

Earnings Release and Supplemental Report

first quarter 2019



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HCP Reports First Quarter 2019 Results

IRVINE, CA, May 1, 2019 -- HCP, Inc. (NYSE: HCP) today announced results for the first quarter ended March 31, 2019. For the quarter, we generated net income of \$0.13 per share, NAREIT FFO of \$0.43 per share, FFO as adjusted of \$0.44 per share and blended Total Portfolio SPP Cash NOI growth of 3.0%.

FIRST QUARTER 2019 FINANCIAL PERFORMANCE AND RECENT HIGHLIGHTS

- Acquired a \$445 million portfolio of nine recently-built, continuum of care, senior housing communities concentrated primarily in Florida and operated by Discovery Senior Living ("Discovery")
- Acquired a \$113 million portfolio of three recently-built senior housing communities in California operated by Oakmont Senior Living ("Oakmont"), and converted four existing high-quality Oakmont-operated communities in California from triple-net leases to RIDEA structures
- Completed the conversion of 18 senior housing communities operated by Sunrise Senior Living ("Sunrise") from triple-net leases to RIDEA structures
- Added three new medical office developments with a total estimated spend of \$70 million to our HCA Healthcare ("HCA") development program
- Closed on the previously announced life science acquisition of 87 CambridgePark Drive for \$71 million and an adjacent land site, 101 CambridgePark Drive, for consideration of up to \$27 million
- Received a credit rating upgrade from Moody's to Baa1 from Baa2
- Published our 8th annual Sustainability Report aligned with the Global Reporting Initiative ("GRI"), highlighting our environmental, social and governance ("ESG") goals and achievements
- Reaffirmed full-year 2019 FFO as adjusted and total portfolio SPP Cash NOI guidance

FIRST QUARTER COMPARISON

| | Three Months Ended March 31, 2019 | | Three Months Ended March 31, 2018 | |
|---|--------------------------------------|-----------|--------------------------------------|-----------|
| | Amount | Per Share | Amount | Per Share |
| <i>(in thousands, except per share amounts)</i> | | | | |
| Net income (loss), diluted | \$ 61,029 | \$ 0.13 | \$ 39,841 | \$ 0.08 |
| NAREIT FFO, diluted | 207,831 | 0.43 | 219,434 | 0.47 |
| FFO as adjusted, diluted | 213,805 | 0.44 | 229,063 | 0.48 |
| FAD, diluted | 193,265 | | 201,736 | |

NAREIT FFO, FFO as adjusted, FAD, and SPP Cash NOI are supplemental non-GAAP financial measures that we believe are useful in evaluating the operating performance of real estate investment trusts (refer to the "Funds From Operations" and "Funds Available for Distribution" sections of this release for additional information). See "March 31, 2019 Discussion and Reconciliation of Non-GAAP Financial Measures" for definitions, discussions of their uses and inherent limitations, and reconciliations to the most directly comparable financial measures calculated and presented in accordance with GAAP on the Investor Relations section of our website at <http://ir.hcpi.com/financial-reconciliation>.

SAME PROPERTY PORTFOLIO OPERATING SUMMARY

The table below outlines the year-over-year three-month SPP Cash NOI growth:

| Year-Over-Year Total SPP Cash NOI Growth | Three Month | % of SPP |
|--|-------------|---------------|
| Senior housing | (0.7%) | 33.7% |
| Life science | 6.5% | 25.1% |
| Medical office | 4.2% | 35.5% |
| Other non-reportable segments ("Other") | 2.4% | 5.7% |
| Total Portfolio | 3.0% | 100.0% |

TRANSACTION UPDATES

DISCOVERY PORTFOLIO ACQUISITION

In April 2019, HCP acquired a portfolio of nine senior housing properties with a total of 1,242 units for \$445 million. This relationship-driven acquisition is comprised of modern, highly-amenitized physical plants with an average age of three years. The properties are located in high-growth markets in Florida (7), Georgia (1) and Texas (1) and offer 649 independent living units, 420 assisted living units, and 173 memory care units, with current occupancy of 79%. The initial capitalization rate is in the low-4% range and is projected to increase to approximately 6% as the newly developed properties achieve stabilization.

In conjunction with the acquisition, HCP agreed to provide up to \$40 million of junior financing on four new developments to be developed and operated by Discovery representing 724 units. HCP will receive a purchase option to acquire each project at a 6.25% cap rate on stabilized NOI. Three of these developments are campus expansions of the properties that HCP acquired in the \$445 million portfolio acquisition.

This transaction expands HCP's relationship with Discovery, a best-in-class, regionally focused operator who excels in developing and operating large continuum of care campuses in the Southeast and Texas.

OAKMONT PORTFOLIO ACQUISITION AND RIDEA CONVERSIONS

In May 2019, HCP expanded its relationship with Oakmont by acquiring three newly-built senior housing communities in attractive markets in California for \$113 million. The portfolio includes 132 assisted living units and 68 memory care units, with current occupancy of 98%. As part of this transaction, HCP assumed \$50 million of secured debt. The year one capitalization rate is in the mid-5% range.

HCP also converted four existing, high-quality and high-performing Oakmont-operated communities in California from triple-net leases to RIDEA structures, effective May 1, 2019.

Oakmont continues to be a partner of choice and an operator HCP has targeted for growth, due to their capabilities and strong track-record as a California-based operator and developer.

SUNRISE RIDEA CONVERSIONS

During the first quarter of 2019, we completed the conversion of 18 senior housing communities operated by Sunrise, from triple-net leases to RIDEA structures. The conversion better aligns our interest with Sunrise, removes a cumbersome legacy lease structure, and improves the real estate quality and diversification of our SHOP portfolio. HCP expects to convert an additional 17 Sunrise triple-net lease properties to RIDEA structures in 2019. Sunrise will remain the operator on all 35 properties.

87 & 101 CAMBRIDGEPARK DRIVE

During the first quarter of 2019, we acquired 87 CambridgePark Drive, a 100% leased, 64,000 square foot life science property for \$71 million. We also acquired the adjacent land parcel and development rights at 101 CambridgePark Drive for consideration of up to \$27 million. These investments add meaningful scale to our life science presence in Boston and expand our relationship with leading local owner and operator, King Street Properties.

DEVELOPMENT UPDATES

MEDICAL OFFICE DEVELOPMENT PROGRAM WITH HCA

As part of the development program with HCA, we signed definitive agreements on three additional development projects.

- **Brentwood:** A 119,000 square foot, six-story Class A medical office building, adjacent to one of HCA's corporate offices, in Nashville, Tennessee, with an estimated cost of \$36 million. HCA has committed to lease 49% of the space, which will include an ambulatory surgery center.
- **Ogden:** A 70,000 square foot, four-story Class A medical office building on the campus of Ogden Regional Medical Center ("Ogden Regional") in Ogden, Utah, with an estimated cost of \$18 million. Ogden Regional is operated by MountainStar Healthcare, a division of HCA, and is a leading hospital in the market. HCA will anchor the development and has committed to lease 66% of the space.
- **Lee's Summit:** A 52,000 square foot, three-story Class A medical office building, located on the campus of Lee's Summit Medical Center, in Lee's Summit, Missouri, with an estimated cost of \$16 million. In 2018, Lee's Summit Medical Center completed a \$21 million hospital expansion, further growing HCA's commitment to the community. HCA will anchor the project and has committed to lease 50% of the space.

Construction on these development projects is expected to commence in the second quarter of this year.

BALANCE SHEET AND CAPITAL MARKET ACTIVITIES

Year-to-date, we sold 5.1 million shares of common stock under our ATM program, via forward sales agreements, at an initial weighted average net price of \$31.02 per share. We expect to settle the forward contracts over the next 12 months to fund acquisition and other investment activities.

At March 31, 2019, we had \$1.7 billion of availability under our \$2.0 billion credit facility.

DIVIDEND

On April 25, 2019, we announced that our Board declared a quarterly cash dividend of \$0.37 per common share. The dividend will be paid on May 21, 2019 to stockholders of record as of the market close on May 6, 2019.

SUSTAINABILITY

In March 2019, we published our 8th annual Corporate Sustainability Report highlighting the environmental, social, and governance aspects of our operations. We were also named to The Sustainability Yearbook 2019, a listing of the world's most sustainable companies, compiled according to the results of RobecoSAM's annual Corporate Sustainability Assessment. More information about HCP's sustainability efforts, including a link to our Sustainability Report, is available on our website at www.hcpi.com/sustainability.

BOARD OF DIRECTORS

In connection with HCP's adoption of a mandatory retirement age for directors, Peter L. Rhein and Joseph P. Sullivan retired from our Board of Directors at the HCP Annual Meeting on April 25, 2019. Mr. Rhein and Mr. Sullivan have been members of the Board since 1985 and 2004, respectively.

Tom Herzog, HCP's President and CEO, said, "On behalf of our Board and the entire HCP team, I want to express our sincerest thanks to Pete and Joe for their many years of service and contributions to our Company. And personally, I want to thank Pete and Joe for their guidance and sage advice. I will very much miss having them on our Board."

2019 GUIDANCE

For full year 2019, we are reaffirming the following guidance ranges:

- Diluted net income per share to range between \$0.45 to \$0.51
- Diluted NAREIT FFO per share of \$1.67 to \$1.73
- Diluted FFO as adjusted per share of \$1.70 to \$1.76
- Blended Total Portfolio SPP Cash NOI growth of 1.25% to 2.75%

These estimates do not reflect the potential impact from unannounced future transactions other than capital recycling activities. For additional details and information regarding these estimates, refer to the 2019 Guidance section of our corresponding Supplemental Report and the Discussion and Reconciliation of Non-GAAP Financial Measures, which are both available in the Investor Relations section of our website at <http://ir.hcpi.com>.

COMPANY INFORMATION

HCP has scheduled a conference call and webcast for Thursday, May 2, 2019, at 9:00 a.m. Pacific Time (12:00 p.m. Eastern Time) to present its performance and operating results for the first quarter ended March 31, 2019. The conference call is accessible by dialing (888) 317-6003 (U.S.) or (412) 317-6061 (International). The conference ID number is 3707711. You may also access the conference call via webcast in the Investor Relations section of our website at <http://ir.hcpi.com>. An archive of the webcast will be available through May 17, 2019 on our website, and a telephonic replay can be accessed by dialing (877) 344-7529 (U.S.) or (412) 317-0088 (International) and entering conference ID number 10130242. Our Supplemental Report for the current period is also available, with this earnings release, in the Investor Relations section of our website.

ABOUT HCP

HCP, Inc. is a fully integrated real estate investment trust (REIT) that invests in real estate serving the healthcare industry in the United States. HCP owns a large-scale portfolio primarily diversified across life science, medical office and senior housing. Recognized as a global leader in sustainability, HCP has been a publicly-traded company since 1985 and was the first healthcare REIT selected to the S&P 500 index. For more information regarding HCP, visit www.hcpi.com.

FORWARD-LOOKING STATEMENTS

Statements in this release that are not historical facts are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, among other things, statements regarding our and our officers' intent, belief or expectation as identified by the use of words such as "may," "will," "project," "expect," "believe," "intend," "anticipate," "seek," "target," "forecast," "plan," "potential," "estimate," "could," "would," "should" and other comparable and derivative terms or the negatives thereof. Examples of forward-looking statements include, among other things: (i) statements regarding timing, outcomes and other details relating to current, pending or contemplated acquisitions, dispositions, transitions, developments, redevelopments, joint venture transactions, capital recycling plans, financing activities, or other transactions discussed in this release, including without limitation those described under the headings "Transaction Updates", "Development Updates" and "Balance Sheet and Capital Markets Activities"; (ii) statements regarding the payment of a quarterly cash dividend; and (iii) all statements under the heading "2019 Guidance," including without limitation with respect to expected net income, NAREIT FFO per share, FFO as adjusted per share, SPP Cash NOI growth and other financial projections and assumptions, as well as comparable statements included in other sections of this release. Forward-looking statements reflect our current expectations and views about future events and are subject to risks and uncertainties that could significantly affect our future financial condition and results of operations. While forward-looking statements reflect our good faith belief and assumptions we believe to be reasonable based upon current information, we can give no assurance that our expectations or forecasts will be attained. Further, we cannot guarantee the accuracy of any such forward-looking statement contained in this release, and such forward-looking statements are subject to known and unknown risks and uncertainties that are difficult to predict. These risks and uncertainties include, but are not limited to: our reliance on a concentration of a small number of tenants and operators for a significant percentage of our revenues; the financial condition of our existing and future tenants, operators and borrowers, including potential bankruptcies and downturns in their businesses, and their legal and regulatory proceedings, which results in uncertainties regarding our ability to continue to realize the full benefit of such tenants' and operators' leases and borrowers' loans; the ability of our existing and future tenants, operators and borrowers to conduct their respective businesses in a manner sufficient to maintain or increase their revenues and to generate sufficient income to make rent and loan payments to us and our ability to recover investments made, if applicable, in their operations; competition for the acquisition and financing of suitable healthcare properties as well as competition for tenants and operators, including with respect to new leases and mortgages and the renewal or rollover of existing leases; our concentration in the healthcare property sector, particularly in senior housing, life sciences and medical office buildings, which makes our profitability more vulnerable to a downturn in a specific sector than if we were investing in multiple industries; our ability to identify replacement tenants and operators and the potential renovation costs and regulatory approvals associated therewith; the risks associated with property development and redevelopment, including costs above original estimates, project delays and lower occupancy rates and rents than expected; the risks associated with our investments in joint ventures and unconsolidated entities, including our lack of sole decision making authority and our reliance on our partners' financial condition and continued cooperation; our ability to achieve the benefits of acquisitions and other investments, including those discussed above, within expected time frames or at all, or within expected cost projections; the potential impact on us and our tenants, operators and borrowers from current and future litigation matters, including the possibility of larger than expected litigation costs, adverse results and related developments; operational risks associated with third party management contracts, including the additional regulation and liabilities of our RIDEA lease structures; the effect on us and our tenants and operators of legislation, executive orders and other legal requirements, including compliance with the Americans with Disabilities Act, fire, safety and health regulations, environmental laws, the Affordable Care Act, licensure, certification and inspection requirements, and laws addressing entitlement programs and related services, including Medicare and Medicaid, which may result in future reductions in reimbursements or fines for noncompliance; changes in federal, state or local laws and regulations, including those affecting the healthcare industry that affect our costs of compliance or increase the costs, or otherwise affect the operations, of our tenants and operators; our ability to foreclose on collateral securing our real estate-related loans; volatility or uncertainty in the capital markets, the availability and cost of capital as impacted by interest rates, changes in our credit ratings, and the value of our common stock, and other conditions that may adversely impact our ability to fund our obligations or consummate transactions, or reduce the earnings from potential transactions; changes in global, national and local economic or other conditions, including currency exchange rates; our ability to manage our indebtedness level and changes in the terms of such indebtedness; competition for skilled management and other key personnel; the potential impact of uninsured or underinsured losses; our reliance on information technology systems and the potential impact of system failures, disruptions or breaches; the ability to maintain our qualification as a real estate investment trust; and other risks and uncertainties described from time to time in our Securities and Exchange Commission filings. Except as required by law, we do not undertake, and hereby disclaim, any obligation to update any forward-looking statements, which speak only as of the date on which they are made.

CONTACT

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Vice President – Finance and Investor Relations
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HCP, Inc.

