BROOKDALE
SENIOR LIVING





Brookdale Senior Living

September 2007

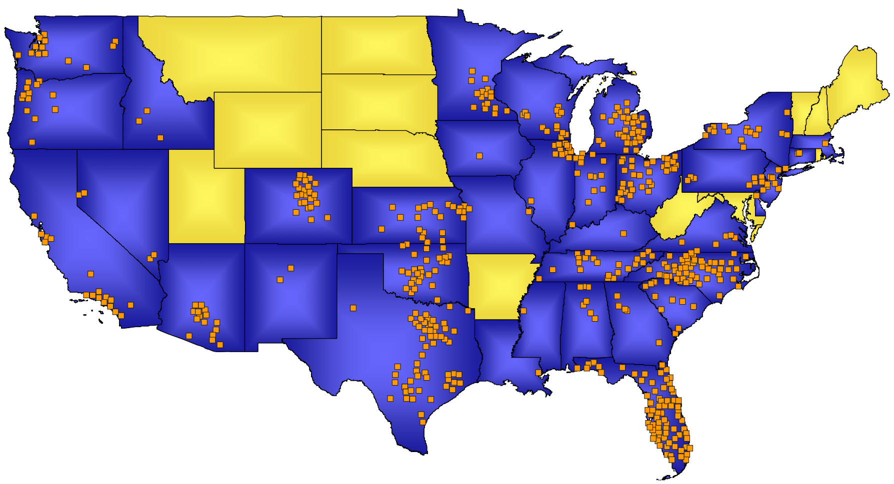
Forward-Looking Statements

Certain items in this presentation and statements made by or on behalf of Brookdale Senior Living Inc. relating hereto 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. Although we believe the 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 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, our limited operating history on a combined basis, 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, our ability to effectively manage our growth, our ability to integrate acquisitions (including the ARC acquisition), our ability to maintain consistent quality control, unforeseen costs associated with the acquisition of new facilities, competition for the acquisition of assets, our ability to obtain additional capital on terms acceptable to us, events which adversely affect the ability of seniors to afford our monthly resident fees or entrance fees, changes in governmental reimbursement programs, our vulnerability to economic downturns, the condition of housing markets in certain geographical areas, acts of nature in certain geographical areas, terminations of our resident agreements and vacancies in the living spaces we lease, increased competition for skilled personnel, departure of our key officers, increases in market interest rates, environmental contamination at any of our facilities, failure to comply with existing environmental laws, an adverse determination or resolution of complaints filed against us, the cost and difficulty of complying with increasing and evolving regulation, and other risks detailed from time to time in our filings with the SEC. We expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

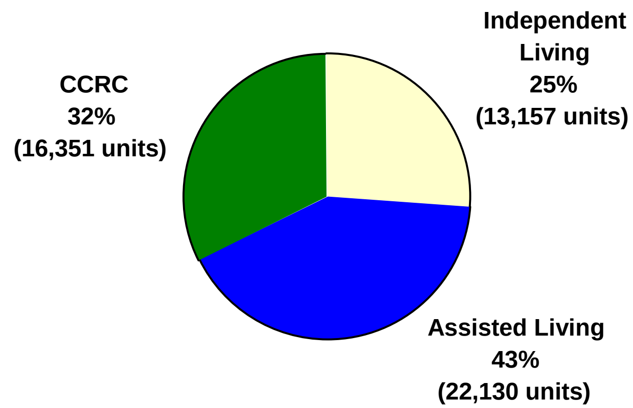
Company Overview

- Brookdale is one of the largest operators of senior housing facilities in the US
- Operates 548 properties in 35 states with ability to serve over 51,000 residents and employs over 34,000 associates
- Multiple product offerings – independent & assisted living, CCRCs (Continuing Care Retirement Communities), ancillary services
- Doubled dividend to annualized $2.00 per share since the IPO in November 2005

Geographic Presence



Segment Mix (by capacity)



Total Units: 51,638

Independent Living - 25% of Portfolio

- Hospitality oriented
- "Big box" – average 182 units with extensive common area and amenities
- Average monthly fee of approximately $3,200 per month
- Monthly fee includes dining, housekeeping activities, and emergency call response
- Residents not likely to require assistance with activities of daily living (ADLs)
- 100% private pay
- Average length of resident stay: 34 months

