

LANDandBUILDINGS

Land & Buildings Sends Letter to Brookdale Senior Living’s Board of Directors and Shareholders

STAMFORD, Conn. – May 18, 2018 – Today Land & Buildings Investment Management LLC (“Land & Buildings”) issued the following letter to Brookdale Senior Living Inc.’s (NYSE:BKD) (“Brookdale” or the “Company”) Board of Directors (the “Board”) and Shareholders.

May 18, 2018

Dear Brookdale Board of Directors and Fellow Brookdale Shareholders:

As fellow Brookdale shareholders, we want to congratulate Brookdale and Ms. Lucinda Baier for a great first quarter. Appointing Ms. Baier as CEO in February brought a breath of fresh air to the Company and it showed on last week’s conference call. During Ms. Baier’s first 90 days as CEO, she has taken charge of the Company and brought a focus to its operations, residents and employees, which we believe has been lacking at the Company for a number of years. It is early in Ms. Baier’s tenure, so she still has much to prove to the investment community to gain trust and credibility, but we are optimistic.

Based on the Company’s current operating performance from owned and leased assets, Ms. Baier provided guidance to investors that was practical and appears achievable. We remain hopeful the Company is on the right track and believe Ms. Baier’s leadership and no-nonsense approach will prevail despite the significant challenges of turning a company around after years of underperformance. We are less worried about new supply given that its greatest impact is on just 25% of the Company’s markets and believe the bulk of the industry headwinds are fully reflected in its reported results and more than reflected in the share price.

As value investors, the underpinning of our investment is Brookdale’s real estate. Based on first quarter results, with approximately \$500 million of annual adjusted EBITDA¹, the real estate portfolio is likely valued in the mid-teens dollars per share at undemanding valuations. Additionally, with the Ventas, Inc. and HCP, Inc. lease consent issues resolved, it likely makes sense for Brookdale to revisit broad real estate monetizations but not as a distraction which would divert attention from operations, in our view. Considering all of the Company’s positive progress, we believe work still needs to be done regarding Brookdale’s corporate governance and strategic direction. We hope to continue to work collaboratively with the Board and management team so that the Company’s corporate governance is in line with best-in-class 21st century governance.

In the coming years, we see tremendous growth within senior housing facilities like Brookdale. The “Silver Wave”, as Ms. Baier gracefully described the aging U.S. population, will likely result in senior housing properties having amongst the best growth in the real estate industry. I see the growth opportunity firsthand as a paying customer of a senior living facility. My parents were terrified to move from a home to a senior living community but moving dramatically increased their quality of life. While we can’t stop the aging process, we can make it more enjoyable and brands like Brookdale provide seniors and their families peace of mind and will continue to have a material advantage over individual operators or developers looking to profit.

All the best,

Jonathan Litt

Founder & Chief Investment Officer

¹ Brookdale Senior Living First Quarter 2018 Supplemental Information

Land & Buildings

About Land & Buildings:

Land & Buildings is a registered investment manager specializing in publicly traded real estate and real estate related securities. Land & Buildings seeks to deliver attractive risk adjusted returns by opportunistically investing in securities of global real estate and real estate related companies, leveraging its investment professionals' deep experience, research expertise and industry relationships.

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