Consolidated Balance Sheets

In thousands, except share and per share data
(unaudited)

| | March 31, 2019 | December 31, 2018 |
|--|-----------------------------|-----------------------------|
| Assets | | |
| Real estate: | | |
| Buildings and improvements | \$ 11,220,557 | \$ 10,877,248 |
| Development costs and construction in progress | 605,165 | 537,643 |
| Land | 1,717,259 | 1,637,506 |
| Accumulated depreciation and amortization | <u>(2,915,798)</u> | <u>(2,842,947)</u> |
| Net real estate | 10,627,183 | 10,209,450 |
| Net investment in direct financing leases | 363,395 | 713,818 |
| Loans receivable, net | 86,139 | 62,998 |
| Investments in and advances to unconsolidated joint ventures | 531,966 | 540,088 |
| Accounts receivable, net of allowance of \$5,175 and \$5,127, respectively | 48,555 | 48,171 |
| Cash and cash equivalents | 120,117 | 110,790 |
| Restricted cash | 26,535 | 29,056 |
| Intangible assets, net | 275,565 | 305,079 |
| Assets held for sale, net | 10,842 | 108,086 |
| Right-of-use asset, net | 165,748 | — |
| Other assets, net | 643,456 | 591,017 |
| Total assets | <u>\$ 12,899,501</u> | <u>\$ 12,718,553</u> |
| Liabilities and Equity | | |
| Bank line of credit | \$ 276,500 | \$ 80,103 |
| Senior unsecured notes | 5,260,622 | 5,258,550 |
| Mortgage debt | 137,525 | 138,470 |
| Other debt | 89,223 | 90,785 |
| Intangible liabilities, net | 49,488 | 54,663 |
| Liabilities of assets held for sale, net | 132 | 1,125 |
| Lease liability | 152,837 | — |
| Accounts payable and accrued liabilities | 352,642 | 391,583 |
| Deferred revenue | 181,467 | 190,683 |
| Total liabilities | <u>6,500,436</u> | <u>6,205,962</u> |
| Commitments and contingencies | | |
| Common stock, \$1.00 par value: 750,000,000 shares authorized; 477,928,816 and 477,496,499 shares issued and outstanding, respectively | 477,929 | 477,496 |
| Additional paid-in capital | 8,405,258 | 8,398,847 |
| Cumulative dividends in excess of earnings | (3,042,422) | (2,927,196) |
| Accumulated other comprehensive income (loss) | <u>(3,883)</u> | <u>(4,708)</u> |
| Total stockholders' equity | 5,836,882 | 5,944,439 |
| Joint venture partners | 389,369 | 391,401 |
| Non-managing member unitholders | 172,814 | 176,751 |
| Total noncontrolling interests | <u>562,183</u> | <u>568,152</u> |
| Total equity | 6,399,065 | 6,512,591 |
| Total liabilities and equity | <u>\$ 12,899,501</u> | <u>\$ 12,718,553</u> |

HCP, Inc.

Consolidated Statements of Operations

In thousands, except per share data
(unaudited)

| | Three Months Ended March 31, | |
|--|------------------------------|------------------|
| | 2019 | 2018 |
| Revenues: | | |
| Rental and related revenues | \$ 294,222 | \$ 316,752 |
| Resident fees and services | 126,695 | 142,814 |
| Income from direct financing leases | 13,524 | 13,266 |
| Interest income | 1,713 | 6,365 |
| Total revenues | 436,154 | 479,197 |
| Costs and expenses: | | |
| Interest expense | 49,327 | 75,102 |
| Depreciation and amortization | 131,951 | 143,250 |
| Operating | 168,927 | 172,552 |
| General and administrative | 21,355 | 29,175 |
| Transaction costs | 4,518 | 2,195 |
| Impairments (recoveries), net | 8,858 | — |
| Total costs and expenses | 384,936 | 422,274 |
| Other income (expense): | | |
| Gain (loss) on sales of real estate, net | 8,044 | 20,815 |
| Other income (expense), net | 3,133 | (40,407) |
| Total other income (expense), net | 11,177 | (19,592) |
| Income (loss) before income taxes and equity income (loss) from unconsolidated joint ventures | 62,395 | 37,331 |
| Income tax benefit (expense) | 3,458 | 5,336 |
| Equity income (loss) from unconsolidated joint ventures | (863) | 570 |
| Net income (loss) | 64,990 | 43,237 |
| Noncontrolling interests' share in earnings | (3,520) | (3,005) |
| Net income (loss) attributable to HCP, Inc. | 61,470 | 40,232 |
| Participating securities' share in earnings | (441) | (391) |
| Net income (loss) applicable to common shares | \$ 61,029 | \$ 39,841 |
| Earnings per common share: | | |
| Basic | \$ 0.13 | \$ 0.08 |
| Diluted | \$ 0.13 | \$ 0.08 |
| Weighted average shares outstanding: | | |
| Basic | 477,766 | 469,557 |
| Diluted | 479,131 | 469,695 |

HCP, Inc.

Funds From Operations

In thousands, except per share data
(unaudited)

| | Three Months Ended March 31, | |
|---|---------------------------------|-------------------|
| | 2019 | 2018 |
| Net income (loss) applicable to common shares | \$ 61,029 | \$ 39,841 |
| Real estate related depreciation and amortization | 131,951 | 143,250 |
| Real estate related depreciation and amortization on unconsolidated joint ventures | 15,077 | 17,388 |
| Real estate related depreciation and amortization on noncontrolling interests and other | (4,920) | (2,543) |
| Other real estate-related depreciation and amortization | 2,085 | 1,296 |
| Loss (gain) on sales of real estate, net | (8,044) | (20,815) |
| Loss (gain) upon consolidation of real estate, net ⁽¹⁾ | — | 41,017 |
| Impairments (recoveries) of depreciable real estate, net | 8,858 | — |
| NAREIT FFO applicable to common shares | 206,036 | 219,434 |
| Distributions on dilutive convertible units and other | 1,795 | — |
| Diluted NAREIT FFO applicable to common shares | \$ 207,831 | \$ 219,434 |
| Diluted NAREIT FFO per common share | \$ 0.43 | \$ 0.47 |
| Weighted average shares outstanding - diluted NAREIT FFO | 483,671 | 469,695 |
| Impact of adjustments to NAREIT FFO: | | |
| Transaction-related items | \$ 5,889 | \$ 1,942 |
| Other impairments (recoveries) and losses (gains), net ⁽²⁾ | — | (3,298) |
| Severance and related charges ⁽³⁾ | — | 8,738 |
| Litigation costs (recoveries) | 128 | 406 |
| Foreign currency remeasurement losses (gains) | (28) | 130 |
| Total adjustments | 5,989 | 7,918 |
| FFO as adjusted applicable to common shares | 212,025 | 227,352 |
| Distributions on dilutive convertible units and other | 1,780 | 1,711 |
| Diluted FFO as adjusted applicable to common shares | \$ 213,805 | \$ 229,063 |
| Diluted FFO as adjusted per common share | \$ 0.44 | \$ 0.48 |
| Weighted average shares outstanding - diluted FFO as adjusted | 483,671 | 474,363 |

- (1) For the three months ended March 31, 2018, represents the loss on consolidation of seven U.K. care homes.
- (2) For the three months ended March 31, 2018, represents the impairment recovery of our Tandem Health Care mezzanine loan.
- (3) For the three months ended March 31, 2018, primarily relates to the departure of our former Executive Chairman, which consisted of \$6 million of cash severance and \$3 million of equity award vestings.

HCP, Inc.

Funds Available for Distribution

In thousands
(unaudited)

| | Three Months Ended March 31, | |
|---|------------------------------|-------------------|
| | 2019 | 2018 |
| FFO as adjusted applicable to common shares | \$ 212,025 | \$ 227,352 |
| Amortization of deferred compensation ⁽¹⁾ | 3,590 | 3,420 |
| Amortization of deferred financing costs | 2,699 | 3,336 |
| Straight-line rents | (6,246) | (10,686) |
| FAD capital expenditures | (19,220) | (19,118) |
| Lease restructure payments | 288 | 299 |
| CCRC entrance fees ⁽²⁾ | 3,496 | 3,027 |
| Deferred income taxes | (3,732) | (2,140) |
| Other FAD adjustments ⁽³⁾ | (1,429) | (3,754) |
| FAD applicable to common shares | 191,471 | 201,736 |
| Distributions on dilutive convertible units and other | 1,794 | — |
| Diluted FAD applicable to common shares | \$ 193,265 | \$ 201,736 |
| Weighted average shares outstanding - diluted FAD | 483,671 | 469,695 |

- (1) Excludes amounts related to the acceleration of deferred compensation for restricted stock units that vested upon the departure of certain former employees, which have already been excluded from FFO as adjusted in severance and related charges.
- (2) Represents our 49% share of non-refundable entrance fees, as the fees are collected by our CCRC JV, net of reserves and CCRC JV entrance fee amortization.
- (3) Primarily includes our share of FAD capital expenditures from unconsolidated joint ventures, partially offset by noncontrolling interests' share of FAD capital expenditures from consolidated joint ventures.

The Numbers

Overview⁽¹⁾

As of and for the quarter ended March 31, 2019, dollars, square feet and shares in thousands, except per share data

| | 1Q19 |
|--|-----------|
| Financial Metrics | |
| Diluted earnings per common share | \$0.13 |
| Diluted NAREIT FFO per common share | \$0.43 |
| Diluted FFO as adjusted per common share | \$0.44 |
| Dividends per common share | \$0.37 |
| Real Estate Revenues | \$434,441 |
| NOI | \$265,514 |
| Cash NOI | \$263,176 |
| Portfolio Income ⁽²⁾ | \$286,289 |

| Same Property Portfolio Cash NOI Growth | % of Total SPP | 1Q19 |
|---|----------------|-------------|
| Senior housing | 33.7% | (0.7%) |
| Life science | 25.1% | 6.5% |
| Medical office ⁽³⁾ | 35.5% | 4.2% |
| Other | 5.7% | 2.4% |
| Total | 100.0% | 3.0% |

| | 1Q19 | | 1Q19 |
|---|--------------|--------------------------------|-------|
| Capitalization | | Debt Ratios | |
| Common stock outstanding and DownREIT units | 484,359 | Financial Leverage | 37.0% |
| Total Market Equity | \$15,160,436 | Secured Debt Ratio | 2.8% |
| Enterprise Debt | \$6,268,421 | Net Debt to Adjusted EBITDAre | 5.5x |
| | | Adjusted Fixed Charge Coverage | 4.5x |

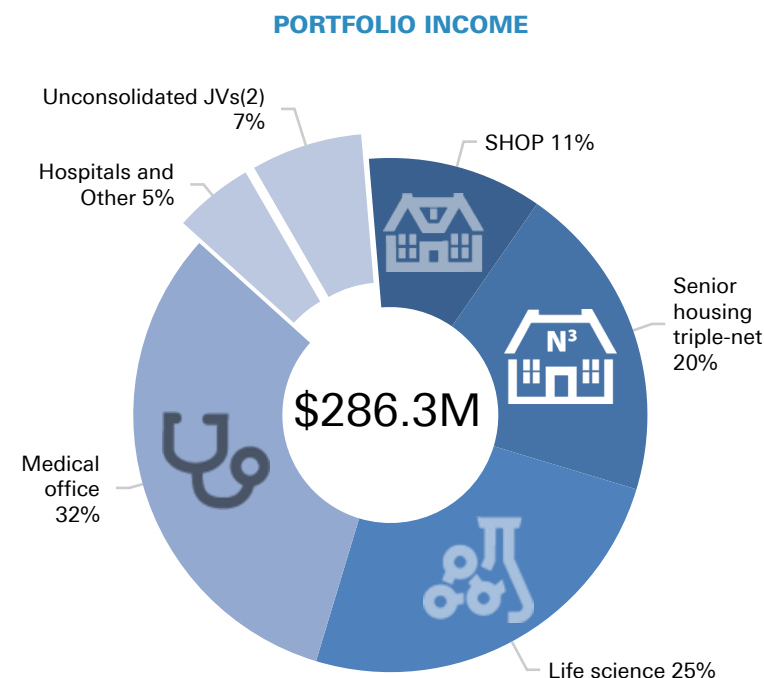
| | Property Count | Capacity | Occupancy |
|-------------------------------|----------------|----------------|-----------|
| Portfolio Statistics | | | |
| Senior housing triple-net | 126 | 12,942 Units | 85.8% |
| SHOP | 102 | 12,807 Units | 82.6% |
| Life science | 125 | 6,880 Sq. Ft. | 97.2% |
| Medical office ⁽³⁾ | 269 | 20,739 Sq. Ft. | 92.1% |
| Other ⁽⁴⁾ | 112 | N/A | N/A |
| Total | 734 | N/A | N/A |

- (1) Reconciliations, definitions and important discussions regarding the usefulness and limitations of the non-GAAP financial measures used in this report can be found at <http://ir.hcpi.com/financial-reconciliation>. Totals throughout this Earnings Release and Supplemental Report may not add due to rounding.
- (2) Includes our share of unconsolidated joint ventures ("JVs") and activity from assets sold and held for sale during the periods presented.
- (3) During the first quarter of 2019, two facilities were reclassified from other non-reportable segments to the medical office segment. Accordingly, all prior period segment information has been recast to conform to the current period presentation.
- (4) Our Other non-reportable segment consists of the following: 13 hospitals and post-acute/skilled, 15 properties in our CCRC JV, 68 properties in our U.K. JV and 16 other unconsolidated JV properties.

Portfolio Summary

As of and for the quarter ended March 31, 2019, dollars in thousands

| | Property Count | Average Age | Portfolio Investment | Portfolio Income | Private Pay % ⁽¹⁾ |
|--|----------------|-------------|---------------------------------|-------------------|------------------------------|
| Wholly Owned Property Portfolio | | | | | |
| Senior housing triple-net | 126 | 21 | \$ 2,544,978 | \$ 58,463 | 92.7 |
| SHOP | 92 | 21 | 2,556,785 | 30,385 | 98.5 |
| Life science | 107 | 21 | 3,880,059 | 70,003 | 100.0 |
| Medical office | 266 | 23 | 4,887,122 | 91,437 | 100.0 |
| Other | 13 | 27 | 321,500 | 12,887 | 68.3 |
| | 604 | 22 | \$ 14,190,444 | \$ 263,176 | 96.6 |
| Developments | | | | | |
| Life science | 13 | N/A | \$ 545,469 | \$ — | — |
| Medical office | 1 | N/A | 7,218 | — | — |
| | 14 | N/A | \$ 552,687 | \$ — | — |
| Redevelopments⁽³⁾ | | | | | |
| SHOP | 10 | N/A | \$ 89,607 | \$ — | — |
| Life science | 5 | N/A | 235,795 | — | — |
| Medical office | 2 | N/A | 3,606 | — | — |
| | 17 | N/A | \$ 329,008⁽³⁾ | \$ — | — |
| Debt Investments | | | | | |
| Other | — | N/A | \$ 105,475 | \$ 1,713 | — |
| Total | | | | | |
| Senior housing triple-net | 126 | 21 | \$ 2,544,978 | \$ 58,463 | 92.7 |
| SHOP | 102 | 21 | 2,646,392 | 30,385 | 98.5 |
| Life science | 125 | 21 | 4,661,324 | 70,003 | 100.0 |
| Medical office | 269 | 23 | 4,897,946 | 91,437 | 100.0 |
| Other | 13 | 27 | 426,975 | 14,601 | 68.3 |
| | 635 | 22 | \$ 15,177,615 | \$ 264,889 | 96.6 |
| HCP's Share of Unconsolidated JVs⁽⁴⁾ | | | | | |
| Other | 99 | 26 | \$ 1,168,895 | \$ 21,400 | 72.8 |
| Total Portfolio | 734 | 22 | \$ 16,346,510 | \$ 286,289 | 94.9 |



- (1) Self-pay and private insurance (including managed care) revenues as a percentage of total property revenues for the most recent trailing 12 months available, weighted based on current quarter Portfolio Income including assets sold in the quarter. Revenues for medical office buildings are considered 100% private pay.
- (2) Includes 5.0% related to 15 assets in our unconsolidated CCRC JV and 1.6% related to 68 assets contributed to our U.K. JV.
- (3) Includes Construction in Process ("CIP") and buildings or portions of buildings placed in Redevelopment. Portfolio Income for Redevelopments is reflected in the Wholly Owned Property Portfolio section above.
- (4) HCP's pro rata share information is prepared on a basis consistent with the comparable consolidated amounts by applying our actual ownership percentage for the period, and is intended to reflect our proportionate economic interest in the financial position and operating results of properties in our portfolio.

