Exhibit 99.2

BROOKDALE
SENIOR LIVING SOLUTIONS

Supplemental Information

4th Quarter 2016

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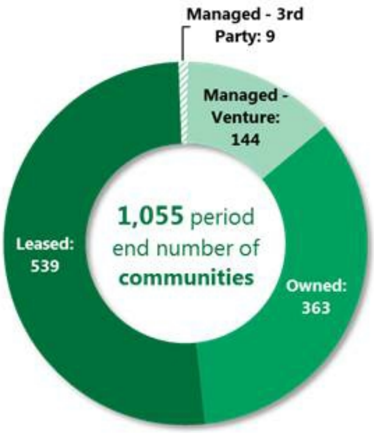
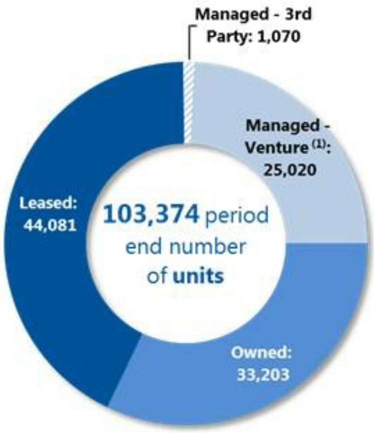
BROOKDALE
—SENIOR LIVING SOLUTIONS—

Overview

BROOKDALE
—SENIOR LIVING SOLUTIONS—

($ in 000s, except Total RevPAR)	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4	YoY 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

Occupancy Band	Community Count	Community % 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	

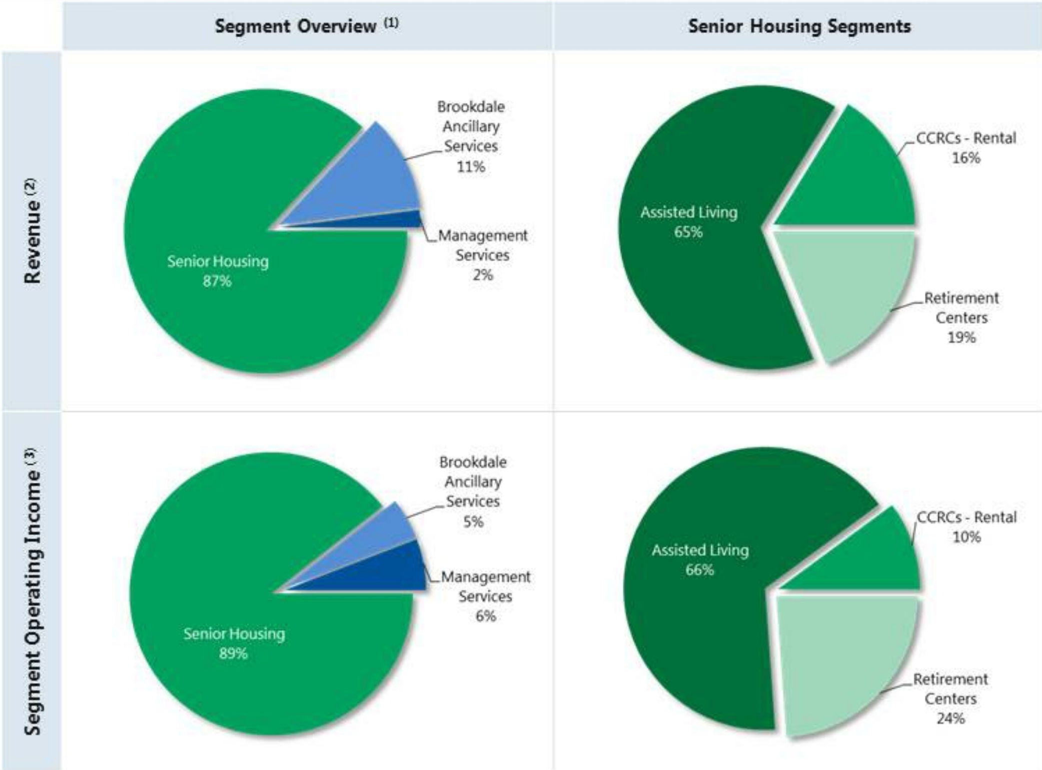
Consolidated Portfolio Average Asset Age	≈ 20 years

(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



(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 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4	YoY 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	FY 2016				YoY
	Q4	Q1	Q2	Q3	Q4	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

