



NEWS RELEASE

## Brookdale and HCP Announce \$849 Million Acquisition of Private Pay Senior Housing Portfolio

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NASHVILLE, Tenn. & IRVINE, Calif.--(BUSINESS WIRE)--Mar. 17, 2015-- Brookdale Senior Living Inc. (NYSE: BKD) and HCP, Inc. (NYSE: HCP) today announced that they have entered into a definitive agreement to acquire from Chartwell Retirement Residences a portfolio of 35 private pay senior housing communities (the "Portfolio") representing 5,025 units for \$849 million. The Portfolio will be acquired using a RIDEA joint venture structure with HCP and Brookdale owning 90% and 10%, respectively. Brookdale has operated these communities since 2011 after its acquisition of Horizon Bay, and will continue to manage the communities post-closing under a long-term management agreement.

Located in eight states with concentrations in Florida, Texas and Colorado, the Portfolio is comprised of: (i) 33 senior housing properties representing 4,792 units with a diversified care mix of 46% assisted living, 45% independent living, 5% memory care and 4% skilled nursing; and (ii) leasehold interests in two communities, which properties are wholly-owned by HCP, representing 233 units including purchase option rights exercisable in 2017. The majority of the units are located within the nation's top 31 Metropolitan Statistical Areas (MSAs). Currently 89% occupied with an average monthly rate of \$3,425, the Portfolio is expected to be acquired unencumbered by third party debt, and is projected to generate a first year cash yield of approximately 6.6%.

"We are pleased to further expand our investment portfolio with Brookdale, the nation's largest senior living operator and a terrific long-term partner of HCP," said Lauralee Martin, President and CEO of HCP. "Building upon our strategic transactions executed last year in collaboration with Andy and his team, this portfolio acquisition provides attractive risk-adjusted returns for our shareholders, and also creates value for our operating partner through a real estate driven transaction. Brookdale's familiarity with this portfolio will be a tremendous asset as we

avoid any transition issues and immediately implement capital investment plans to generate future growth above traditional triple-net escalators.”

Andy Smith, Brookdale’s Chief Executive Officer, said, “We are excited to continue expanding our relationship with HCP through this portfolio acquisition, which combines the capital strength of HCP with Brookdale’s operating platform. This transaction is consistent with Brookdale’s strategy of acquiring managed communities when possible given the company’s elevated understanding of the operations, minimal transition costs and time, the ability to leverage in-place overhead, and the opportunity to exchange a vulnerable third party management arrangement with a stable RIDEA joint venture structure.”

The closing of this acquisition, expected in the third quarter of 2015, is subject to regulatory approvals and other customary closing conditions. There can be no assurance that the acquisition will close or, if it does, when the closing will occur.

#### ABOUT BROOKDALE SENIOR LIVING

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

#### ABOUT HCP

HCP, Inc. is a fully integrated real estate investment trust (REIT) that invests primarily in real estate serving the healthcare industry in the United States. The company’s portfolio of assets is diversified among five distinct sectors: senior housing, post-acute/skilled nursing, life science, medical office and hospital. A publicly traded company since 1985, HCP: (i) was the first healthcare REIT selected to the S&P 500 index; (ii) has increased its dividend per share for 30 consecutive years; (iii) is the only REIT included in the S&P 500 Dividend Aristocrats index; and (iv) is a global leader in sustainability as a member of the CDP, Dow Jones and FTSE4Good sustainability leadership indices, as well as the GRESB Global Healthcare Sector Leader. For more information regarding HCP, visit the company’s website at [www.hcpi.com](http://www.hcpi.com).

#### FORWARD-LOOKING STATEMENTS

Certain items in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, among other things, statements regarding anticipated outcomes relating to the acquisition of the Portfolio and the potential benefits of a new joint venture between HCP and Brookdale. These statements are made as of the date hereof, are not guarantees of future performance and are subject to known and unknown risks, uncertainties, assumptions and other factors — many of which are out of HCP's, Brookdale's and their respective management's control and difficult to forecast — that could cause actual results to differ materially from those set forth in or implied by such forward-looking statements. These risks and uncertainties include but are not limited to: the ability of HCP and Brookdale to complete the acquisition of the Portfolio on the currently proposed terms or at all, including in respect of the satisfaction of closing conditions, the risk that regulatory approvals required for the acquisition are not obtained or are subject to unanticipated conditions, uncertainties as to the timing of the acquisition and unanticipated litigation relating to the acquisition; the risk that either HCP or Brookdale may not be able to achieve the benefits of the transactions described above within expected time-frames or within expected cost projections; and other risks and uncertainties described from time to time in HCP's and Brookdale's Securities and Exchange Commission filings, including each of HCP's and Brookdale's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. Neither HCP nor Brookdale assumes, and each hereby expressly disclaims any, obligation to update any of the foregoing or any other forward-looking statements as a result of new information or new or future developments, except as otherwise required by law.

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