NOI Summaries

For the quarter ended March 31, 2019, dollars in thousands

NOI SUMMARY

| | NOI | | | SPP NOI | | |
|---------------------------|----------------------|---------------------|--------------------|--------------------------|------------------------|-------------------|
| | Real Estate Revenues | Operating Expenses | NOI ⁽¹⁾ | SPP Real Estate Revenues | SPP Operating Expenses | SPP NOI |
| Wholly-Owned | | | | | | |
| Senior housing triple-net | \$ 58,892 | \$ (993) | \$ 57,899 | \$ 56,049 | \$ (88) | \$ 55,960 |
| SHOP | 126,181 | (96,948) | 29,233 | 70,165 | (48,690) | 21,475 |
| Total Senior Housing | \$ 185,073 | \$ (97,941) | \$ 87,132 | \$ 126,214 | \$ (48,778) | \$ 77,435 |
| Life science | 94,473 | (21,992) | 72,481 | 73,340 | (16,465) | 56,875 |
| Medical office | 142,195 | (48,987) | 93,208 | 121,976 | (40,919) | 81,057 |
| Other | 12,700 | (8) | 12,693 | 12,700 | (7) | 12,694 |
| | \$ 434,441 | \$ (168,927) | \$ 265,514 | \$ 334,229 | \$ (106,169) | \$ 228,061 |

CASH NOI SUMMARY

| | Cash NOI | | | SPP Cash NOI | | |
|---------------------------|---------------------------|-------------------------|-------------------------|-------------------------------|-----------------------------|-------------------|
| | Cash Real Estate Revenues | Cash Operating Expenses | Cash NOI ⁽¹⁾ | SPP Cash Real Estate Revenues | SPP Cash Operating Expenses | SPP Cash NOI |
| Wholly-Owned | | | | | | |
| Senior housing triple-net | \$ 59,328 | \$ (864) | \$ 58,463 | \$ 54,196 | \$ (74) | \$ 54,122 |
| SHOP | 127,149 | (96,764) | 30,385 | 70,544 | (48,901) | 21,644 |
| Total Senior Housing | \$ 186,477 | \$ (97,628) | \$ 88,848 | \$ 124,740 | \$ (48,975) | \$ 75,766 |
| Life science | 91,982 | (21,979) | 70,003 | 72,881 | (16,452) | 56,429 |
| Medical office | 139,485 | (48,048) | 91,437 | 120,111 | (40,312) | 79,799 |
| Other | 12,895 | (8) | 12,887 | 12,895 | (7) | 12,888 |
| | \$ 430,839 | \$ (167,663) | \$ 263,176 | \$ 330,628 | \$ (105,745) | \$ 224,882 |

THREE-MONTH SPP

| | Property Count | % of Total SPP based on Cash NOI | % of Segment SPP based on Cash NOI | Year-Over-Year | | | | Sequential | | | |
|---------------------------|----------------|----------------------------------|------------------------------------|----------------|-------|-------------|--------------|------------|-------|-------------|--------------|
| | | | | Occupancy | | Growth | | Occupancy | | Growth | |
| | | | | 1Q19 | 1Q18 | SPP NOI | SPP Cash NOI | 1Q19 | 4Q18 | SPP NOI | SPP Cash NOI |
| Senior housing triple-net | 126 | 24 | 93 | 85.8% | 87.3% | 0.9% | 2.4% | 85.8% | 85.7% | (2.0%) | (7.3%) |
| SHOP | 50 | 10 | 71 | 85.8% | 88.8% | (7.9%) | (7.7%) | 85.8% | 87.1% | 16.3% | 10.3% |
| Total Senior Housing | 176 | 34 | 85 | | | (1.7%) | (0.7%) | | | 2.5% | (2.9%) |
| Life science | 97 | 25 | 81 | 96.8% | 93.5% | 5.9% | 6.5% | 96.8% | 96.2% | 1.8% | 2.1% |
| Medical office | 236 | 36 | 87 | 92.5% | 93.5% | 3.6% | 4.2% | 92.5% | 93.1% | 1.8% | 1.6% |
| Other | 13 | 6 | 100 | N/A | N/A | 2.2% | 2.4% | N/A | N/A | 0.4% | 0.4% |
| Total | 522 | 100 | 85 | | | 2.2% | 3.0% | | | 2.0% | 0.1% |

(1) NOI and Cash NOI include \$6.0 million attributable to noncontrolling interests, excluding DownREITs.

Property Count Reconciliations

As of March 31, 2019

PROPERTY COUNT RECONCILIATION

| | Senior Housing Triple-net | SHOP | Life Science | Medical Office | Other | Total |
|--|------------------------------|------------|-----------------|-------------------|------------|------------|
| Prior Quarter Total Property Count | 146 | 93 | 124 | 267 | 114 | 744 |
| Acquisitions | — | — | 1 | — | — | 1 |
| Assets sold | (2) | (9) | — | — | — | (11) |
| Senior housing triple-net to SHOP conversions | (18) | 18 | — | — | — | — |
| Segment reclassification | — | — | — | 2 | (2) | — |
| Current Quarter Total Property Count | 126 | 102 | 125 | 269 | 112 | 734 |
| Unconsolidated JVs | — | — | — | — | (99) | (99) |
| Acquisitions | — | — | (3) | (16) | — | (19) |
| Assets in Development | — | — | (13) | (1) | — | (14) |
| Assets in Redevelopment | — | (10) | (5) | (2) | — | (17) |
| Assets held for sale | — | (1) | — | (2) | — | (3) |
| Senior housing triple-net to SHOP conversions | — | (39) | — | — | — | (39) |
| Completed Developments and Redevelopments - not Stabilized | — | (2) | (7) | (12) | — | (21) |
| Three-Month SPP Property Count | 126 | 50 | 97 | 236 | 13 | 522 |

SEQUENTIAL SPP

| | Senior Housing Triple-net | SHOP | Life Science | Medical Office | Other | Total |
|---|------------------------------|-----------|-----------------|-------------------|-----------|------------|
| Prior Quarter Three-Month SPP Property Count | 146 | 48 | 97 | 224 | 15 | 530 |
| Acquisitions | — | 1 | 1 | 11 | — | 13 |
| Assets in Redevelopment | — | — | (1) | (1) | — | (2) |
| Prior Development/Redevelopment now Stabilized | — | — | — | 2 | — | 2 |
| Assets held for sale | — | (1) | — | (2) | — | (3) |
| Assets sold | (2) | — | — | — | — | (2) |
| Senior housing triple-net to SHOP conversions | (18) | 2 | — | — | — | (16) |
| Segment reclassification | — | — | — | 2 | (2) | — |
| Current Quarter Three-Month SPP Property Count | 126 | 50 | 97 | 236 | 13 | 522 |

Capitalization

Dollars and shares in thousands, except price per share data

TOTAL CAPITALIZATION

| | March 31, 2019 | | |
|--|----------------|----------|----------------------|
| | Shares | Value | Total Value |
| Common stock (NYSE: HCP) | 477,929 | \$ 31.30 | \$ 14,959,177 |
| Convertible partnership (DownREIT) units | 6,430 | 31.30 | 201,259 |
| Total Market Equity | 484,359 | | \$ 15,160,436 |
| Consolidated debt | | | 5,763,870 |
| Total Market Equity and Consolidated Debt | 484,359 | | \$ 20,924,306 |
| HCP's share of unconsolidated JV debt | | | 504,551 |
| Total Market Equity and Enterprise Debt | 484,359 | | \$ 21,428,857 |

COMMON STOCK AND EQUIVALENTS

| | Shares Outstanding March 31, 2019 | Weighted Average Shares Three Months Ended March 31, 2019 | | | |
|---|--------------------------------------|--|-----------------------|----------------------------|----------------|
| | | Diluted EPS | Diluted NAREIT FFO | Diluted FFO as adjusted | Diluted FAD |
| Common stock | 477,929 | 477,766 | 477,766 | 477,766 | 477,766 |
| Common stock equivalent securities: | | | | | |
| Restricted stock units | 1,946 | 259 | 259 | 259 | 259 |
| Dilutive impact of options | 13 | 13 | 13 | 13 | 13 |
| Equity forward agreements ⁽¹⁾ | — | 1,093 | 1,093 | 1,093 | 1,093 |
| Convertible partnership (DownREIT) units | 6,430 | — | 4,540 | 4,540 | 4,540 |
| Total common stock and equivalents | 486,318 | 479,131 | 483,671 | 483,671 | 483,671 |

(1) Represents the current dilutive impact of 18.8 million shares of common stock under forward sales agreements that have not been settled as of March 31, 2019. Based on the forward price of each agreement as of March 31, 2019, issuance of all 18.8 million shares would result in approximately \$544 million of net proceeds. Subsequent to March 31, 2019, we utilized the forward provisions under our at-the-market program to allow for the sale of up to an additional 1.5 million shares of common stock, which would generate approximately \$46 million of net proceeds based on the initial weighted average net price of the agreement.

Indebtedness and Ratios

As of March 31, 2019, dollars in thousands

DEBT MATURITIES AND SCHEDULED PRINCIPAL REPAYMENTS (AMORTIZATION)

| | Bank Line of Credit ⁽¹⁾ | | Senior Unsecured Notes | | Mortgage Debt | | Consolidated Debt | HCP's Share of Unconsolidated JV Debt | | Enterprise Debt | |
|--|------------------------------------|-------------|------------------------|---------|------------------------|---------|---------------------|---------------------------------------|------------------------|------------------------|---------|
| | | | Term Loan | Amounts | Rates % ⁽²⁾ | Amounts | | Rates % ⁽²⁾ | Amounts ⁽³⁾ | Rates % ⁽²⁾ | Amounts |
| 2019 | \$ — | \$ — | \$ — | — | \$ 2,686 | — | \$ 2,686 | \$ 160,743 | 5.45 | \$ 163,429 | 5.45 |
| 2020 | — | — | 800,000 | 2.79 | 3,609 | 5.08 | 803,609 | 12,044 | 4.23 | 815,653 | 2.81 |
| 2021 | 276,500 | — | — | — | 10,957 | 5.26 | 287,457 | 63,716 | 5.17 | 351,173 | 3.61 |
| 2022 | — | — | 900,000 | 3.93 | 2,691 | — | 902,691 | 35,023 | 4.91 | 937,714 | 3.97 |
| 2023 | — | — | 800,000 | 4.39 | 2,811 | — | 802,811 | 4,053 | 3.96 | 806,864 | 4.39 |
| 2024 | — | — | 1,150,000 | 4.17 | 2,937 | — | 1,152,937 | 935 | — | 1,153,872 | 4.17 |
| 2025 | — | — | 1,350,000 | 3.93 | 3,069 | — | 1,353,069 | 18,911 | 3.87 | 1,371,980 | 3.93 |
| 2026 | — | — | — | — | 3,006 | 2.85 | 3,006 | 942 | — | 3,948 | 2.85 |
| 2027 | — | — | — | — | 9,184 | 5.25 | 9,184 | 945 | — | 10,129 | 5.25 |
| 2028 | — | — | — | — | 2,644 | 3.05 | 2,644 | 35,375 | 4.48 | 38,019 | 4.42 |
| Thereafter | — | — | 300,000 | 6.87 | 88,865 | 4.03 | 388,865 | 2,708 | 3.90 | 391,573 | 6.09 |
| Subtotal | \$ 276,500 | \$ — | \$ 5,300,000 | | \$ 132,459 | | \$ 5,708,959 | \$ 335,395 | | \$ 6,044,354 | |
| Other Debt ⁽⁴⁾ | — | — | — | — | — | — | 89,223 | 170,715 | — | 259,938 | — |
| (Discounts), premium and debt costs, net | — | — | (39,378) | — | 5,066 | — | (34,312) | (1,559) | — | (35,871) | — |
| Total | \$ 276,500 | \$ — | \$ 5,260,622 | | \$ 137,525 | | \$ 5,763,870 | \$ 504,551 | | \$ 6,268,421 | |
| Weighted average interest rate % | 3.20 | — | 4.03 | — | 4.19 | — | 4.00 | 5.06 | — | 4.06 | — |
| Weighted average maturity in years | 2.6 | — | 5.3 | — | 18.7 | — | 5.5 | 2.7 | — | 5.3 | — |

(1) Includes £55 million (\$71.5 million) translated into U.S. dollars ("USD") at March 31, 2019. Our \$2.0 billion bank line of credit has the following features: (i) initial maturity date of October 19, 2021 with two six-month committed extension options; (ii) annual interest costs of LIBOR plus 87.5 basis points and a facility fee of 15 basis points based on our current unsecured credit rating; and (iii) inclusion of a \$750 million accordion feature which can be used to increase the facility size, subject to securing additional commitments.

(2) The rates are reported in the year in which the related debt matures.

(3) Reflects pro rata share of mortgage and other debt in our unconsolidated JVs.

(4) Represents non-interest bearing Entrance Fee deposits at certain of our senior housing facilities and demand notes that have no scheduled maturities.

Indebtedness and Ratios

As of March 31, 2019, dollars in thousands, includes HCP's pro rata share of unconsolidated JVs

DEBT STRUCTURE

| | | Balance | % of Total | Weighted Average | |
|------------------|---|---------------------|------------|------------------|-------------------|
| | | | | Rates % | Years to Maturity |
| Secured | Fixed rate | \$ 179,401 | 3 | 4.19 | 15.2 |
| | Floating rate | 288,453 | 5 | 5.20 | 2.2 |
| | Combined | \$ 467,854 | 8 | 4.81 | 7.2 |
| Unsecured | Fixed rate | 5,300,000 | 87 | 4.03 | 5.3 |
| | Floating rate | 276,500 | 5 | 3.20 | 2.6 |
| | Combined | \$ 5,576,500 | 92 | 3.99 | 5.2 |
| Total | Fixed rate | 5,479,401 | 91 | 4.04 | 5.7 |
| | Floating rate | 564,953 | 9 | 4.22 | 2.6 |
| | Combined | \$ 6,044,354 | 100 | 4.06 | 5.3 |
| | Other Debt ⁽¹⁾ | 259,938 | | | |
| | (Discounts), premiums and debt costs, net | (35,871) | | | |
| | Enterprise Debt | \$ 6,268,421 | | | |

FINANCIAL COVENANTS⁽²⁾

| | Bank Line of Credit | |
|---|---------------------|-------------------|
| | Requirement | Actual Compliance |
| Leverage Ratio | No greater than 60% | 38% |
| Secured Debt Ratio | No greater than 30% | 4% |
| Unsecured Leverage Ratio | No greater than 60% | 42% |
| Fixed Charge Coverage Ratio (12 months) | No less than 1.50x | 3.8x |
| Tangible Net Worth (\$ billions) | No less than \$6.5B | \$9.4B |

CREDIT RATINGS (SENIOR UNSECURED DEBT)

| | |
|------------|----------------|
| Moody's | Baa1 (Stable) |
| S&P Global | BBB+ (Stable) |
| Fitch | BBB (Positive) |

(1) Represents non-interest bearing Entrance Fee deposits at certain of our senior housing facilities and demand notes that have no scheduled maturities.

