payments *(see page 16)*		(238,783)		
Adjusted EBITDA (3) after cash capital and financing lease payments	(B)	586,192		
As of December 31, 2016				
Debt (2)		3,559,647		
Line of credit		-		
Less: Cash and cash equivalents		(216,397)		
Less: Cash and escrow deposits - restricted held as collateral against existing debt		(1,819)		
Net Debt	(C)	**3,341,431**	**5.7x**	(C/B)
Plus: Cash operating and capital and financing lease payments *(see page 16)* multiplied by 8		4,983,096		
Adjusted Net Debt	(D)	**$8,324,527**	**6.9x**	(D/A)

(2) Includes mortgage debt, convertible notes and other notes payable, but excludes capital and financing leases and line of credit and recurring principal amortization.

(3) Amounts of Adjusted EBITDAR and Adjusted EBITDA exclude integration, transaction, transaction-related and strategic project costs of $54.2 million.

Important Note Regarding Non-GAAP Financial Measures. Adjusted EBITDAR, Adjusted EBITDA and Adjusted EBITDA after cash capital and financing lease payments (in each case excluding integration, transaction, transaction-related and strategic-project costs), Net debt, and Adjusted net debt are financial measures that are not calculated in accordance with GAAP. See the definitions of such measures under "Definitions" below and important information regarding such measures, including reconciliations to the most comparable GAAP financial measures, under "Non-GAAP Financial Measures" below.

Net Asset Value Elements

BROOKDALE
— SENIOR LIVING SOLUTIONS —

($ in 000s and are for the trailing twelve months ending December 31, 2016 unless otherwise noted)

Senior Housing: Owned Portfolio		
Owned Portfolio Operating Income	$	532,791
Less: G&A Portfolio Allocation [1]		(70,578)
Owned Portfolio Operating Income (Adjusted to Include G&A Allocation)	$	462,213
Net Debt as of December 31, 2016 *(see page 19)*	$	3,341,431
Total Average Units		35,140
Senior Housing: Leased Portfolio		
Leased Portfolio Operating Income (Adjusted to Include G&A Allocation) [1]	$	680,786
Total cash lease payments *(see page 16)*	$	(618,240)
Proceeds from entrance fees, net of refunds and amortization	$	8,884
Total Average Units		44,793
Ancillary Services		
Segment Operating Income (Adjusted to Include G&A Allocation) [1]	$	35,846
Management Services		
Segment Operating Income (Adjusted to Include G&A Allocation) [1]	$	30,234
Unconsolidated Ventures		
Brookdale's Proportionate Share of Adjusted Free Cash Flow	$	32,630
Brookdale's Proportionate Share of non-recourse debt principal as of December 31, 2016	$	623,855
Total Average Units		24,543
Brookdale's weighted average unit ownership percentage		24.6%
Shares outstanding (excluding 4,608,187 unvested restricted shares) as of December 31, 2016		185,437,494

(1) See page 14. G&A allocations presented on this page exclude non-cash stock-based compensation expense of $32,285 and integration, transaction, transaction-related and strategic project costs of $54,212 for the twelve months ended December 31, 2016.

Definitions

BROOKDALE
— SENIOR LIVING SOLUTIONS —

Adjusted EBITDA is a non-GAAP financial measure that the Company defines 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; non-cash stock-based compensation expense; and change in future service obligation. For purposes of the Company's leverage ratios presented under "Debt Maturity & Leverage", Adjusted EBITDA and Adjusted EBITDA after cash capital and financing lease payments exclude integration, transaction, transaction-related and strategic project costs.

Adjusted EBITDAR is a non-GAAP financial measure that the Company defines as Adjusted EBITDA less cash operating lease payments. For purposes of the Company's leverage ratios presented under "Debt Maturity & Leverage", Adjusted EBITDAR excludes integration, transaction, transaction-related and strategic project costs.

Adjusted Free Cash Flow is a non-GAAP financial measure that the Company defines as net cash provided by (used in) operating activities before: changes in operating assets and liabilities; gain (loss) on facility lease termination; and distributions from unconsolidated ventures from cumulative share of net earnings; plus: proceeds from refundable entrance fees, net of refunds; and property insurance proceeds; less: lease financing debt amortization and Non-Development Capital Expenditures (defined below).

Adjusted Net Debt is a non-GAAP financial measure that the Company defines as Net Debt, plus cash operating and capital and financing lease payments for the relevant period multiplied by 8.