Assisted Living - 43% of Portfolio

- Combination of hospitality and limited healthcare services
- Single story structures with “home-like” feel – approximately 48 beds on average
- Average monthly fee of approximately $3,400 per month
- Monthly fee includes dining, housekeeping, assistance with ADLs and limited healthcare services
- 96% private pay
- Average length of resident stay: 23 months

CCRC - 32% of Portfolio

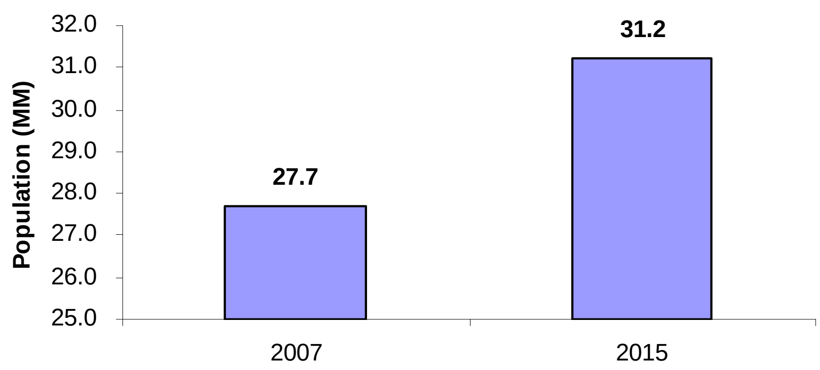
- Full range of senior living services, offering IL, AL and SNF care in one location
- Large campuses – average 340 units
- Average monthly fee of $4,000
- Average entrance fee of $150K of which approximately 55% refundable
- Allows residents to age in place and have certainty of healthcare availability with predictable costs
- 78% private pay and 19% Medicare
- Average length of resident stay:
  - Entrance fee communities: 10 -12 years

Favorable Supply-Demand Dynamics

- Despite the recent volatility caused by the housing market slowdown, macroeconomic trends remain positive
- US population 70+ years old is estimated to grow by 3.5 million through 2015
  - Only 1.9 million units serving a population of 27.7 million seniors
  - Current 7% penetration rate implies demand growth of 30,000 units per year

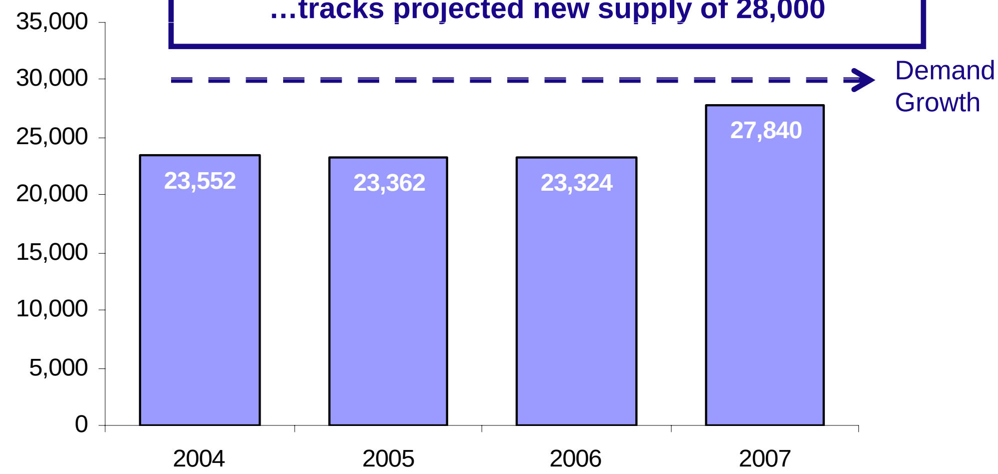
US Seniors Population Trends (70+ years old) (1)

Implied demand growth of 30,000 units per year…



New Construction Starts (2)