(2) Calculated based on the definitions contained in the credit agreement, which may differ from similar terms used in the Company's consolidated financial statements as provided in its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. Compliance with certain of these financial covenants requires the inclusion of the Company's consolidated amounts and its proportionate share of unconsolidated JVs.

Investment Summary

For the three months ended March 31, 2019, dollars and square feet in thousands

INVESTMENT SUMMARY

| | Date | Capacity | Property Count | Property Type | Three Months Ended March 31, 2019 |
|--|---------|------------|----------------|---------------|-----------------------------------|
| Acquisition - Cambridge, MA ⁽¹⁾ | January | 64 Sq. Ft. | 1 | Life science | \$ 91,500 |
| Development fundings | | | | | 90,124 |
| Redevelopment fundings | | | | | 26,257 |
| Loan fundings ⁽²⁾ | | | | | 23,598 |
| Lease commissions - Dev/Redev/Acq | | | | | 2,700 |
| Total | | | 1 | | \$ 234,178 |

DISPOSITIONS

| | Date | Capacity | Property Count | Property Type | Sales Price/Proceeds | Trailing Cash Yield ⁽³⁾ |
|------------------|----------|-----------|----------------|----------------|----------------------|------------------------------------|
| Las Vegas, NV | January | 152 Units | 1 | SHOP | \$ 11,764 | |
| Various, RI | January | 375 Units | 3 | SHOP | 34,125 | |
| Poway, CA | January | 26 Acres | — | Life science | 35,400 | |
| Abingdon, VA | January | 73 Units | 1 | Senior housing | 15,800 | |
| Various, CA | February | 205 Units | 4 | SHOP | 15,700 | |
| Mount Vernon, IL | February | 112 Units | 1 | SHOP | 6,000 | |
| Franklin, NC | February | 42 Units | 1 | Senior housing | 10,300 | |
| Total | | | 11 | | \$ 129,090 | 4.5% |

ASSETS HELD FOR SALE

| | Date | Capacity | Property Count | Property Type | Projected Sales Price | Trailing Cash Yield ⁽³⁾ |
|---------------------------|---------|------------|----------------|----------------|-----------------------|------------------------------------|
| Sunrise, FL | January | 180 Units | 1 | SHOP | \$ 7,000 | |
| Dallas, TX ⁽⁴⁾ | March | 62 Sq. Ft. | 2 | Medical office | 4,341 | |
| Total | | | 3 | | \$ 11,341 | 10.6% |

(1) Includes a ground leasehold interest and associated development rights on a land site directly adjacent to 87 CambridgePark Drive for \$20.5 million that we acquired in February 2019.

(2) Includes fundings under the \$115 million participating development loan for the construction of 620 Terry, a \$147 million senior housing development located in Seattle.

(3) Represents the average yield calculated using Cash NOI for the 12-month period prior to the sale for dispositions and for the 12-month period ended March 31, 2019 for assets held for sale.

(4) Closed April 2019.

Developments

As of March 31, 2019, dollars and square feet in thousands

DEVELOPMENT PROJECTS IN PROCESS

| Project | MSA | Property Type | Property Count | Placed in Service | CIP ⁽¹⁾ | Cost to Complete ⁽¹⁾ | Total at Completion |
|---------------------------------------|-------------------|----------------|----------------|-------------------|--------------------|---------------------------------|---------------------|
| Wholly-Owned | | | | | | | |
| Ridgeview | San Diego, CA | Life science | 3 | \$ 31,734 | \$ 37,194 | \$ 4,184 | \$ 73,112 |
| The Cove at Oyster Point - Phase III | San Francisco, CA | Life science | 2 | — | 215,965 | 36,705 | 252,670 |
| Sorrento Summit | San Diego, CA | Life science | 1 | — | 7,926 | 10,674 | 18,600 |
| The Shore at Sierra Point - Phase I | San Francisco, CA | Life science | 2 | — | 128,152 | 108,511 | 236,663 |
| The Cove at Oyster Point - Phase IV | San Francisco, CA | Life science | 1 | — | 47,869 | 63,521 | 111,390 |
| 75 Hayden | Boston, MA | Life science | 1 | — | 50,206 | 110,009 | 160,215 |
| The Shore at Sierra Point - Phase II | San Francisco, CA | Life science | 2 | — | 42,894 | 248,713 | 291,607 |
| The Shore at Sierra Point - Phase III | San Francisco, CA | Life science | 1 | — | 15,263 | 78,251 | 93,514 |
| Grand Strand | Other | Medical office | 1 | — | 7,218 | 19,134 | 26,352 |
| | | | 14 | \$ 31,734 | \$ 552,687 | \$ 679,702 | \$ 1,264,123 |

Projected stabilized yields typically range from 6.0% - 8.0%

| Project | Total Project Capacity (Sq. Ft.) | % of Total Project Leased | Project Start | Actual / Estimated Occupancy | |
|---------------------------------------|----------------------------------|---------------------------|---------------|------------------------------|---------------------------|
| | | | | Initial | Stabilized ⁽²⁾ |
| Wholly-Owned | | | | | |
| Ridgeview | 306 | 100 | 2Q16 | 1Q19 | 4Q19 |
| The Cove at Oyster Point - Phase III | 324 | 100 | 4Q16 | 2Q19 | 3Q19 |
| Sorrento Summit | 28 | 100 | 3Q17 | 4Q19 | 4Q19 |
| The Shore at Sierra Point - Phase I | 222 | 100 | 4Q17 | 4Q19 | 1Q20 |
| The Cove at Oyster Point - Phase IV | 164 | 100 | 2Q18 | 1Q20 | 1Q20 |
| 75 Hayden | 214 | — | 2Q18 | 1Q21 | 4Q22 |
| The Shore at Sierra Point - Phase II | 266 | — | 4Q18 | 1Q21 | 4Q21 |
| The Shore at Sierra Point - Phase III | 103 | — | 4Q18 | 1Q22 | 4Q22 |
| Grand Strand | 90 | 47 | 4Q18 | 1Q20 | 3Q21 |
| | 1,717 | 63 | | | |

(1) Includes lease commissions incurred to date and projected lease commissions through Stabilization.

(2) Economic stabilization typically occurs three to six months following Stabilized occupancy.

Redevelopments and Land Held for Development⁽¹⁾

As of March 31, 2019, dollars and square feet in thousands

REDEVELOPMENT PROJECTS IN PROCESS

| Project ⁽²⁾ | MSA | Property Type | Property Count | Placed in Service | Incremental Costs | | | Project Start | Estimated Completion ⁽⁴⁾ |
|----------------------------|-------------------|----------------|----------------|-------------------|--------------------|---------------------------------|-------------------|---------------|-------------------------------------|
| | | | | | CIP ⁽³⁾ | Cost to Complete ⁽³⁾ | Total | | |
| Wholly-Owned | | | | | | | | | |
| Biotech Gateway | San Francisco, CA | Life science | 3 | \$ 20,064 | \$ 21,740 | \$ 24,796 | \$ 66,600 | 1Q18 | 2Q19 |
| Various SHOP | Various | SHOP | 10 | — | 8,912 | 77,326 | 86,238 | 2Q18 - 4Q18 | 3Q19 - 3Q20 |
| Pointe Grand | San Francisco, CA | Life science | 1 | — | 10,207 | 4,256 | 14,463 | 3Q18 | 2Q19 |
| St Matthews I | Louisville, KY | Medical office | 1 | 519 | 3,360 | 7,315 | 11,194 | 3Q18 | 4Q19 |
| Swedish IV | Denver, CO | Medical office | 1 | — | 246 | 7,456 | 7,702 | 1Q19 | 1Q20 |
| 10410 Science Center Drive | San Diego, CA | Life science | 1 | — | 1,597 | 26,743 | 28,340 | 1Q19 | 4Q19 |
| | | | 17 | \$ 20,583 | \$ 46,062 | \$ 147,892 | \$ 214,537 | | |

Projected stabilized cash-on-cash return on incremental capital invested typically ranges from 9.0% to 12.0%

LAND HELD FOR DEVELOPMENT

| Project | MSA | Property Type | Gross Site Acreage | Estimated Rentable Sq. Ft. | Investment to Date |
|-----------------------------|-------------------|---------------|--------------------|----------------------------|--------------------|
| Wholly-Owned | | | | | |
| Forbes Research Center | San Francisco, CA | Life science | 8 | 326 | \$ 47,788 |
| Modular Labs III | San Francisco, CA | Life science | 2 | 106 | 11,204 |
| Torrey Pines Science Center | San Diego, CA | Life science | 6 | 93 | 12,073 |
| Directors Place | San Diego, CA | Life science | 4 | 150 | 6,653 |
| 101 CambridgePark Drive | Boston, MA | Life science | 1 | N/A | 20,633 |
| Remaining | Various | Various | 1 | N/A | 946 |
| | | | 22 | 675 | \$ 99,297 |

(1) Redevelopments are excluded from SPP until they are Stabilized. See Glossary for further definition.

(2) During the quarter, Wateridge, Summit III, Nordstrom Tower and one building at Pointe Grand were completed and placed in service.

(3) Includes lease commissions incurred to date and projected lease commissions through Stabilization.

(4) Excludes the completion of tenant improvements.

Capital Expenditures

For the three months ended March 31, 2019, dollars in thousands, except per unit/square foot

| | Senior Housing Triple-net | SHOP | Life Science | Medical Office | Other | Total |
|--|------------------------------|-------------------|-----------------------|-----------------------|-------------|-------------------|
| Wholly-Owned | | | | | | |
| Recurring capital expenditures | \$ 305 | \$ 2,880 | \$ 540 | \$ 3,001 | \$ — | \$ 6,725 |
| Tenant improvements - 2nd generation | — | — | 2,075 | 4,967 | — | 7,042 |
| Lease commissions - 2nd generation ⁽¹⁾ | — | — | 2,369 | 3,084 | — | 5,453 |
| FAD capital expenditures | \$ 305 | \$ 2,880 | \$ 4,984 | \$ 11,051 | \$ — | \$ 19,220 |
| Revenue enhancing capital expenditures | 265 | 5,546 | 167 | 1,531 | — | 7,510 |
| Casualty related capital expenditures ⁽²⁾ | 276 | 1,040 | — | — | — | 1,316 |
| Initial Capital Expenditures ("ICE") | — | — | 2 | 346 | — | 348 |
| Tenant improvements - 1st generation | — | — | 1,625 | 4,581 | — | 6,206 |
| Lease commissions - Dev/Redev/Acq ⁽³⁾ | — | — | 2,598 | 101 | — | 2,700 |
| Development | — | — | 85,287 | 4,837 | — | 90,124 |
| Redevelopment | — | 2,655 | 16,226 | 7,376 | — | 26,257 |
| Capitalized interest | — | 86 | 7,454 | 731 | — | 8,271 |
| Total capital expenditures | \$ 846 | \$ 12,208 | \$ 118,342 | \$ 30,555 | \$ — | \$ 161,951 |
| Recurring capital expenditures per unit/sq. ft. | (4) | \$255 per Unit | \$0.08 per Sq. Ft. | \$0.14 per Sq. Ft. | | |

(1) Excludes lease commissions on Development, Redevelopment, and 1st generation recently acquired vacant space.

(2) Casualty related capital expenditures include the acquisition of generators for assisted living facilities in Florida, as required by administrative rules adopted by Florida healthcare agencies and ratified by the Florida legislature.

(3) Includes lease commissions on Development and Redevelopment of \$0.2 million and \$2.5 million, respectively.

(4) Senior housing triple-net per unit is not presented as it is not meaningful.

Portfolio Diversification

As of and for the quarter ended March 31, 2019, dollars in thousands

PORTFOLIO INCOME BY MSA

| MSA | Property Count ⁽¹⁾ | Senior Housing Triple-net | SHOP | Life Science | Medical Office | Other | Total | % of Total |
|-----------------------------------|-------------------------------|---------------------------|------------------|------------------|------------------|------------------|-------------------|------------|
| San Francisco, CA | 76 | \$ 2,634 | \$ — | \$ 47,535 | \$ 798 | \$ — | \$ 50,967 | 18 |
| Dallas, TX | 41 | 1,759 | 1,708 | — | 16,607 | 1,400 | 21,473 | 8 |
| San Diego, CA | 36 | 814 | — | 14,727 | 2,229 | — | 17,770 | 6 |
| Houston, TX | 39 | 379 | 6,243 | — | 9,687 | 343 | 16,653 | 6 |
| Denver, CO | 22 | 2,171 | 2,485 | — | 5,602 | — | 10,258 | 4 |
| Washington, DC | 19 | 6,617 | 1,685 | — | 974 | — | 9,276 | 3 |
| Seattle, WA | 13 | 1,934 | 176 | — | 6,183 | — | 8,293 | 3 |
| Los Angeles, CA | 10 | 2,608 | 528 | — | 1,176 | 3,760 | 8,072 | 3 |
| New York, NY | 11 | 5,272 | 1,190 | — | — | — | 6,462 | 2 |
| Nashville, TN | 16 | 589 | — | — | 4,937 | — | 5,526 | 2 |
| Remaining | 338 | 33,686 | 16,369 | 7,741 | 43,243 | 7,385 | 108,425 | 38 |
| Cash NOI | 621 | \$ 58,463 | \$ 30,385 | \$ 70,003 | \$ 91,437 | \$ 12,887 | \$ 263,176 | 92 |
| Interest income | — | — | — | — | — | 1,713 | 1,713 | 1 |
| HCP's Share of Unconsolidated JVs | 98 | — | — | — | — | 21,400 | 21,400 | 7 |
| Portfolio Income | 719 | \$ 58,463 | \$ 30,385 | \$ 70,003 | \$ 91,437 | \$ 36,001 | \$ 286,289 | 100 |

(1) Excludes fifteen properties in Development, including one unconsolidated development.

Portfolio Diversification

As of and for the quarter ended March 31, 2019, dollars in thousands, includes HCP's pro rata share of unconsolidated JVs

PORTFOLIO INCOME BY OPERATOR/TENANT

| Operator/Tenant | Tenant/Credit Exposure | | | | | | | SHOP/Operator Exposure | | | | |
|--|-------------------------------|---------------------------|------------------|------------------|------------------|------------------|-----------------------|-------------------------------|------------------|------------------|------------------|-----------------------|
| | Property Count ⁽¹⁾ | Senior Housing Triple-net | Life Science | Medical Office | Other | Total | % of Portfolio Income | Property Count ⁽¹⁾ | SHOP | Other | Total | % of Portfolio Income |
| Brookdale | 43 | \$ 18,794 | \$ — | \$ — | \$ — | \$ 18,794 | 6 | 43 | \$ 13,616 | \$ 14,761 | \$ 28,377 | 10 |
| Sunrise Senior Living | 30 | 20,640 | — | — | — | 20,640 | 7 | 24 ⁽²⁾ | 3,161 | — | 3,161 | 1 |
| Hospital Corporation of America ("HCA") ⁽³⁾ | 88 | — | — | 21,408 | — | 21,408 | 7 | — | — | — | — | — |
| Amgen | 7 | — | 13,182 | — | — | 13,182 | 5 | — | — | — | — | — |
| Atria Senior Living | — | — | — | — | — | — | — | 27 | 8,893 | (51) | 8,842 | 3 |
| Remaining | 425 | 19,028 | 56,820 | 70,030 | 20,167 | 166,045 | 58 | 32 | 4,715 | 1,124 | 5,839 | 2 |
| Portfolio Income | 593 | \$ 58,463 | \$ 70,003 | \$ 91,437 | \$ 20,167 | \$240,070 | 84 | 126 | \$ 30,385 | \$ 15,834 | \$ 46,219 | 16 |

(1) Excludes fifteen properties in Development, including one unconsolidated development.