	Leased communities with purchase options		Leased communities without purchase options		Total leased communities		Trailing twelve months ended September 30, 2016
Initial lease maturities	**Community count**	**Total Average Units**	**Community count**	**Total Average Units**	**Community count**	**Total Average Units**	**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%*
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%**

Interest Expense Reconciliation to Income Statement	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3	FY 2016 Q4
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

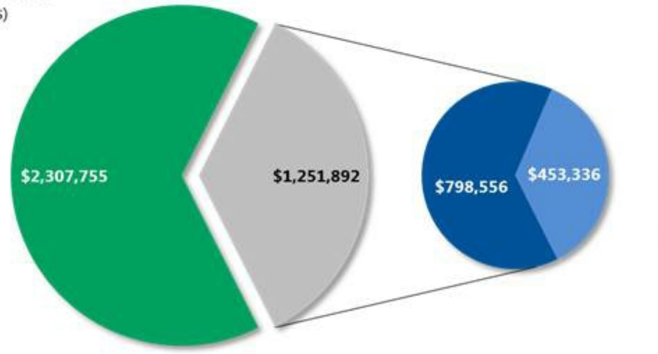
BROOKDALE
—SENIOR LIVING SOLUTIONS—

($ 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)

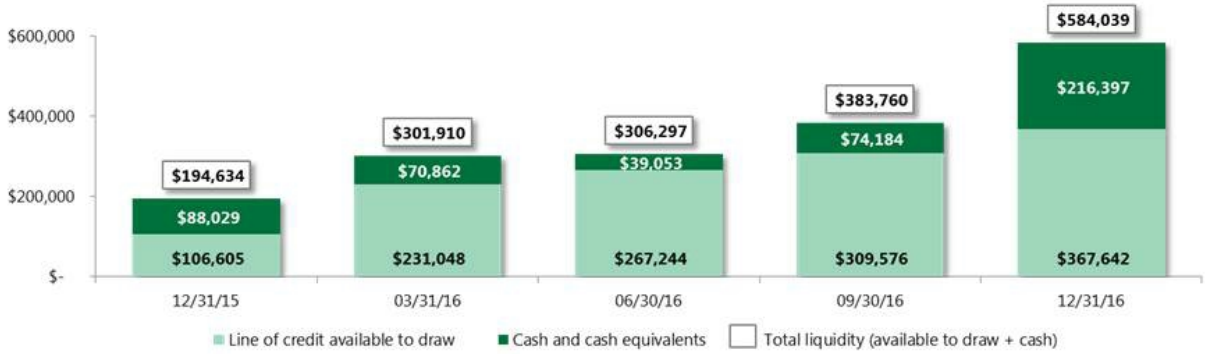


As of December 31, 2016

	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)

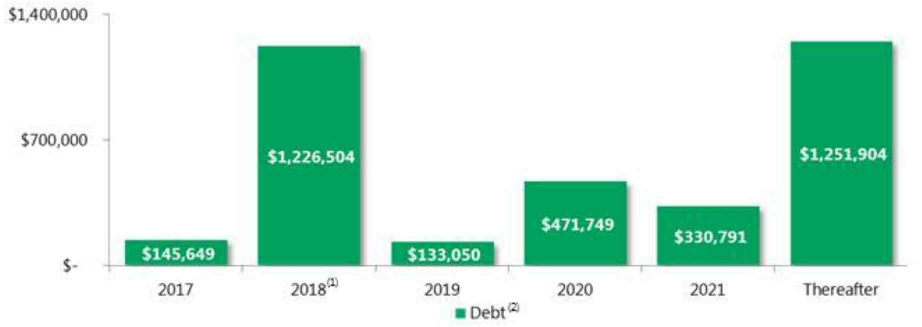


(1) Includes mortgage debt, convertible notes, line of credit and other notes payable, but excludes capital and financing lease obligations.
(2) Pertaining to variable rate debt, reflects a) market rates as of December 31, 2016 and b) applicable cap rates for hedged debt.

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

BROOKDALE
— SENIOR LIVING SOLUTIONS —

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 —

Brookdale Skyline
Colorado Springs, CO

Consolidated Statements of Cash Flows

BROOKDALE
—SENIOR LIVING SOLUTIONS—

($ in 000s)	FY 2015	FY 2016			
	Q4	Q1	Q2	Q3	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	FY 2016			
	Q4	Q1	Q2	Q3	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**

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	Year ended December 31, 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)

BROOKDALE
—SENIOR LIVING SOLUTIONS—

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	FY 2016			
	Q4	Q1	Q2	Q3	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 — SENIOR LIVING SOLUTIONS —

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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