Brookdale's Proportionate Share of Adjusted Free Cash Flow of Unconsolidated Ventures is a non-GAAP financial measure calculated based on the Company's equity ownership percentage and in a manner consistent with the Company's definition of Adjusted Free Cash Flow for its consolidated entities. The Company's investments in its unconsolidated ventures are accounted for under the equity method of accounting and, therefore, the Company's proportionate share of Adjusted Free Cash Flow of unconsolidated ventures does not represent cash available to the Company's consolidated business except to the extent it is distributed to the Company.

Combined Segment Operating Income is defined by the Company as resident fee and management fee revenue of the Company, less facility operating expenses. Combined Segment Operating Income does not include general and administrative expenses, transaction costs or depreciation and amortization.

Community Labor Expenses is a component of facility operating expense that includes regular and overtime salaries and wages, bonuses, paid-time-off and holiday wages, payroll taxes, contract labor, employee benefits, and workers compensation.

Development Capital Expenditures means capital expenditures for community expansions and major community redevelopment and repositioning projects, including the Company's Program Max initiative, and the development of new communities. Amounts of Development Capital Expenditures are presented net of lessor reimbursements received or anticipated to be received.

Integration, Transaction, Transaction-Related and Strategic Project Costs are general and administrative expenses. 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 electronic medical records ("EMR") roll-out project) and reducing costs and achieving synergies by capitalizing on scale.

Interest Coverage is calculated based on the trailing-twelve months Owned Portfolio Operating Income adjusted for 5% management fee and capital expenditures at $350/unit, divided by the trailing-twelve months property level and corporate debt interest expense.

Lease Coverage is calculated based on the trailing-twelve months Leased Portfolio Operating Income adjusted for 5% management fee and capital expenditures at $350/unit, divided by the trailing-twelve months cash lease payments for both operating leases and capital and financing leases, excluding corporate lease expense.

Definitions

Leased Portfolio Operating Income is defined by the Company as resident fee revenues (excluding Brookdale Ancillary Services segment revenue), less facility operating expenses for the Company's Senior Housing Leased Portfolio. Leased Portfolio Operating Income does not include general and administrative expenses (unless otherwise noted), transaction costs or depreciation and amortization.

Net Debt is a non-GAAP financial measure that the Company defines as the total of its debt (mortgage debt, convertible notes and other notes payable) and the outstanding balance on the line of credit, less unrestricted cash and cash held as collateral against existing debt.

n/m means not meaningful and is used in the year-over-year variance column if either or both periods being compared have a negative sign.

Non-Development Capital Expenditures is comprised of corporate and community-level capital expenditures, including those related to maintenance, renovations, upgrades and other major building infrastructure projects for the Company's communities. Non-Development Capital Expenditures does not include capital expenditures for community expansions and major community redevelopment and repositioning projects, including the Company's Program Max initiative, and the development of new communities (i.e., Development Capital Expenditures). Amounts of Non-Development Capital Expenditures are presented net of lessor reimbursements received or anticipated to be received.

Owned Portfolio Operating Income is defined by the Company as resident fee revenues (excluding Brookdale Ancillary Services segment revenue), less facility operating expenses for the Company's Senior Housing Owned Portfolio. Owned Portfolio Operating Income does not include general and administrative expenses (unless otherwise noted), transaction costs or depreciation and amortization.

RevPAR, or average monthly senior housing resident fee revenues per available unit, is defined by the Company as resident fee revenues, excluding Brookdale Ancillary Services segment revenue and entrance fee amortization, for the corresponding portfolio for the period, divided by the weighted average number of available units in the corresponding portfolio for the period, divided by the number of months in the period.

RevPOR, or average monthly senior housing resident fee revenues per occupied unit, is defined by the Company as resident fee revenues, excluding Brookdale Ancillary Services segment revenue and entrance fee amortization, for the corresponding portfolio for the period, divided by the weighted average number of occupied units in the corresponding portfolio for the period, divided by the number of months in the period.

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

Segment Operating Income is defined by the Company as segment revenues less segment facility operating expenses. Segment Operating Income does not include general and administrative expenses (unless otherwise noted), transaction costs or depreciation and amortization. Management Services segment operating income excludes revenue for reimbursements for which the Company is the primary obligor of costs incurred on behalf of managed communities, and there are no facility operating expenses associated with the Management Services segment. See the Segment Information note to the Company's consolidated financial statements for more information regarding the Company's segments.

Senior Housing Leased Portfolio represents Brookdale leased communities and does not include owned, managed – 3rd party, or managed – venture communities.