…tracks projected new supply of 28,000



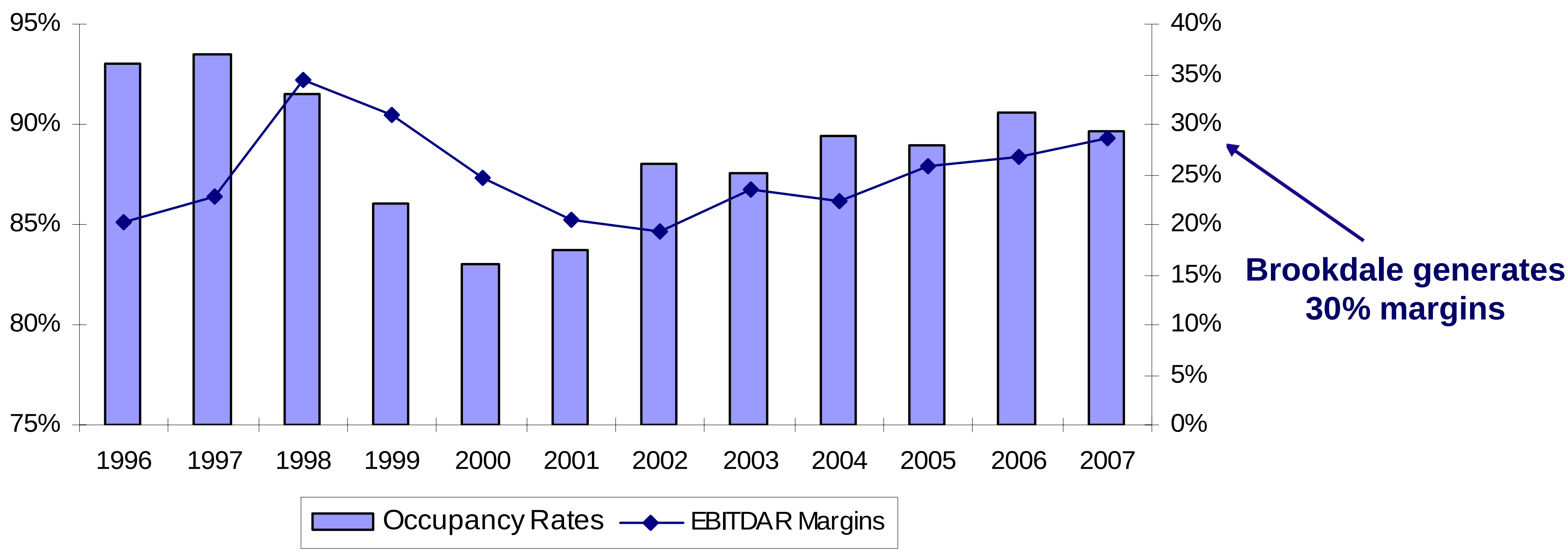
(1) Source: US Census Bureau.

(2) Source: 2007 NIC/ASHA Senior Housing Construction Trends Report – 2007 includes all units under construction vs. prior years that were only construction starts, resulting in approximately a 30% carryover from 2006

Strength of Senior Housing Market

- The industry has absorbed the excess capacity of the late 1990s and demonstrated consistent, improving performance over the past 5 years
- Industry occupancy rates have increased from 84% in 2001 to 90% in 2007 which has led industry EBITDAR margin improvement to 29% from 20%

Senior Living Occupancy Rates and EBITDAR Margins (1) (2)



(1) Includes Alterra, American Retirement Corp, Brookdale, Capital Senior Living, Emeritus and Sunrise Senior Living.
(2) Source: Lehman Equity Research and company filings.

Growth Strategy

- Projected annual organic growth of over 20% over the next 3 years with upside from external opportunities

Organic

- Strong supply-demand fundamentals
- 8 – 10% annual same-store FOI growth
- Increasing services to existing residents