(2) Includes 14 properties converted to SHOP during the quarter for which Portfolio Income is reflected in Senior housing triple-net.

(3) Includes Cash NOI for 1.4 million square feet in five properties that are 100% leased to HCA, and 2.8 million square feet in 83 properties partially leased to HCA.

Patewood Medical Office Building
Greenville, SC



Expirations and Maturities

As of March 31, 2019, dollars in thousands

EXCLUDES PURCHASE AND PREPAYMENT OPTIONS

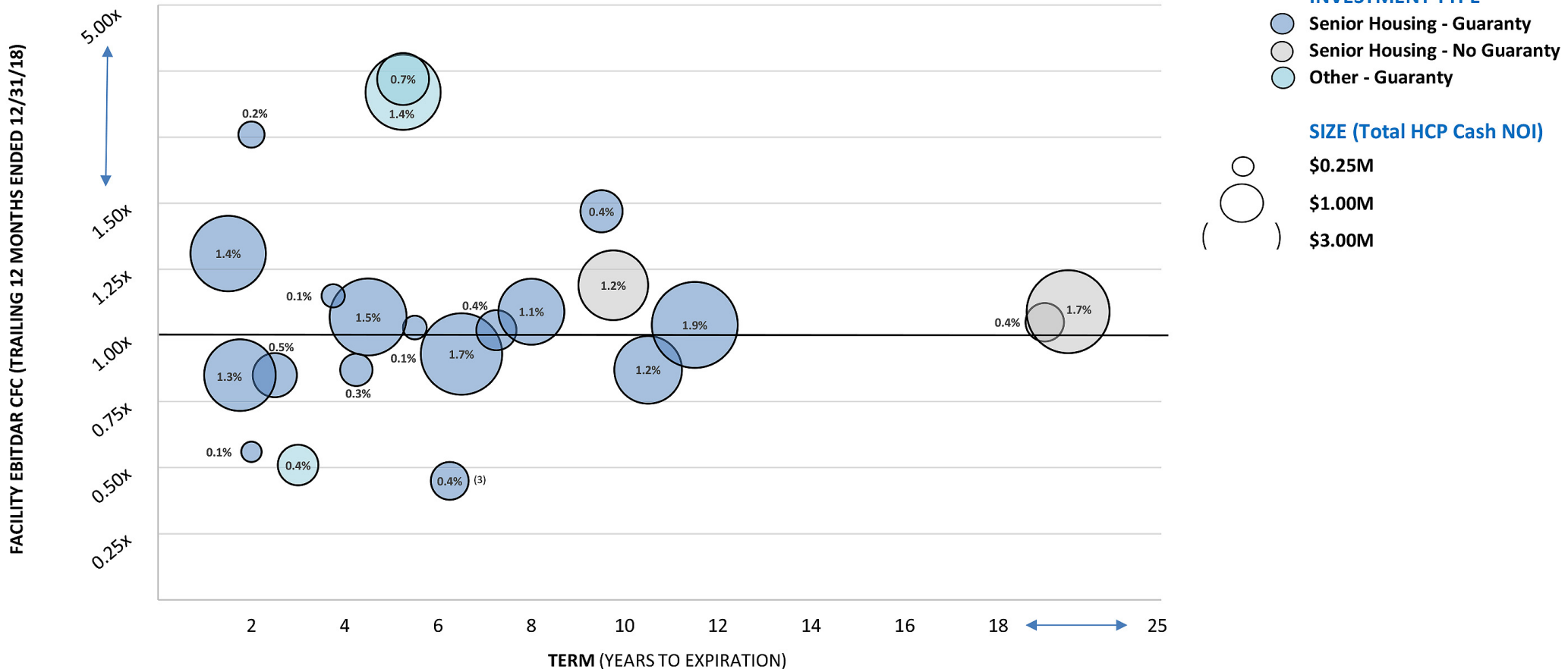
| Year | Annualized Base Rent ⁽¹⁾ | | | | | | | Interest Income |
|------------------------------------|-------------------------------------|------------|---------------------------|-------------------|-------------------|------------------|-----------------|-----------------|
| | Total | % of Total | Senior Housing Triple-net | Life Science | Medical Office | Other | | |
| 2019 ⁽²⁾ | \$ 68,708 | 7 | \$ 2,375 | \$ 13,288 | \$ 53,045 | \$ — | \$ — | |
| 2020 | 135,589 | 13 | 40,753 | 20,778 | 64,738 | 8,301 | 1,019 | |
| 2021 | 111,666 | 11 | 7,996 | 49,993 | 51,078 | 1,668 | 930 | |
| 2022 | 90,506 | 9 | 1,548 | 22,082 | 47,617 | 14,298 | 4,960 | |
| 2023 | 128,164 | 13 | 46,576 | 40,305 | 41,283 | — | — | |
| 2024 | 62,417 | 6 | 4,809 | 7,372 | 27,264 | 22,972 | — | |
| 2025 | 115,656 | 11 | 8,474 | 48,278 | 58,853 | — | 53 | |
| 2026 | 46,876 | 5 | 4,316 | 21,560 | 21,000 | — | — | |
| 2027 | 51,339 | 5 | 12,425 | 23,177 | 15,737 | — | — | |
| 2028 | 80,227 | 8 | 35,714 | 15,171 | 29,342 | — | — | |
| Thereafter | 129,863 | 13 | 60,168 | 30,242 | 35,446 | 4,007 | — | |
| | \$ 1,021,012 | 100 | \$ 225,154 | \$ 292,245 | \$ 445,405 | \$ 51,246 | \$ 6,962 | |
| Weighted average maturity in years | 5.5 | | 7.5 | 5.5 | 4.7 | 4.3 | 3.1 | |

REFLECTS PURCHASE AND PREPAYMENT OPTIONS

| Year | Annualized Base Rent ⁽¹⁾ | | | | | | | Interest Income ⁽³⁾ |
|---------------------|-------------------------------------|------------|---------------------------|-------------------|-------------------|------------------|-----------------|--------------------------------|
| | Total | % of Total | Senior Housing Triple-net | Life Science | Medical Office | Other | | |
| 2019 ⁽²⁾ | \$ 78,204 | 8 | \$ 2,375 | \$ 13,288 | \$ 59,676 | \$ 613 | \$ 2,251 | |
| 2020 | 147,125 | 14 | 40,753 | 20,778 | 62,780 | 22,815 | — | |
| 2021 | 121,010 | 12 | 7,996 | 49,993 | 61,353 | 1,668 | — | |
| 2022 | 87,927 | 9 | 1,548 | 22,082 | 45,901 | 13,685 | 4,710 | |
| 2023 | 124,745 | 12 | 46,576 | 40,305 | 37,864 | — | — | |
| 2024 | 47,299 | 5 | 4,809 | 7,372 | 26,660 | 8,458 | — | |
| 2025 | 116,422 | 11 | 8,474 | 48,278 | 59,671 | — | — | |
| 2026 | 37,594 | 4 | 4,316 | 21,560 | 11,718 | — | — | |
| 2027 | 51,271 | 5 | 12,425 | 23,177 | 15,669 | — | — | |
| 2028 | 79,995 | 8 | 35,714 | 15,171 | 29,110 | — | — | |
| Thereafter | 129,420 | 13 | 60,168 | 30,242 | 35,003 | 4,007 | — | |
| | \$ 1,021,012 | 100 | \$ 225,154 | \$ 292,245 | \$ 445,405 | \$ 51,246 | \$ 6,962 | |

- (1) Annualized Base Rent does not include tenant recoveries, additional rent in excess of floors, and non-cash revenue adjustments.
- (2) Includes month-to-month and holdover leases.
- (3) Reflects the earliest point at which there is no prepayment penalty.

Triple-Net Master Lease Profile⁽¹⁾⁽²⁾



| Facility EBITDAR CFC | % of Total Cash NOI and Interest Income | # of Leases/Data Points | Weighted Average Maturity in Years | Guaranty ⁽⁴⁾ |
|----------------------|---|-------------------------|------------------------------------|-------------------------|
| Less than 1.0x | 5.9 | 8 | 5.4 | 100.0% |
| 1.00x - 1.25x | 8.4 | 9 | 11.1 | 60.7% |
| 1.26x - 1.50x | 1.8 | 2 | 3.4 | 100.0% |
| 1.51x and above | 2.3 | 3 | 5.0 | 100.0% |

- (1) Excludes properties held for sale or sold, master leases with properties acquired during the period required to calculate CFC and master leases that include newly completed developments that are not Stabilized. Additionally, excludes 3 data points, 2 of which represent portfolios that converted to SHOP during the quarter and 1 portfolio that is planned to convert to SHOP later in 2019.
- (2) In connection with the agreement, multiple leases with Brookdale were combined into a single master lease with varying maturities. The varying maturities are reflected in the graph based on their renewal terms.
- (3) Represents a three property master lease that was previously in development, which has reached the 24 month Stabilization period, but has not yet reached 80% occupancy.
- (4) Represents the percentage of total Cash NOI supported by a corporate guaranty.

Senior Housing Triple-net⁽¹⁾

As of and for the quarter ended March 31, 2019, dollars in thousands, except REVPOR

| Property Portfolio | Property Count | Investment | Cash NOI | Units | Occupancy % | REVPOR Triple-Net | Facility EBITDARM CFC | Facility EBITDAR CFC |
|-----------------------------|----------------|---------------------|------------------|---------------|-------------|-------------------|-----------------------|----------------------|
| Assisted/Independent living | 124 | \$ 2,289,212 | \$ 55,227 | 11,887 | 85.6 | \$ 5,892 | 1.22x | 1.04x |
| CCRC | 2 | 255,766 | 3,236 | 1,055 | 87.5 | 6,218 | 1.39x | 1.19x |
| Total | 126 | \$ 2,544,978 | \$ 58,463 | 12,942 | 85.8 | \$ 5,919 | 1.24x | 1.05x |

| Properties | | | | | | | | | |
|--------------------------------------|---------------------|------------------|------------|-----------|---------------|-------------|-------------------|-----------------------|----------------------|
| Operator | Investment | Cash NOI | Count | % Pooled | Units | Occupancy % | REVPOR Triple-Net | Facility EBITDARM CFC | Facility EBITDAR CFC |
| Sunrise Senior Living ⁽¹⁾ | \$ 942,340 | \$ 20,640 | 30 | 100 | 3,607 | 86.6 | \$ 7,417 | 1.39x | 1.15x |
| Brookdale | 787,257 | 18,794 | 43 | 95 | 4,728 | 88.0 | 5,251 | 1.23x | 1.06x |
| Harbor Retirement Associates | 214,355 | 4,990 | 14 | 100 | 1,343 | 77.7 | 5,684 | 1.11x | 0.91x |
| Aegis Senior Living | 182,152 | 4,666 | 10 | 80 | 702 | 89.6 | 8,875 | 1.47x | 1.29x |
| Capital Senior Living | 181,988 | 4,484 | 15 | 100 | 1,499 | 81.1 | 3,330 | 1.03x | 0.89x |
| Remaining | 236,886 | 4,888 | 14 | 64 | 1,063 | 87.1 | 5,514 | 1.05x | 0.91x |
| Total | \$ 2,544,978 | \$ 58,463 | 126 | 93 | 12,942 | 85.8 | \$ 5,919 | 1.24x | 1.05x |

(1) Includes Cash NOI for fourteen properties that converted to SHOP in the quarter. Property count, Investment and units for these properties are reflected in SHOP. Sunrise and Total EBITDARM and EBITDAR CFC exclude 35 properties, which have either converted or are expected to convert to SHOP in 2019.

Senior Housing Triple-net

Same Property Portfolio

Dollars in thousands, except REVPOR

| | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 1Q19 |
|--------------------------------------|------------------|------------------|--|------------------|------------------|
| Property count | 126 | 126 | 126 | 126 | 126 |
| Investment | \$ 2,533,774 | \$ 2,535,100 | \$ 2,539,660 | \$ 2,543,823 | \$ 2,544,978 |
| Units | 12,944 | 12,945 | 12,953 | 12,939 | 12,942 |
| Occupancy % | 87.3 | 86.4 | 85.6 | 85.7 | 85.8 |
| REVPOR Triple-net | \$ 5,854 | \$ 5,905 | \$ 5,929 | \$ 5,924 | \$ 5,919 |
| Facility EBITDARM CFC ⁽¹⁾ | 1.34x | 1.31x | 1.29x | 1.27x | 1.24x |
| Facility EBITDAR CFC ⁽¹⁾ | 1.15x | 1.12x | 1.10x | 1.08x | 1.05x |
| Real Estate Revenues | \$ 55,560 | \$ 55,525 | \$ 55,840 | \$ 57,186 | \$ 56,049 |
| Operating Expenses | (92) | (74) | (79) | (102) | (88) |
| NOI | \$ 55,468 | \$ 55,452 | \$ 55,761 | \$ 57,084 | \$ 55,960 |
| Cash Real Estate Revenues | \$ 52,913 | \$ 55,774 | \$ 55,708 | \$ 58,465 | \$ 54,196 |
| Cash Operating Expenses | (78) | (60) | (65) | (88) | (74) |
| Cash NOI | \$ 52,835 | \$ 55,715 | \$ 55,643 | \$ 58,377 | \$ 54,122 |
| | | | Year-Over-Year Three-Month SPP Growth | | 2.4% |

(1) EBITDARM and EBITDAR CFC exclude 35 properties, which have either converted or are expected to convert to SHOP in 2019.