Senior Housing Operating Income is defined by the Company as segment revenues less segment facility operating expenses for the Company's Retirement Centers, Assisted Living and CCRCs–Rental segments on an aggregate basis. Senior Housing Operating Income does not include general and administrative expenses, transaction costs or depreciation and amortization.

Senior Housing Owned Portfolio represents Brookdale owned communities and does not include leased, managed – 3rd party, or managed – venture communities.

Total Average Units represents the average number of units operated during the period, excluding equity homes.

Total RevPAR, or average monthly resident fee revenues per available unit, is defined by the Company as resident fee revenues, excluding entrance fee amortization, for the Company for the period, divided by the weighted average number of available units in the Company's consolidated portfolio for the period, divided by the number of months in the period.

Appendix

BROOKDALE
SENIOR LIVING SOLUTIONS

Consolidated Statements of Cash Flows	24
Non-GAAP Financial Measures	25-30

Brookdale Skyline
Colorado Springs, CO

Consolidated Statements of Cash Flows

BROOKDALE
—SENIOR LIVING SOLUTIONS—

($ in 000s)	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4
Cash Flows from Operating Activities					
Net income (loss)	$ (174,303)	$ (48,817)	$ (35,491)	$ (51,728)	$ (268,600)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Loss on extinguishment of debt, net	77	139	-	236	876
Depreciation and amortization, net	128,894	129,447	135,682	133,163	131,510
Asset impairment	57,941	3,375	4,152	19,111	221,877
Equity in (earnings) loss of unconsolidated ventures	38	(1,018)	(338)	878	(1,182)
Distributions from unconsolidated ventures from cumulative share of net earnings	-	-	-	6,400	17,144
Amortization of deferred gain	(1,093)	(1,093)	(1,093)	(1,093)	(1,093)
Amortization of entrance fee revenue	(888)	(926)	(1,013)	(1,172)	(1,084)
Proceeds from deferred entrance fee revenue	2,226	3,087	4,371	3,869	2,653
Deferred income tax (benefit) provision	68,753	934	(602)	3,472	(556)
Change in deferred lease liability	505	3,935	(523)	(859)	(1,786)
Change in fair value of derivatives	7	24	4	-	150
(Gain) loss on sale of assets, net	453	(2,749)	198	425	(5,092)
Change in future service obligation	(941)	-	-	-	-
Non-cash stock-based compensation	5,780	9,769	8,994	8,455	5,067
Non-cash interest expense on financing lease obligations	6,014	6,439	6,575	6,714	6,768
Amortization of (above) below market rents, net	(1,733)	(1,733)	(1,733)	(1,699)	(1,699)
Other	(885)	(2,330)	(1,267)	(2,763)	(2,777)
Changes in operating assets and liabilities:					
Accounts receivable, net	8,515	(2,738)	8,177	2,744	(6,602)
Prepaid expenses and other assets, net	11,182	(36,554)	19,709	9,507	10,292
Accounts payable and accrued expenses	(37,372)	(1,388)	(21,745)	(50,759)	(9,356)
Tenant refundable fees and security deposits	214	(226)	264	(731)	(146)
Deferred revenue	16,797	12,766	(16,825)	15,272	(7,913)
Net cash provided by operating activities	90,181	70,343	107,496	99,442	88,451
Cash Flows from Investing Activities					
Decrease (increase) in lease security deposits and lease acquisition deposits, net	(1,675)	(1,210)	(328)	(238)	(449)
Decrease (increase) in cash and escrow deposits — restricted	22,464	72	283	(2,165)	6,837
Additions to property, plant and equipment and leasehold intangibles, net	(109,273)	(108,510)	(81,550)	(73,890)	(69,697)
Acquisition of assets, net of related payables	2,235	(12,157)	-	-	-
Investment in unconsolidated ventures	(28,588)	(2,365)	(1,368)	(2,338)	(7,306)
Distributions received from unconsolidated ventures	2,016	1,724	1,878	1,234	214,137
Proceeds from sale of assets, net	41,154	45,584	-	173,887	78,461
Property insurance proceeds	909	2,330	1,267	2,763	2,777
Other	83	84	(2,470)	3,109	6,439
Net cash (used in) provided by investing activities	(70,675)	(74,448)	(82,288)	102,362	231,199
Cash Flows from Financing Activities					
Proceeds from debt	35,519	177,370	14,758	10,004	185,216
Repayment of debt and capital and financing lease obligations	(32,373)	(84,016)	(44,411)	(89,269)	(251,613)
Proceeds from line of credit	205,000	448,500	446,000	382,000	-
Repayment of line of credit	(205,000)	(548,500)	(469,500)	(468,500)	(100,000)
Purchase of treasury stock	-	-	-	-	(9,640)
Payment of financing costs, net of related payables	(371)	(818)	177	(773)	(1,524)
Refundable entrance fees:					
Proceeds from refundable entrance fees	429	535	611	840	1,097
Refunds of entrance fees	(1,160)	(1,128)	(617)	(1,148)	(1,091)
Payment on lease termination	(4,625)	(4,625)	(4,625)	-	-
Other	713	(380)	590	173	118
Net cash provided by (used in) financing activities	(1,868)	(13,062)	(57,017)	(166,673)	(177,437)
Net increase (decrease) in cash and cash equivalents	17,638	(17,167)	(31,809)	35,131	142,213
Cash and cash equivalents at beginning of period	70,391	88,029	70,862	39,053	74,184
Cash and cash equivalents at end of period	$ 88,029	$ 70,862	$ 39,053	$ 74,184	$ 216,397