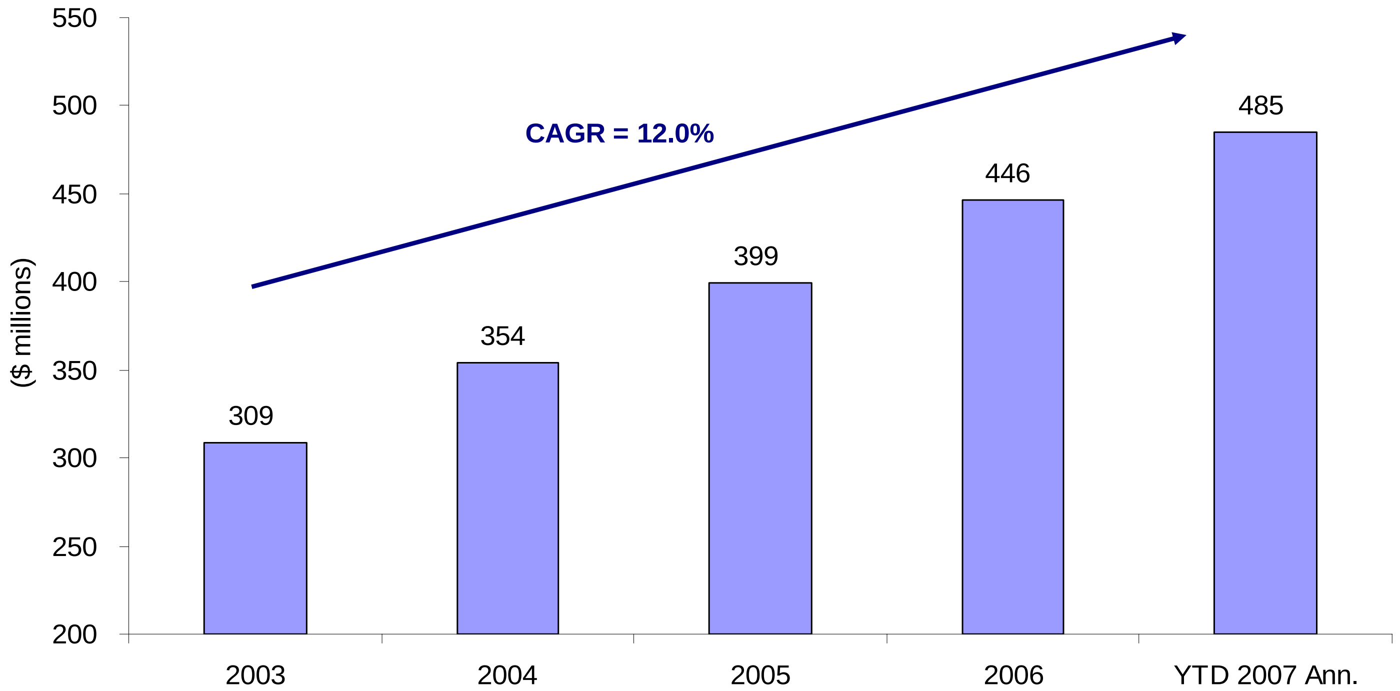
Expansions / Acquisitions

- Capitalize on excess demand at existing facilities
  - $500 million of projects expected to earn 12-15% unlevered returns
- Continue to selectively consolidate highly fragmented industry

Organic Growth

- Recent growth in facility operating income driven by rate increases, ancillary services and cost savings
  - Same-store revenue growth of 6.9%, with 6.7% rate growth over the last 12 months