Senior Housing Triple-net | New Supply

As of and for the quarter ended March 31, 2019, dollars in thousands

NEW SUPPLY ANALYSIS⁽¹⁾

| MSA | Senior Housing Triple-net Portfolio | | | 5-Mile Radius ⁽²⁾ | | | | | | |
|--|-------------------------------------|------------------|--------------------------|--|---|--|------------------------|-------------------------|-------------------|----------------|
| | Units | Cash NOI | % of Triple-net Cash NOI | Properties/Units Under Construction ⁽³⁾ | Cash NOI Exposed to New Supply ⁽⁴⁾ | 5-Year 80+ Population Growth % 2019-2024 | 80+ Penetration Rate % | Median Household Income | Median Home Value | Unemployment % |
| <i>US National Average</i> | | | | | | <i>14.1</i> | <i>11.8</i> | <i>\$ 63</i> | <i>\$ 218</i> | <i>4.0</i> |
| Washington, DC | 1,329 | \$ 6,617 | 11.3 | 4 / 407 | \$ 1,650 | 18.4 | 9.0 | 121 | 564 | 2.8 |
| New York, NY | 959 | 5,272 | 9.0 | 2 / 394 | 1,350 | 11.4 | 3.2 | 97 | 542 | 3.7 |
| San Francisco, CA | 359 | 2,634 | 4.5 | -- / -- | — | 15.2 | 12.0 | 106 | 756 | 3.1 |
| Los Angeles, CA | 385 | 2,608 | 4.5 | 1 / 40 | 493 | 15.0 | 6.6 | 91 | 759 | 4.0 |
| Portland, OR | 897 | 2,334 | 4.0 | 1 / 224 | 454 | 16.8 | 26.8 | 71 | 347 | 4.1 |
| Denver, CO | 414 | 2,171 | 3.7 | 1 / 36 | 1,423 | 16.3 | 18.6 | 79 | 437 | 3.1 |
| Chicago, IL | 507 | 2,087 | 3.6 | 1 / 179 | 404 | 13.9 | 8.1 | 85 | 275 | 3.9 |
| Jacksonville, FL | 486 | 1,942 | 3.3 | 2 / 500 | 1,514 | 20.4 | 24.8 | 60 | 222 | 2.9 |
| Seattle, WA | 314 | 1,934 | 3.3 | 3 / 222 | 537 | 14.9 | 13.6 | 97 | 617 | 3.4 |
| Dallas, TX | 633 | 1,759 | 3.0 | -- / -- | — | 21.5 | 16.7 | 82 | 196 | 3.5 |
| Austin, TX | 269 | 1,582 | 2.7 | -- / -- | — | 22.1 | 15.1 | 77 | 453 | 2.9 |
| Detroit, MI | 330 | 1,456 | 2.5 | 5 / 476 | 1,081 | 6.9 | 23.9 | 77 | 241 | 3.4 |
| Sebastian, FL | 298 | 1,422 | 2.4 | -- / -- | — | 15.8 | 10.5 | 57 | 236 | 4.6 |
| Sacramento, CA | 352 | 1,331 | 2.3 | 1 / 60 | 660 | 15.1 | 14.3 | 79 | 393 | 3.8 |
| Providence, RI | 276 | 1,296 | 2.2 | -- / -- | — | 10.1 | 11.5 | 63 | 327 | 5.2 |
| Charlotte, NC | 451 | 1,289 | 2.2 | 1 / 88 | 229 | 20.0 | 17.8 | 69 | 243 | 3.7 |
| Baltimore, MD | 239 | 1,262 | 2.2 | 2 / 174 | 950 | 16.8 | 9.5 | 98 | 384 | 3.6 |
| Atlanta, GA | 395 | 1,145 | 2.0 | 1 / 79 | 328 | 20.3 | 16.8 | 80 | 335 | 2.8 |
| Riverside, CA | 202 | 984 | 1.7 | 3 / 227 | 192 | 20.7 | 6.7 | 96 | 501 | 3.9 |
| Tucson, AZ | 282 | 935 | 1.6 | -- / -- | — | 15.5 | 31.2 | 66 | 304 | 2.9 |
| Remaining | 5,222 | 16,405 | 28.1 | 6 / 631 | 1,071 | 12.7 | 11.6 | 70 | 275 | 3.5 |
| Total | 14,599 | \$ 58,463 | 100.0 | 34 / 3,737 | \$ 12,336 | 14.5 | 10.4 | \$ 84 | \$ 403 | 3.5 |
| % of Total Cash NOI and Interest Income | | | | | 4.7% | | | | | |

(1) Includes units and Cash NOI for fourteen properties operated by Sunrise that converted from senior housing triple-net to SHOP in the quarter.

(2) Demographic data provided by StratoDem Analytics for 2019. Construction and supply data provided by National Investment Center for Senior Housing and Care ("NIC") for the quarter ended March 31, 2019. Data reflects a 5-mile radius around each community and is weighted by Cash NOI. See Glossary for further discussion.

(3) Represents the number of properties and units with similar care types that are under construction.

(4) Represents total Cash NOI exposed to new construction and material expansions.

SHOP⁽¹⁾

As of and for the quarter ended March 31, 2019, dollars in thousands, except REVPOR

INVESTMENTS

| | Property Count | Investment | Cash NOI | Units | Occupancy % | REVPOR SHOP |
|--------------------------------------|----------------|---------------------|------------------|---------------|-------------|-----------------|
| Operator | | | | | | |
| Brookdale | 27 | \$ 852,761 | \$ 13,616 | 4,189 | 85.3 | \$ 4,061 |
| Atria Senior Living | 27 | 598,147 | 8,893 | 3,542 | 81.6 | 4,464 |
| Sunrise Senior Living ⁽¹⁾ | 24 | 584,289 | 3,161 | 2,696 | 78.6 | 6,217 |
| Senior Lifestyle Corp. | 7 | 198,453 | 1,903 | 639 | 80.7 | 5,579 |
| Life Care Services | 3 | 78,161 | 1,637 | 426 | 85.3 | 4,856 |
| Remaining | 14 | 244,973 | 1,175 | 1,315 | 78.4 | 4,879 |
| Total | 102 | \$ 2,556,785 | \$ 30,385 | 12,807 | 82.6 | \$ 4,586 |

TOTAL OPERATING PORTFOLIO

| | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 1Q19 |
|---------------------------|------------------|------------------|------------------|------------------|------------------|
| Property count | 100 | 102 | 97 | 93 | 102 |
| Investment | \$ 2,600,444 | \$ 2,500,375 | \$ 2,462,108 | \$ 2,228,265 | \$ 2,556,785 |
| Units | 13,580 | 13,527 | 12,995 | 11,708 | 12,807 |
| Occupancy % | 85.5 | 84.6 | 84.2 | 83.0 | 82.6 |
| REVPOR SHOP | \$ 4,069 | \$ 4,027 | \$ 4,089 | \$ 4,259 | \$ 4,586 |
| Real Estate Revenues | \$ 144,670 | \$ 138,352 | \$ 137,044 | \$ 127,909 | \$ 126,181 |
| Operating Expenses | (101,746) | (101,767) | (106,182) | (104,617) | (96,948) |
| NOI | \$ 42,925 | \$ 36,585 | \$ 30,863 | \$ 23,292 | \$ 29,233 |
| Cash Real Estate Revenues | \$ 142,318 | \$ 136,700 | \$ 137,815 | \$ 127,950 | \$ 127,149 |
| Cash Operating Expenses | (101,001) | (100,239) | (105,576) | (101,428) | (96,764) |
| Cash NOI | \$ 41,317 | \$ 36,461 | \$ 32,240 | \$ 26,522 | \$ 30,385 |
| Cash NOI Margin % | 29.0 | 26.7 | 23.4 | 20.7 | 23.9 |

(1) Includes property count, Investment and units for fourteen properties that converted from senior housing triple-net in the quarter. Cash NOI for these properties is reflected in senior housing triple-net.

As of and for the quarter ended March 31, 2019, dollars in thousands, except REVPOR

OPERATING PORTFOLIO METRICS

| MSA | Investment | Cash NOI | % of SHOP Cash NOI | Units ⁽¹⁾ | | Occupancy % | REVPOR SHOP ⁽¹⁾ | |
|-----------------|---------------------|------------------|--------------------|----------------------|--------------|-------------|----------------------------|-----------------|
| | | | | AL | IL | | AL | IL |
| Houston, TX | \$ 303,608 | \$ 6,243 | 20.5 | 311 | 1,606 | 87.4 | \$ 4,943 | \$ 2,844 |
| Denver, CO | 174,908 | 2,485 | 8.2 | 154 | 437 | 88.6 | 4,618 | 4,153 |
| Chicago, IL | 186,999 | 2,116 | 7.0 | 250 | 659 | 81.8 | 10,648 | 4,752 |
| Dallas, TX | 72,136 | 1,708 | 5.6 | 287 | 216 | 88.5 | 4,232 | 3,610 |
| Washington, DC | 173,466 | 1,685 | 5.5 | 607 | — | 81.9 | 6,066 | — |
| Miami, FL | 210,155 | 1,448 | 4.8 | 1,162 | 224 | 83.1 | 4,189 | — |
| Memphis, TN | 72,566 | 1,303 | 4.3 | — | 182 | 95.2 | — | 6,051 |
| Phoenix, AZ | 42,634 | 1,191 | 3.9 | — | 211 | 93.5 | — | 4,202 |
| New York, NY | 113,262 | 1,190 | 3.9 | 409 | — | 92.7 | 7,788 | — |
| Boston, MA | 58,106 | 868 | 2.9 | 177 | — | 86.0 | 7,211 | — |
| St. Louis, MO | 46,577 | 835 | 2.7 | 152 | — | 78.1 | 8,005 | — |
| Baltimore, MD | 150,405 | 800 | 2.6 | 463 | — | 75.6 | 5,866 | — |
| Austin, TX | 38,481 | 772 | 2.5 | 136 | — | 96.2 | 5,362 | — |
| Sarasota, FL | 39,853 | 766 | 2.5 | — | 164 | N/A | — | — |
| Richmond, VA | 50,329 | 746 | 2.5 | 204 | — | N/A | — | — |
| Boulder, CO | 42,707 | 679 | 2.2 | — | 96 | 93.6 | — | 4,619 |
| Dayton, OH | 46,478 | 612 | 2.0 | 175 | 108 | 93.7 | 5,526 | 2,897 |
| Fresno, CA | 39,708 | 611 | 2.0 | — | 172 | 93.0 | — | 3,785 |
| Charlotte, NC | 45,450 | 570 | 1.9 | 135 | — | 79.2 | 5,155 | — |
| Albuquerque, NM | 10,698 | 531 | 1.7 | 149 | — | 87.4 | 4,016 | — |
| Remaining | 638,258 | 3,226 | 10.6 | 3,308 | 653 | 73.1 | 4,793 | 4,409 |
| Total | \$ 2,556,785 | \$ 30,385 | 100.0 | 8,079 | 4,728 | 82.6 | \$ 5,192 | \$ 3,807 |

(1) Units and REVPOR SHOP are based on the majority type within each community. AL includes needs-based care, such as memory care.

Dollars in thousands, except REVPOR

CORE

| | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 1Q19 | Sequential Growth | Year-Over-Year Growth |
|---------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-----------------------|
| Property count | 33 | 33 | 33 | 33 | 33 | — | — |
| Investment | \$ 1,038,212 | \$ 1,043,002 | \$ 1,048,281 | \$ 1,055,657 | \$ 1,059,218 | 0.3 % | 2.0 % |
| Units | 4,338 | 4,343 | 4,338 | 4,339 | 4,338 | — % | — % |
| Occupancy % | 89.5 | 88.9 | 88.6 | 88.5 | 86.9 | (1.6%) | (2.6%) |
| REVPOR SHOP | \$ 4,142 | \$ 4,198 | \$ 4,210 | \$ 4,203 | \$ 4,344 | 3.4% | 4.9 % |
| Real Estate Revenues | \$ 48,447 | \$ 48,559 | \$ 48,454 | \$ 48,495 | \$ 48,763 | 0.6% | 0.7 % |
| Operating Expenses | (31,574) | (32,236) | (32,504) | (34,106) | (32,920) | (3.5%) | 4.3 % |
| NOI | \$ 16,873 | \$ 16,323 | \$ 15,950 | \$ 14,390 | \$ 15,842 | 10.1% | (6.1%) |
| Cash Real Estate Revenues | \$ 48,265 | \$ 48,591 | \$ 48,557 | \$ 48,435 | \$ 49,133 | 1.4% | 1.8 % |
| Cash Operating Expenses | (31,564) | (32,213) | (32,529) | (33,150) | (33,114) | (0.1%) | 4.9 % |
| Cash NOI | \$ 16,701 | \$ 16,378 | \$ 16,028 | \$ 15,285 | \$ 16,019 | 4.8% | (4.1%) |
| Cash NOI Margin % | 34.6 | 33.7 | 33.0 | 31.6 | 32.6 | 1.0% | (2.0%) |

TRANSITION⁽¹⁾

| | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 1Q19 | Sequential Growth | Year-Over-Year Growth |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------------|
| Property count | 17 | 17 | 17 | 17 | 17 | — | — |
| Investment | \$ 333,118 | \$ 335,721 | \$ 337,031 | \$ 341,409 | \$ 340,343 | (0.3%) | 2.2 % |
| Units | 2,066 | 2,065 | 2,066 | 2,066 | 2,067 | — % | — % |
| Occupancy % | 87.1 | 85.0 | 83.9 | 84.1 | 83.4 | (0.7%) | (3.7%) |
| REVPOR SHOP | \$ 4,060 | \$ 4,087 | \$ 4,035 | \$ 3,947 | \$ 4,141 | 4.9% | 2.0 % |
| Real Estate Revenues | \$ 22,391 | \$ 21,730 | \$ 20,226 | \$ 20,722 | \$ 21,402 | 3.3% | (4.4%) |
| Operating Expenses | (15,951) | (16,241) | (15,784) | (16,646) | (15,770) | (5.3%) | (1.1%) |
| NOI | \$ 6,441 | \$ 5,489 | \$ 4,441 | \$ 4,076 | \$ 5,632 | 38.2% | (12.6%) |
| Cash Real Estate Revenues | \$ 21,922 | \$ 21,535 | \$ 20,977 | \$ 20,580 | \$ 21,411 | 4.0% | (2.3%) |
| Cash Operating Expenses | (15,186) | (15,718) | (15,623) | (16,234) | (15,787) | (2.8%) | 4.0 % |
| Cash NOI | \$ 6,736 | \$ 5,818 | \$ 5,354 | \$ 4,346 | \$ 5,625 | 29.4% | (16.5%) |
| Cash NOI Margin % | 30.7 | 27.0 | 25.5 | 21.1 | 26.3 | 5.2% | (4.4%) |

(1) Represents properties previously managed by Brookdale that have transitioned to new operators or are expected to sell in 2019 in accordance with the Brookdale Transaction. Refer to the 4Q17 Earnings Release and Supplemental Report for additional information.

SHOP | Same Property Portfolio

Dollars in thousands, except REVPOR

TOTAL

| | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 1Q19 | Sequential Growth | Year-Over-Year Growth |
|---------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-----------------------|
| Property count | 50 | 50 | 50 | 50 | 50 | — | — |
| Investment | \$ 1,371,330 | \$ 1,378,722 | \$ 1,385,311 | \$ 1,397,066 | \$ 1,399,561 | 0.2 % | 2.1 % |
| Units | 6,404 | 6,408 | 6,404 | 6,405 | 6,405 | — % | — % |
| Occupancy % | 88.8 | 87.7 | 87.1 | 87.1 | 85.8 | (1.3%) | (3.0%) |
| REVPOR SHOP | \$ 4,116 | \$ 4,163 | \$ 4,156 | \$ 4,123 | \$ 4,281 | 3.8% | 4.0 % |
| Real Estate Revenues | \$ 70,838 | \$ 70,290 | \$ 68,679 | \$ 69,217 | \$ 70,165 | 1.4% | (1.0%) |
| Operating Expenses | (47,524) | (48,478) | (48,288) | (50,752) | (48,690) | (4.1%) | 2.5% |
| NOI | \$ 23,314 | \$ 21,812 | \$ 20,391 | \$ 18,465 | \$ 21,475 | 16.3% | (7.9%) |
| Cash Real Estate Revenues | \$ 70,187 | \$ 70,126 | \$ 69,534 | \$ 69,015 | \$ 70,544 | 2.2% | 0.5 % |
| Cash Operating Expenses | (46,750) | (47,931) | (48,153) | (49,384) | (48,901) | (1.0%) | 4.6 % |
| Cash NOI | \$ 23,437 | \$ 22,196 | \$ 21,381 | \$ 19,630 | \$ 21,644 | 10.3% | (7.7%) |
| Cash NOI Margin % | 33.4 | 31.7 | 30.7 | 28.4 | 30.7 | 2.3% | (2.7%) |