Non-GAAP Financial Measures

BROOKDALE
— SENIOR LIVING SOLUTIONS —

This Supplemental Information contains financial measures utilized by management to evaluate the Company's operating performance and liquidity that are not calculated in accordance with GAAP, including Adjusted EBITDA; Adjusted EBITDAR, Adjusted EBITDA and Adjusted EBITDA after cash lease payments (in each case excluding integration, transaction, transaction-related and strategic project costs); Net Debt; Adjusted Net Debt; Adjusted Free Cash Flow; and the Company's Proportionate Share of Adjusted Free Cash Flow of Unconsolidated Ventures, the Company's definitions for which are included in the "Definitions" section above. In addition, this section contains reconciliations of the Company's non-GAAP financial measures Cash From Facility Operations (CFFO) and Adjusted CFFO, which the Company has historically reported and has included herein for purposes of comparison. These non-GAAP financial measures should not be considered in isolation from or as superior to or as a substitute for net income (loss), income (loss) from operations, net cash provided by (used in) operating activities, short-term debt, long-term debt, less current portion, current portion of long-term debt, or other financial measures determined in accordance with GAAP. Management uses these non-GAAP financial measures to supplement the Company's GAAP results to provide a more complete understanding of the factors and trends affecting the business. Investors are urged to review the reconciliations set forth in this section of such non-GAAP financial measures to their most comparable GAAP financial measures and to review the information under "Reconciliation of Non-GAAP Financial Measures" in the Company's earnings release dated February 13, 2017 for additional information regarding the Company's use, and the limitations of, the Company's non-GAAP financial measures. Investors are cautioned that amounts presented in accordance with the Company's definitions of these non-GAAP measures may not be comparable to similar measures disclosed by other companies, because not all companies calculate such measures in the same manner.

As noted in the Company's earnings release dated February 13, 2017, the Company changed its definition and calculation of Adjusted EBITDA and CFFO when it reported results for the second quarter of 2016 and third quarter of 2016. Prior period amounts of Adjusted EBITDA, CFFO and Adjusted CFFO presented herein have been recast to conform to the new definitions. See "Reconciliation of Non-GAAP Financial Measures" in the Company's earnings release dated February 13, 2017 for more information regarding the changes made to the definitions and calculations of Adjusted EBITDA and CFFO.

Non-GAAP Financial Measures (Continued)

BROOKDALE
— SENIOR LIVING SOLUTIONS —

Adjusted EBITDA Reconciliation

($ in 000s)	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4
Net income (loss)	$ (174,303)	$ (48,817)	$ (35,491)	$ (51,728)	$ (268,600)
Provision (benefit) for income taxes	69,468	1,665	123	4,159	(569)
Equity in loss (earnings) of unconsolidated ventures	38	(1,018)	(338)	878	(1,182)
Debt modification and extinguishment costs	240	1,110	186	1,944	5,930
Other non-operating income	(2,046)	(5,038)	(2,267)	(3,706)	(3,790)
Interest expense	97,672	96,903	96,604	96,482	95,628
Interest income	(395)	(702)	(728)	(809)	(694)
Income (loss) from operations	(9,326)	44,103	58,089	47,220	(173,277)
Depreciation and amortization	126,378	127,137	133,394	130,783	129,088
Asset impairment	57,941	3,375	4,152	19,111	221,877
(Gain) loss on sale of communities, net	453	(2,749)	198	425	(5,092)
Loss on facility lease termination	-	-	-	-	11,113
Straight-line lease expense (income)	505	3,935	(523)	(859)	(1,786)
Amortization of (above) below market lease, net	(1,733)	(1,733)	(1,733)	(1,699)	(1,699)
Amortization of deferred gain	(1,093)	(1,093)	(1,093)	(1,093)	(1,093)
Non-cash stock-based compensation expense	5,780	9,769	8,994	8,455	5,067
Change in future service obligation	(941)	-	-	-	-
Adjusted EBITDA	**$ 177,964**	**$ 182,744**	**$ 201,478**	**$ 202,343**	**$ 184,198**