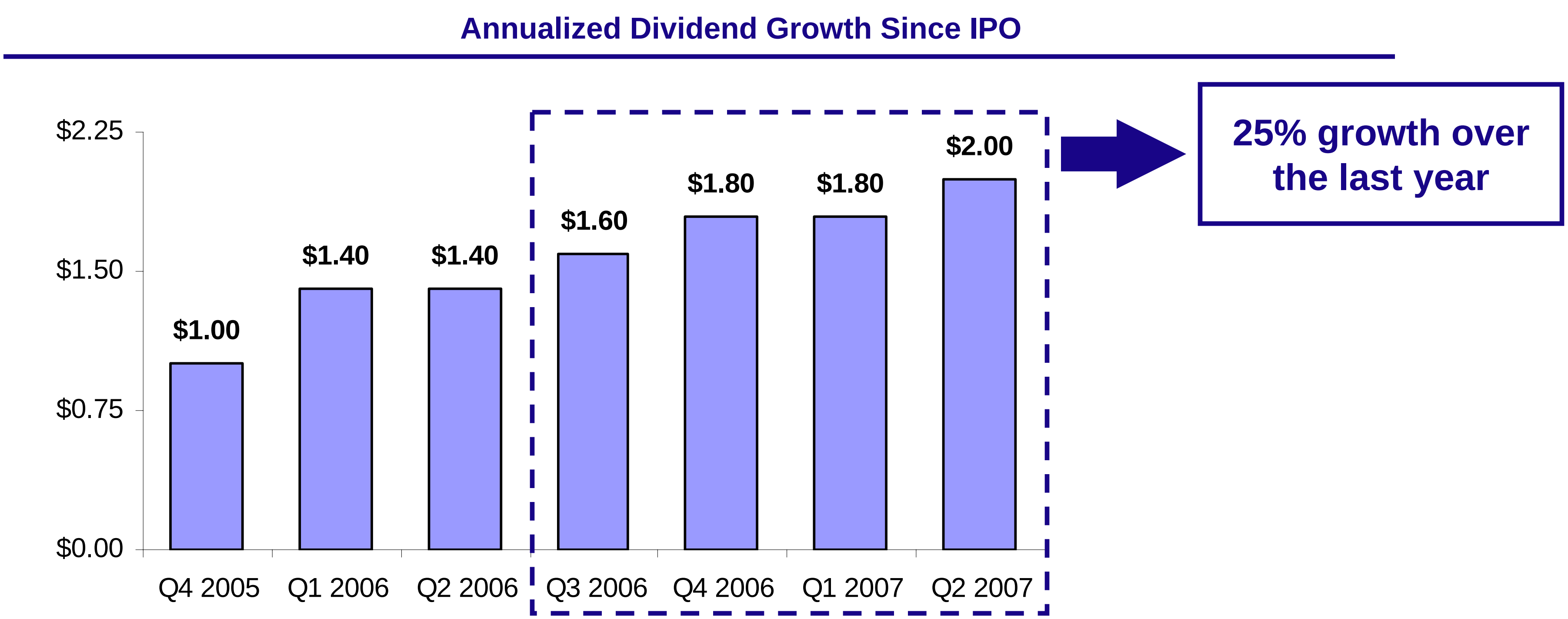
Same Store FOI Growth (1)



(1) Includes historical American Retirement facilities

Dividend Growth

- Cash flow growth is creating substantial dividend increases
  - Doubled dividend per share to annualized $2.00 from $1.00 since the IPO
  - CFFO per share has grown 60% over the last 4 quarters



Expansions Initiative

- Next big growth opportunity
  - Take advantage of excess demand at facilities that are substantially full
  - Add another level of care in a core market

- Objective is to invest $500 million over the next 3 years
  - Unlevered returns of 12 – 15% upon stabilization
  - Generate over $0.30 of CFFO per share once stabilized

- Identified 60 facilities with expansion opportunities and 1 new development
  - Completed expansions at 5 facilities YTD and 4 additional projects are currently underway
  - Units open since Q1 are 80% occupied; on track to generate 12-15% unlevered returns

Expansion Economics

- Expansions deliver extremely attractive risk-adjusted incremental returns
- Expected to generate 12 – 15% unlevered returns as existing infrastructure and operating platform are shared with parent facility
  - Reduces marginal development cost per unit
  - Generates higher operating margins

Illustrative Economics - 1 Unit

	Development	Expansion
Cost per Unit	200,000	175,000
Average Rate	4,400	3,500
Annual Revenue	52,800	42,000
Facility Administration	(7,500)	-
Kitchen	(6,000)	-
Other Operating Expenses	(18,000)	(18,000)
Facility Operating Income	21,300	24,000
Margin	40%	57%
Corporate G&A	(1,000)	-
Capex	(350)	(350)
Unlevered Cash Flow	19,950	23,650
Yield	10%	14%