SHOP | New Supply

As of and for the quarter ended March 31, 2019, dollars in thousands

NEW SUPPLY ANALYSIS⁽¹⁾

| MSA | SHOP | | | 5-Mile Radius ⁽²⁾ | | | | | | |
|--|---------------|------------------|--------------------|---|---|--|------------------------|-------------------------|-------------------|---------------|
| | Units | Cash NOI | % of SHOP Cash NOI | Properties/ Units Under Construction ⁽³⁾ | Cash NOI Exposed to New Supply ⁽⁴⁾ | 5-Year 80+ Population Growth % 2019-2024 | 80+ Penetration Rate % | Median Household Income | Median Home Value | Unemployment% |
| <i>US National Average</i> | | | | | | <i>14.1</i> | <i>11.8</i> | <i>\$ 63</i> | <i>\$ 218</i> | <i>4.0</i> |
| Houston, TX | 1,917 | \$ 6,243 | 20.5 | 4 / 1,014 | \$ 4,130 | 22.4 | 19.1 | 92 | 310 | 3.4 |
| Denver, CO | 591 | 2,485 | 8.2 | 4 / 641 | 1,749 | 15.8 | 16.8 | 67 | 384 | 3.4 |
| Chicago, IL | 687 | 2,116 | 7.0 | 1 / 163 | 99 | 11.7 | 18.3 | 112 | 328 | 3.9 |
| Dallas, TX | 503 | 1,708 | 5.6 | 2 / 250 | 789 | 22.1 | 15.7 | 64 | 178 | 4.1 |
| Washington, DC | 467 | 1,685 | 5.5 | 3 / 259 | 1,148 | 18.6 | 7.7 | 112 | 423 | 3.2 |
| Miami, FL | 1,386 | 1,448 | 4.8 | 4 / 485 | 503 | 10.4 | 8.6 | 59 | 231 | 4.0 |
| Memphis, TN | 182 | 1,303 | 4.3 | 2 / 343 | 1,303 | 12.6 | 23.9 | 83 | 240 | 2.8 |
| Phoenix, AZ | 211 | 1,191 | 3.9 | 1 / 128 | 1,191 | 17.9 | 14.4 | 56 | 225 | 4.1 |
| New York, NY | 187 | 1,190 | 3.9 | 2 / 142 | 721 | 9.4 | 11.1 | 117 | 477 | 4.0 |
| Boston, MA | 177 | 868 | 2.9 | 1 / 72 | 670 | 11.1 | 10.6 | 91 | 617 | 2.8 |
| St. Louis, MO | 152 | 835 | 2.7 | 1 / 15 | 430 | 5.7 | 10.3 | 88 | 267 | 2.3 |
| Baltimore, MD | 375 | 800 | 2.6 | -- / -- | — | 10.5 | 6.9 | 91 | 320 | 3.9 |
| Austin, TX | 136 | 772 | 2.5 | -- / -- | — | 30.5 | 21.5 | 65 | 239 | 3.4 |
| Sarasota, FL | 164 | 766 | 2.5 | -- / -- | — | 12.6 | 12.7 | 64 | 274 | 3.0 |
| Richmond, VA | 204 | 746 | 2.5 | 1 / 42 | 746 | 6.6 | 34.9 | 105 | 358 | 2.3 |
| Boulder, CO | 96 | 679 | 2.2 | -- / -- | — | 18.8 | 19.8 | 69 | 698 | 3.0 |
| Dayton, OH | 180 | 612 | 2.0 | 2 / 298 | 612 | 6.5 | 9.9 | 67 | 169 | 3.5 |
| Fresno, CA | 172 | 611 | 2.0 | -- / -- | — | 11.5 | 11.8 | 73 | 285 | 6.6 |
| Charlotte, NC | 135 | 570 | 1.9 | -- / -- | — | 21.1 | 18.0 | 89 | 264 | 2.9 |
| Albuquerque, NM | 149 | 531 | 1.7 | -- / -- | — | 16.6 | 7.1 | 44 | 184 | 4.7 |
| Remaining | 3,079 | 3,226 | 10.6 | 4 / 569 | 141 | 14.7 | 10.5 | 68 | 272 | 3.5 |
| Total | 11,150 | \$ 30,385 | 100.0 | 32 / 4,421 | \$ 14,232 | 15.5 | 14.1 | \$ 81 | \$ 313 | 3.5 |
| % of Total Cash NOI and Interest Income | | | | | 5.4% | | | | | |

(1) Excludes fourteen properties that converted from senior housing triple-net to SHOP in the quarter which are reflected in senior housing triple-net new supply analysis.

(2) Demographic data provided by StratoDem Analytics for 2019. Construction and supply data provided by NIC for the quarter ended March 31, 2019. Data reflects a 5-mile radius around each community and is weighted by Cash NOI. See Glossary for further discussion.

(3) Represents the number of properties and units with similar care types that are under construction.

(4) Represents total Cash NOI exposed to new construction and material expansions.

Life Science

As of and for the quarter ended March 31, 2019, dollars and square feet in thousands

INVESTMENTS⁽¹⁾

| MSA | Property Count | Investment | Cash NOI | Square Feet | Occupancy % |
|-------------------|----------------|---------------------|------------------|--------------|-------------|
| San Francisco, CA | 71 | \$ 2,539,681 | \$ 47,535 | 3,821 | 97.9 |
| San Diego, CA | 30 | 870,446 | 14,727 | 2,085 | 94.6 |
| Boston, MA | 3 | 315,930 | 4,053 | 462 | 100.0 |
| Remaining | 8 | 154,002 | 3,688 | 512 | 100.0 |
| | 112 | \$ 3,880,059 | \$ 70,003 | 6,880 | 97.2 |

SAME PROPERTY PORTFOLIO

| | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 1Q19 |
|---------------------------|--|------------------|------------------|------------------|------------------|
| Property Count | 97 | 97 | 97 | 97 | 97 |
| Investment | \$ 2,990,282 | \$ 3,016,786 | \$ 3,031,534 | \$ 3,042,715 | \$ 3,047,652 |
| Square Feet | 5,875 | 5,875 | 5,876 | 5,876 | 5,876 |
| Occupancy % | 93.5 | 95.1 | 95.9 | 96.2 | 96.8 |
| Real Estate Revenues | \$ 69,072 | \$ 70,254 | \$ 73,080 | \$ 73,250 | \$ 73,340 |
| Operating Expenses | (15,345) | (16,396) | (17,561) | (17,400) | (16,465) |
| NOI | \$ 53,727 | \$ 53,858 | \$ 55,519 | \$ 55,849 | \$ 56,875 |
| Cash Real Estate Revenues | \$ 68,288 | \$ 69,818 | \$ 72,472 | \$ 72,662 | \$ 72,881 |
| Cash Operating Expenses | (15,326) | (16,378) | (17,548) | (17,387) | (16,452) |
| Cash NOI | \$ 52,962 | \$ 53,440 | \$ 54,925 | \$ 55,275 | \$ 56,429 |
| | Year-Over-Year Three-Month SPP Growth % | | | | 6.5% |

(1) Excludes thirteen properties that are in Development.

Life Science

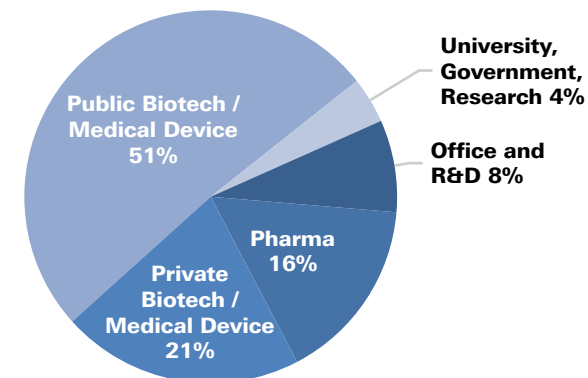
As of March 31, 2019, dollars and square feet in thousands

SELECTED LEASE EXPIRATION DATA (NEXT 5 YEARS)

| Year | Total | | | | San Francisco | | San Diego | | Boston | | Remaining | |
|---------------------|--------------------|------------|-------------------------------------|------------|---------------|-------------------------------------|--------------|-------------------------------------|-------------|-------------------------------------|-------------|-------------------------------------|
| | Leased Square Feet | % | Annualized Base Rent ⁽¹⁾ | % | Square Feet | Annualized Base Rent ⁽¹⁾ | Square Feet | Annualized Base Rent ⁽¹⁾ | Square Feet | Annualized Base Rent ⁽¹⁾ | Square Feet | Annualized Base Rent ⁽¹⁾ |
| 2019 ⁽²⁾ | 416 | 6 | \$ 13,288 | 5 | 155 | \$ 4,658 | 181 | \$ 5,252 | 80 | \$ 3,378 | — | \$ — |
| 2020 | 550 | 8 | 20,778 | 7 | 316 | 12,400 | 197 | 6,703 | 37 | 1,674 | — | — |
| 2021 | 831 | 12 | 49,993 | 17 | 684 | 44,710 | 147 | 5,283 | — | — | — | — |
| 2022 | 654 | 10 | 22,082 | 8 | 235 | 8,690 | 348 | 11,410 | — | — | 70 | 1,982 |
| 2023 | 710 | 11 | 40,305 | 14 | 550 | 34,531 | 97 | 3,817 | 27 | 1,378 | 36 | 579 |
| Thereafter | 3,524 | 53 | 145,798 | 50 | 1,799 | 91,629 | 1,001 | 27,464 | 318 | 14,224 | 406 | 12,481 |
| | 6,686 | 100 | \$ 292,245 | 100 | 3,739 | \$ 196,619 | 1,972 | \$ 59,930 | 462 | \$ 20,653 | 512 | \$ 15,042 |

TENANT CONCENTRATION

| | Remaining Lease Term in Years | Leased Square Feet | | Annualized Base Rent ⁽¹⁾ | | |
|-----------------------------|-------------------------------|--------------------|------------|-------------------------------------|------------|---------------|
| | | Amount | % of Total | Amount | % of Total | Credit Rating |
| Amgen | 3.5 | 684 | 10 | \$ 50,344 | 17 | A |
| Myriad Genetics | 6.2 | 359 | 5 | 11,033 | 4 | — |
| Takeda/Shire | 7.4 | 266 | 4 | 9,790 | 3 | BBB+ |
| Rigel Pharmaceuticals | 3.8 | 147 | 2 | 9,351 | 3 | — |
| AstraZeneca Pharmaceuticals | 8.0 | 156 | 2 | 8,558 | 3 | BBB+ |
| General Atomics | 11.5 | 510 | 8 | 7,613 | 3 | — |
| Five Prime | 8.8 | 115 | 2 | 7,025 | 2 | — |
| NuVasive | 15.2 | 169 | 3 | 6,436 | 2 | — |
| Duke University | 10.5 | 166 | 2 | 6,178 | 2 | AA+ |
| Pfizer/Rinat Neuroscience | 5.8 | 123 | 2 | 4,826 | 2 | AA |
| Remaining | 5.0 | 3,990 | 60 | 171,089 | 59 | — |
| | 5.5 | 6,686 | 100 | \$ 292,245 | 100 | |



(1) Annualized Base Rent does not include tenant recoveries, additional rent in excess of floors, and non-cash revenue adjustments.

(2) Includes month-to-month and holdover leases.

Life Science

Square feet in thousands

LEASING ACTIVITY

| | Leased Square Feet | Annualized Base Rent Per Sq. Ft. | % Change in Cash Rents | HCP Tenant Improvements per Sq. Ft. | Leasing Costs per Sq. Ft. | Average Lease Term (Months) | Retention Rate YTD |
|---|--------------------|----------------------------------|------------------------|-------------------------------------|---------------------------|-----------------------------|--------------------|
| Leased Square Feet as of December 31, 2018 | 6,488 | \$ 43.97 | | | | | |
| Acquisitions | 64 | 47.73 | | | | | |
| Developments | 113 | 11.88 | | | | | |
| Redevelopments placed in service | 72 | 60.02 | | | | | |
| Properties placed into redevelopment | (84) | 87.09 | | | | | |
| Expirations | (164) | 35.15 | | | | | |
| Renewals, amendments and extensions | 102 | 42.21 | 21.4 | \$ 0.38 | \$ 7.54 | 38 | 62.2% |
| New leases | 105 | 50.71 | | 78.82 | 19.29 | 105 | |
| Terminations | (10) | 32.07 | | | | | |
| Leased Square Feet as of March 31, 2019 | 6,686 | \$ 43.71 | | | | | |

Rendering of The Shore at Sierra Point
South San Francisco, CA

Medical Office

As of and for the quarter ended March 31, 2019, dollars and square feet in thousands

PORTFOLIO BY MARKET⁽¹⁾

| MSA | Property Count | Investment | Cash NOI | Occupancy % | Square Feet | | | | | | % of Total |
|--------------------|----------------|---------------------|------------------|-------------|--------------------------|---------------|---------------------------|---------------|---------------|---------------|------------|
| | | | | | On-campus ⁽²⁾ | | Off-campus ⁽³⁾ | | Total | | |
| | | | | | Multi-tenant | Single-tenant | Multi-tenant | Single-tenant | Multi-tenant | Single-tenant | |
| Dallas, TX | 28 | \$ 726,978 | \$ 16,607 | 91.3 | 1,910 | 1,352 | 328 | 54 | 2,238 | 1,406 | 18 |
| Houston, TX | 29 | 563,654 | 9,687 | 93.1 | 1,244 | 1,365 | 287 | — | 1,530 | 1,365 | 14 |
| Seattle, WA | 6 | 226,353 | 6,183 | 93.8 | 667 | — | — | — | 667 | — | 3 |
| Denver, CO | 16 | 284,652 | 5,602 | 87.9 | 1,077 | — | 35 | — | 1,113 | — | 5 |
| Nashville, TN | 14 | 174,760 | 4,937 | 92.9 | 1,289 | 10 | — | — | 1,289 | 10 | 6 |
| Louisville, KY | 11 | 217,896 | 4,260 | 92.0 | 565 | 17 | 447 | 15 | 1,012 | 32 | 5 |
| Greenville, SC | 16 | 295,331 | 3,968 | 99.4 | 232 | 560 | 12 | 52 | 244 | 612 | 4 |
| Philadelphia, PA | 3 | 369,708 | 3,455 | 85.6 | 700 | — | 217 | 90 | 917 | 90 | 5 |
| Phoenix, AZ | 13 | 184,015 | 3,289 | 91.2 | 519 | — | 207 | — | 726 | — | 3 |
| Salt Lake City, UT | 13 | 149,919 | 3,253 | 90.9 | 434 | 63 | 261 | 7 | 695 | 71 | 4 |
| San Diego, CA | 5 | 110,008 | 2,229 | 98.3 | — | 176 | 155 | — | 155 | 176 | 2 |
| Miami, FL | 10 | 98,382 | 2,188 | 85.2 | 499 | — | — | 30 | 499 | 30 | 3 |
| Las Vegas, NV | 7 | 124,408 | 1,808 | 83.4 | 536 | — | — | — | 536 | — | 3 |
| Kansas City, MO | 3 | 78,854 | 1,526 | 96.3 | 260 | — | — | 8 | 260 | 8 | 1 |
| Fresno, CA | 1 | 59,689 | 1,489 | 100.0 | — | 56 | — | — | — | 56 | — |
| San Antonio, TX | 4 | 71,048 | 1,358 | 79.5 | 354 | — | — | — | 354 | — | 2 |
| Ogden, UT | 9 | 63,609 | 1,207 | 87.3 | 269 | — | 13 | 68 | 282 | 68 | 2 |
| Los Angeles, CA | 4 | 65,245 | 1,176 | 88.4 | 106 | — | 97 | — | 202 | — | 1 |
| Sacramento, CA | 2 | 75,345 | 1,001 | 99.0 | — | — | 29 | 92 | 29 | 92 | 1 |
| Washington, DC | 3 | 65,970 | 974 | 88.5 | 55 | 29 | 99 | — | 154 | 29 | 1 |
| Remaining | 71 | 881,298 | 15,238 | 96.5 | 1,620 | 1,293 | 422 | 457 | 2,043 | 1,750 | 18 |
| | 268 | \$ 4,887,122 | \$ 91,437 | 92.1 | 12,336 | 4,921 | 2,609 | 873 | 14,945 | 5,794 | 100 |

(1) Excludes one property that is in Development.