Non-GAAP Financial Measures (Continued)

BROOKDALE
— SENIOR LIVING SOLUTIONS —

Adjusted EBITDAR; Adjusted EBITDA; and Adjusted EBITDA after cash capital and financing lease payments Reconciliations (excluding integration, transaction, transaction-related and strategic-project costs)

($ in 000s)	Year ended December 31, 2015	2016
Net income (loss)	$ (458,155)	$ (404,636)
(Benefit) provision for income taxes	(92,209)	5,378
Equity in (loss) earnings of unconsolidated ventures	804	(1,660)
Debt modification and extinguishment costs	7,020	9,170
Gain on sale of assets, net	(1,270)	(7,218)
Other non-operating income	(8,557)	(14,801)
Interest expense	388,764	385,617
Interest income	(1,603)	(2,933)
Income (loss) from operations	(165,206)	(31,083)
Depreciation and amortization	733,165	520,402
Asset impairment	57,941	248,515
Loss on facility lease termination	76,143	11,113
Facility lease expense	367,574	373,635
Non-cash stock-based compensation expense	31,651	32,285
Change in future service obligation	(941)	-
Integration, transaction, transaction-related and strategic project costs	123,679	62,131
Cash paid for debt modification and extinguishment costs	(6,900)	(7,919)
Adjusted EBITDAR (excluding Integration, Transaction, Transaction-Related and Strategic Project Costs)	**$ 1,217,106**	**$ 1,209,079**
Facility lease expense	$ (367,574)	$ (373,635)
Straight-line lease expense (income)	6,956	767
Amortization of (above) below market lease, net	(7,158)	(6,864)
Amortization of deferred gain	(4,372)	(4,372)
Adjusted EBITDA (excluding Integration, Transaction, Transaction-Related and Strategic Project Costs)	**$ 844,958**	**$ 824,975**
Interest expense: capital and financing lease obligations	$ (211,132)	$ (202,012)
Non-cash interest expense on financing lease obligations	23,472	26,496
Lease financing debt amortization	(56,922)	(63,267)
Adjusted EBITDA after cash capital and financing lease payments (excluding Integration, Transaction, Transaction-Related and Strategic Project Costs)	**$ 600,376**	**$ 586,192**

Non-GAAP Financial Measures (Continued)

Net Debt and **Adjusted Net Debt Reconciliations**

	As of December 31, 2015	2016
Long-term debt (including current portion)	$ 3,632,825	$ 3,559,647
Line of credit	310,000	-
Less: cash and cash equivalents	(88,029)	(216,397)
Less: cash held as collateral against existing debt	(3,429)	(1,819)
Net Debt	**3,851,367**	**3,341,431**
Plus: trailing twelve months cash lease payments multiplied by 8	4,933,840	4,983,096
Adjusted Net Debt	**$ 8,785,207**	**$ 8,324,527**
Adjusted Net Debt to Adjusted EBITDAR (excluding Integration, Transaction, Transaction-Related and Strategic Project Costs)	7.2x	6.9x
Net Debt to Adjusted EBITDA after cash capital and financing lease payments (excluding Integration, Transaction, Transaction-Related and Strategic Project Costs)	6.4x	5.7x

Non-GAAP Financial Measures (Continued)