Lower marginal development cost per unit…

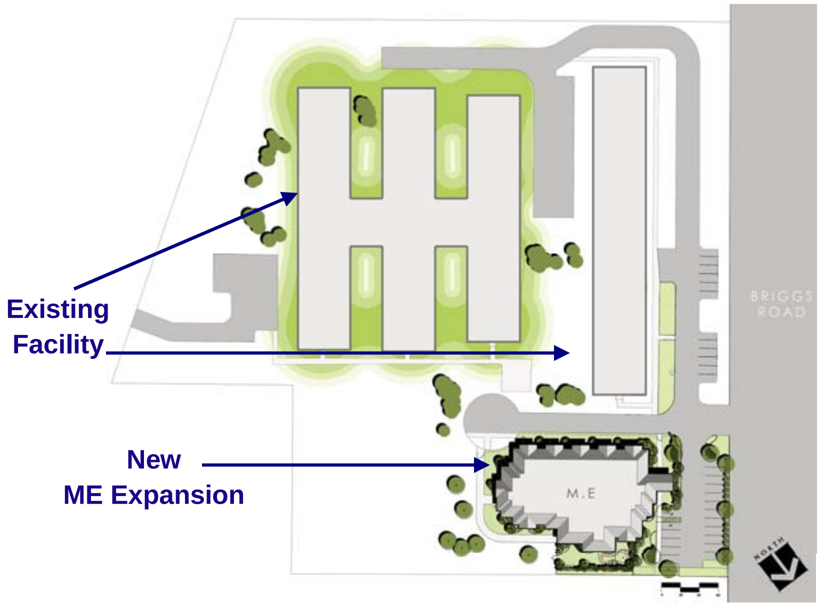
… and higher incremental operating margins …

… lead to higher yields

Expansions – Case Study

- 20-bed memory care expansion adjacent to 97% occupied, 90-unit independent living/assisted living facility
- 100% occupied in 3 months with 25% of residents coming from the existing community
- $3 million total cost; generating 10% unlevered return within 4 months

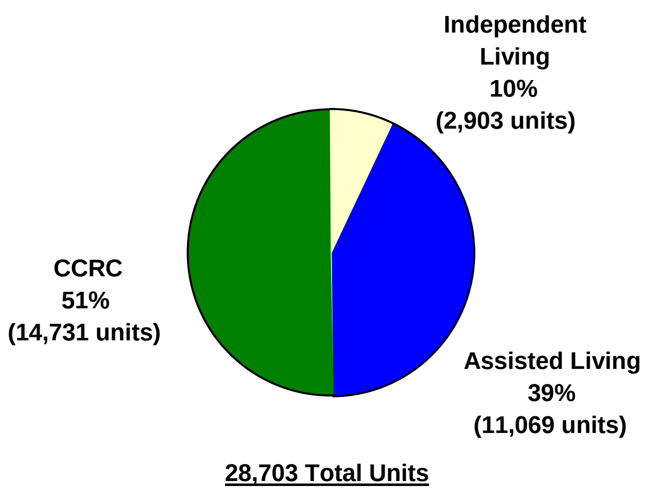
Memory Care Expansion – Victoria, TX



Industry Consolidation

- Continue to selectively pursue acquisitions
  - Closed on 10 facilities for $199 million 2007 YTD
- Focusing on highly accretive transactions with low operational risks such as the repurchase of leased or managed facilities
  - Purchased 5 leased/managed assets for $162 million YTD

Acquisitions by Facility Type (Since IPO)



Attractive Return Profile

- From 2003, annualized same-store FOI has grown approx. 12% annually [1]
- The current dividend yield of 5% plus conservative growth assumptions create an attractive total return profile

Illustrative Investment Returns

	CFFO Growth Sensitivity				
FOI Growth	7.0%	8.0%	9.0%	10.0%	11.0%
Implied CFFO Growth	18.7%	22.6%	26.5%	30.3%	34.2%
Plus: Dividend Yield	5.0%	5.0%	5.0%	5.0%	5.0%
Total Return	23.7%	27.6%	31.5%	35.3%	39.2%

(1) Includes historical American Retirement facilities

Capital Structure

- At end of Q2, Brookdale had approximately $81.2 million of unrestricted cash to be used for acquisitions and deferred capex
- Brookdale closed a $400 million line of credit with a $150 million sublimit for letters of credit during Q4 2006

Capitalization

($000s, except whered indicated)	Q2 2007
Cash	81,229
Debt	1,572,350
Capitalized Leases	314,052
Line of Credit	260,000
Total Debt	2,146,402
Equity Market Cap	4,036,435
Total Capitalization (1)	**6,182,837**
Debt as % of Total Capitalization	34.7%

(1) Assuming share price of $39.76 as of September 24, 2007

Investment Highlights

- Leading industry player with favorable supply - demand dynamics
- Proven operator positioned for substantial growth in cash flow and dividends
  - Growth driven by organic FOI growth and ancillary services
  - 60% CFFO growth over the last 12 months
  - Doubled dividend since November 2005 IPO
- Significant embedded growth from expansion of existing facilities

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