BROOKDALE
— SENIOR LIVING SOLUTIONS —

Adjusted Free Cash Flow; CFFO; and Adjusted CFFO Reconciliations

($ in 000s)	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4
Net cash provided by operating activities	$ 90,181	$ 70,343	$ 107,496	$ 99,442	$ 88,451
Net cash (used in) provided by investing activities	(70,675)	(74,448)	(82,288)	102,362	231,199
Net cash (used in) provided by financing activities	(1,868)	(13,062)	(57,017)	(166,673)	(177,437)
Net increase (decrease) in cash and cash equivalents	$ 17,638	$ (17,167)	$ (31,809)	$ 35,131	$ 142,213
Net cash provided by operating activities	$ 90,181	$ 70,343	$ 107,496	$ 99,442	$ 88,451
Changes in operating assets and liabilities	664	28,140	10,420	23,967	13,725
Proceeds from refundable entrance fees, net of refunds	(731)	(593)	(6)	(308)	6
Lease financing debt amortization	(14,914)	(15,302)	(15,532)	(16,024)	(16,409)
Loss on facility lease termination	-	-	-	-	11,113
Distributions from unconsolidated ventures from cumulative share of net earnings	-	-	-	(6,400)	(17,144)
Less: Non-Development Capital Expenditures, net	(108,828)	(57,034)	(58,759)	(55,611)	(49,363)
Add: Property insurance proceeds	909	2,330	1,267	2,763	2,777
Adjusted Free Cash Flow	**$ (32,719)**	**$ 27,884**	**$ 44,886**	**$ 47,829**	**$ 33,156**
Add: Non-Development Capital Expenditures, net	108,828	57,034	58,759	55,611	49,363
Less: Recurring capital expenditures, net	(13,978)	(13,281)	(13,668)	(16,890)	(14,744)
Less: Property insurance proceeds	(909)	(2,330)	(1,267)	(2,763)	(2,777)
Add: Lease financing debt amortization with bargain purchase option	1,665	1,493	1,415	1,425	1,432
CFFO	**$ 62,887**	**$ 70,800**	**$ 90,125**	**$ 85,212**	**$ 66,430**
Less: Integration, Transaction, Transaction-Related and Strategic Project Costs	$ 24,853	$ 20,928	$ 17,324	$ 8,775	$ 15,104
Adjusted CFFO	**$ 87,740**	**$ 91,728**	**$ 107,449**	**$ 93,987**	**$ 81,534**

Non-GAAP Financial Measures (Continued)

Brookdale's Proportionate Share of Adjusted Free Cash Flow and CFFO of Unconsolidated Ventures

For purposes of this presentation, amounts for each line item represent the aggregate amounts of such line items for all of the Company's unconsolidated ventures.

($ in 000s)	FY 2015	FY 2016			
	Q4	Q1	Q2	Q3	Q4
Net cash provided by operating activities	$ 67,839	$ 54,593	$ 55,842	$ 47,095	$ 40,994
Net cash (used in) provided by investing activities	(175,244)	(37,924)	(45,682)	(40,885)	5,556
Net cash provided by (used in) financing activities	96,706	(5,851)	(14,784)	(12,073)	(55,554)
Net (decrease) increase in cash and cash equivalents	$ (10,699)	$ 10,818	$ (4,624)	$ (5,863)	$ (9,004)
Net cash provided by operating activities	$ 67,839	$ 54,593	$ 55,842	$ 47,095	$ 40,994
Changes in operating assets and liabilities	(17,274)	(2,320)	(5,205)	(3,600)	8,617
Proceeds from refundable entrance fees, net of refunds	4,155	(2,099)	(677)	32	(4,931)
Non-Development Capital Expenditures, net	(43,332)	(21,805)	(24,507)	(25,761)	(26,232)
Adjusted Free Cash Flow	**$ 11,388**	**$ 28,369**	**$ 25,453**	**$ 17,766**	**$ 18,448**
Brookdale's Weighted Average Ownership percentage	54.4%	30.0%	38.7%	42.2%	36.7%
Brookdale's Proportionate Share of Adjusted Free Cash Flow of Unconsolidated Ventures	**$ 6,191**	**$ 8,505**	**$ 9,860**	**$ 7,502**	**$ 6,763**
Adjusted Free Cash Flow	$ 11,388	$ 28,369	$ 25,453	$ 17,766	$ 18,448
Add: Community level capital expenditures, net	43,332	21,805	24,507	25,761	26,232
Less: Recurring capital expenditures, net	(6,253)	(4,316)	(5,189)	(5,256)	(5,075)
CFFO	**$ 48,467**	**$ 45,858**	**$ 44,771**	**$ 38,271**	**$ 39,605**
Brookdale's Weighted Average Ownership percentage	39.0%	33.5%	35.6%	36.2%	32.5%
Brookdale's proportionate share of CFFO of unconsolidated ventures	**$ 18,896**	**$ 15,354**	**$ 15,939**	**$ 13,837**	**$ 12,870**

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