(2) Includes 7.3 million square feet subject to ground leases with average expirations of 55 years and renewal options generally ranging from 10 to 25 years.

(3) Includes medical office buildings that are off-campus, adjacent (within 0.25 miles of a hospital campus) and anchored (50% or more leased by a health system).

Medical Office

As of and for the quarter ended March 31, 2019, square feet in thousands

SQUARE FEET BY HEALTH SYSTEM

| Health System | Health System Rank ⁽¹⁾ | Credit Rating | Square Feet | | | | | | | Directly Leased by Health System | |
|------------------------------------|-----------------------------------|---------------|---------------|-------------------------|-------------------------|--------------|---------------|--------------|---------------|----------------------------------|--|
| | | | On-Campus | Anchored ⁽²⁾ | Adjacent ⁽²⁾ | Off-Campus | Total | % of Total | % Square Feet | % of Annualized Base Rent | |
| HCA | 2 | Ba1 | 8,693 | 60 | 236 | — | 8,989 | 43.3 | 22.0 | 22.3 | |
| Memorial Hermann Health System | 41 | A1 | 1,634 | 80 | — | — | 1,714 | 8.3 | 8.3 | 4.5 | |
| Community Health Systems, Inc. | 8 | Caa3 | 1,298 | 51 | — | — | 1,348 | 6.5 | 5.5 | 3.6 | |
| Greenville Health System | 62 | A2 | 792 | 64 | — | — | 856 | 4.1 | 4.2 | 3.6 | |
| Norton Healthcare | 120 | — | 582 | 15 | 328 | — | 926 | 4.5 | 2.8 | 3.1 | |
| Jefferson Health | 160 | A2 | 700 | — | — | — | 700 | 3.4 | 2.0 | 2.0 | |
| Providence Health & Services | 4 | Aa3 | 563 | — | — | — | 563 | 2.7 | 1.3 | 2.1 | |
| Steward Health Care | N/A | — | 547 | — | — | — | 547 | 2.6 | 1.6 | 1.4 | |
| Remaining - credit rated | | | 2,055 | 744 | 507 | — | 3,306 | 15.9 | | | |
| Non-credit rated | | | 392 | 226 | 56 | 1,116 | 1,789 | 8.6 | | | |
| Total | | | 17,256 | 1,240 | 1,127 | 1,116 | 20,739 | 100.0 | 47.7 | 42.6 | |
| % of Total | | | 83.2 | 6.0 | 5.4 | 5.4 | | | | | |
| Total Healthcare Affiliated | | | | 94.6% | | | | | | | |

LEASING ACTIVITY

| | Leased Square Feet | Annualized Base Rent Per Sq. Ft. | % Change in Cash Rents ⁽⁴⁾ | HCP Tenant Improvements per Sq. Ft. | Leasing Costs per Sq. Ft. | Average Lease Term (Months) | Retention Rate YTD |
|---|--------------------|----------------------------------|---------------------------------------|-------------------------------------|---------------------------|-----------------------------|--------------------|
| Leased Square Feet as of December 31, 2018⁽³⁾ | 19,105 | \$ 23.99 | | | | | |
| Expirations | (794) | 25.41 | | | | | |
| Renewals, amendments and extensions | 635 | 25.67 | (0.2) | \$ 9.68 | \$ 5.43 | 71 | 80.0% |
| New leases | 175 | 24.51 | | 36.00 | 5.21 | 83 | |
| Terminations | (13) | 30.66 | | | | | |
| Leased Square Feet as of March 31, 2019 | 19,108 | \$ 24.27 | | | | | |

(1) Ranked by revenue based on the 2017 *Modern Healthcare's Healthcare Systems Financial Database*. Systems denoted as N/A are not reported.

(2) Denotes whether the medical office building is adjacent (within 0.25 miles) to a hospital campus or anchored (the asset is off-campus, but is 50% or more leased to a health system).

(3) For comparative purposes, December 31, 2018 includes two properties that were reclassified into the Medical Office segment during the quarter.

(4) For comparative purposes, reflects adjustments for leases that converted to a different lease type upon renewal, amendment or extension of the original lease.

Medical Office

As of and for the quarter ended March 31, 2019, dollars and square feet in thousands

SELECTED LEASE EXPIRATION DATA (NEXT 5 YEARS)⁽¹⁾

| Year | Total | | | | On-Campus | | Off-Campus | |
|---------------------|--------------------|------------|-------------------------------------|------------|---------------|-------------------------------------|--------------|-------------------------------------|
| | Leased Square Feet | % | Annualized Base Rent ⁽²⁾ | % | Square Feet | Annualized Base Rent ⁽²⁾ | Square Feet | Annualized Base Rent ⁽²⁾ |
| 2019 ⁽³⁾ | 2,082 | 11 | \$ 53,045 | 12 | 1,625 | \$ 42,728 | 458 | \$ 10,317 |
| 2020 | 2,481 | 13 | 64,738 | 15 | 2,100 | 56,145 | 381 | 8,593 |
| 2021 | 2,012 | 11 | 51,078 | 11 | 1,709 | 43,580 | 303 | 7,498 |
| 2022 | 1,859 | 10 | 47,617 | 11 | 1,444 | 36,850 | 415 | 10,767 |
| 2023 | 1,593 | 8 | 41,283 | 9 | 1,314 | 34,217 | 278 | 7,066 |
| Thereafter | 9,051 | 47 | 187,643 | 42 | 7,736 | 155,701 | 1,315 | 31,941 |
| | 19,078 | 100 | \$ 445,405 | 100 | 15,928 | \$ 369,222 | 3,149 | \$ 76,183 |

SAME PROPERTY PORTFOLIO

| | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 1Q19 |
|---------------------------|--|------------------|------------------|------------------|------------------|
| Property Count | 236 | 236 | 236 | 236 | 236 |
| Investment | \$ 3,905,087 | \$ 3,925,685 | \$ 3,943,432 | \$ 3,977,672 | \$ 3,982,868 |
| Square feet | 18,104 | 18,104 | 18,093 | 18,144 | 18,145 |
| Occupancy % | 93.2 | 92.9 | 93.0 | 92.8 | 92.5 |
| Real Estate Revenues | \$ 118,557 | \$ 119,900 | \$ 121,959 | \$ 119,730 | \$ 121,976 |
| Operating Expenses | (40,288) | (41,148) | (42,648) | (40,129) | (40,919) |
| NOI | \$ 78,269 | \$ 78,752 | \$ 79,311 | \$ 79,601 | \$ 81,057 |
| Cash Real Estate Revenues | \$ 116,248 | \$ 117,781 | \$ 120,249 | \$ 118,050 | \$ 120,111 |
| Cash Operating Expenses | (39,682) | (40,541) | (42,046) | (39,526) | (40,312) |
| Cash NOI | \$ 76,566 | \$ 77,239 | \$ 78,203 | \$ 78,524 | \$ 79,799 |
| | Year-Over-Year Three-Month SPP Growth % | | | | 4.2% |

(1) Excludes 30,000 square feet and annualized base revenue of \$0.5 million related to two assets held for sale at March 31, 2019.

(2) Annualized Base Rent does not include tenant recoveries, additional rent in excess of floors, and non-cash revenue adjustments.

(3) Includes month-to-month and holdover leases.

Other | Wholly-owned

As of and for the quarter ended March 31, 2019, dollars in thousands

LEASED PROPERTIES

| Type/Operator | Property Count | Investment | Cash NOI | Beds | Occupancy % ⁽¹⁾ | Facility EBITDARM CFC ⁽¹⁾ | Facility EBITDAR CFC ⁽¹⁾ |
|--------------------------------|----------------|-------------------|------------------|-------|----------------------------|--------------------------------------|-------------------------------------|
| Hospitals | 12 | \$ 303,591 | \$ 12,567 | 1,310 | 47.2 | 3.33x | 2.99x |
| Post-acute/skilled | 1 | 17,909 | 320 | 120 | 89.2 | 2.02x | 1.65x |
| Total Leased Properties | 13 | \$ 321,500 | \$ 12,887 | | | | |

DEBT INVESTMENTS

| | Investment | Interest Income | Yield | Weighted Average Maturity in Years |
|---|-------------------|-----------------|-------------|------------------------------------|
| 620 Terry Development Loan ⁽²⁾ | \$ 61,435 | \$ 821 | 6.5% | 3.7 |
| Remaining | 44,041 | 892 | 8.4% | 2.9 |
| Total Debt Investments | \$ 105,475 | \$ 1,713 | 7.3% | 3.3 |

SAME PROPERTY PORTFOLIO

| | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 1Q19 |
|--------------------------------------|--|------------------|------------------|------------------|------------------|
| Property count | 13 | 13 | 13 | 13 | 13 |
| Investment | \$ 321,500 | \$ 321,500 | \$ 321,500 | \$ 321,500 | \$ 321,500 |
| Beds | 1,430 | 1,430 | 1,430 | 1,430 | 1,430 |
| Occupancy % ⁽¹⁾ | 47.7 | 51.2 | 47.9 | 46.2 | 47.2 |
| Facility EBITDARM CFC ⁽¹⁾ | 3.03x | 3.47x | 3.66x | 3.44x | 3.33x |
| Facility EBITDAR CFC ⁽¹⁾ | 2.71x | 3.13x | 3.32x | 3.10x | 2.99x |
| Real Estate Revenues | \$ 12,411 | \$ 12,561 | \$ 12,648 | \$ 12,664 | \$ 12,700 |
| Operating Expenses | 6 | (17) | (8) | (26) | (7) |
| NOI | \$ 12,417 | \$ 12,544 | \$ 12,640 | \$ 12,638 | \$ 12,694 |
| Cash Real Estate Revenues | \$ 12,582 | \$ 12,680 | \$ 12,838 | \$ 12,858 | \$ 12,895 |
| Cash Operating Expenses | 6 | (17) | (8) | (26) | (7) |
| Cash NOI | \$ 12,588 | \$ 12,663 | \$ 12,830 | \$ 12,833 | \$ 12,888 |
| | Year-Over-Year Three-Month SPP Growth | | | | 2.4% |

- (1) Certain operators in our hospital portfolio are not required under their respective leases to provide operational data. SPP occupancy and CFC excludes data for one post-acute/skilled property.
- (2) Investment represents fundings under the \$115 million participating development loan for the construction of 620 Terry, a \$147 million senior housing development located in Seattle. Upon sale or refinancing, we will receive 20% of fair market value in excess of the total development cost.

Other | Unconsolidated JVs⁽¹⁾

As of and for the quarter ended March 31, 2019, dollars and square feet in thousands

| SELECTED FINANCIAL DATA AT 100% | Total | CCRC JV | Other SHOP JVs | U.K. JV | Medical Office | Remaining |
|---|-------------------|-------------------|-----------------|------------------|----------------|---------------|
| Joint ventures' Investment | \$ 2,335,593 | \$ 1,497,585 | \$ 258,945 | \$ 519,474 | \$ 50,013 | \$ 9,576 |
| Joint ventures' mortgage debt | 1,050,057 | 611,813 | 144,051 | 291,488 | — | 2,705 |
| Property count | 99 | 15 | 10 | 68 | 3 | 3 |
| Capacity | | 7,269 Units | 1,049 Units | 3,586 Beds | 294 Sq. Ft. | 360 Beds |
| Occupancy % | | 85.8 | 89.0 | 89.1 | 77.0 | 74.6 |
| Total revenues | \$ 129,216 | \$ 106,609 | \$ 9,905 | \$ 10,557 | \$ 1,697 | \$ 448 |
| Operating expenses | (92,245) | (84,442) | (6,951) | — | (831) | (21) |
| NOI | \$ 36,971 | \$ 22,167 | \$ 2,954 | \$ 10,557 | \$ 866 | \$ 427 |
| Depreciation and amortization | (31,251) | (24,974) | (2,101) | (3,582) | (523) | (71) |
| General and administrative expenses | (1,288) | (33) | (10) | (1,107) | (136) | (2) |
| Transaction-related items | (310) | (310) | — | — | — | — |
| Interest expense and other | (11,672) | (6,195) | (1,554) | (3,842) | — | (81) |
| Net income (loss) | \$ (7,550) | \$ (9,345) | \$ (711) | \$ 2,026 | \$ 207 | \$ 273 |
| Depreciation and amortization | 31,251 | 24,974 | 2,101 | 3,582 | 523 | 71 |
| NAREIT FFO | \$ 23,701 | \$ 15,629 | \$ 1,390 | \$ 5,608 | \$ 730 | \$ 344 |
| Transaction-related items | 310 | 310 | — | — | — | — |
| FFO as adjusted | \$ 24,011 | \$ 15,939 | \$ 1,390 | \$ 5,608 | \$ 730 | \$ 344 |
| Non-refundable Entrance Fee sales, net ⁽²⁾ | 7,134 | 7,134 | — | — | — | — |
| Non-cash adjustments to NOI | (923) | (25) | 47 | (965) | 20 | — |
| Non-cash adjustments to net income | 913 | 264 | 59 | 588 | — | 2 |
| FAD capital expenditures | (3,132) | (2,878) | (160) | — | (94) | — |
| FAD | \$ 28,003 | \$ 20,434 | \$ 1,336 | \$ 5,231 | \$ 656 | \$ 346 |

HCP's SHARE OF UNCONSOLIDATED JVs

| | | | | | | |
|--|------------|------------|-----------|------------|-----------|----------|
| HCP's ownership percentage | | 49% | 45% - 90% | 49% | 20% - 67% | 80% |
| HCP's net equity investment ⁽³⁾ | \$ 337,717 | \$ 166,379 | \$ 57,174 | \$ 102,694 | \$ 10,039 | \$ 1,431 |
| Mortgage debt ⁽³⁾ | 333,836 | 102,802 | 88,206 | 142,828 | — | — |
| NOI | 18,299 | 10,862 | 1,490 | 5,173 | 432 | 342 |
| Cash NOI | 21,309 | 14,315 | 1,519 | 4,700 | 433 | 342 |
| Net income (loss) ⁽³⁾ | (863) | (2,096) | (489) | 1,295 | 208 | 219 |
| NAREIT FFO ⁽³⁾ | 14,214 | 9,710 | 774 | 3,051 | 404 | 275 |
| FFO as adjusted ⁽³⁾ | 14,365 | 9,861 | 774 | 3,051 | 404 | 275 |
| FAD ⁽³⁾ | 16,303 | 12,020 | 754 | 2,866 | 386 | 277 |

(1) Excludes land held for development and includes one senior housing development.

(2) Includes \$16.4 million related to non-refundable Entrance Fees (net of reserve for early terminations) included in FAD as the fees are collected by our CCRC JV, partially offset by \$9.2 million related to non-refundable Entrance Fee amortization recognized on an FFO basis over the estimated stay of the residents. See Entrance Fees in Glossary.

(3) HCP's pro rata share excludes activity related to \$192 million of debt funded by HCP at the CCRC JV.

Other | Unconsolidated JV Capital

Represents HCP's pro rata share of unconsolidated JVs for the quarter ended March 31, 2019, dollars in thousands

UNCONSOLIDATED JV CAPITAL

| | Three Months Ended March 31, 2019 | |
|--|--------------------------------------|--------------|
| FAD capital expenditures | \$ | 1,172 |
| Revenue enhancing capital expenditures | | 3,253 |
| Tenant improvements - 1st generation | | 8 |
| Development | | 2,149 |
| Capitalized interest | | 161 |
| Total capital expenditures | \$ | 6,742 |

DEVELOPMENT PROJECTS IN PROCESS

| Project | MSA | Property Type | Property Count | CIP | Cost to Complete | Total at Completion | Units | Project Start | Actual / Estimated Occupancy | |
|----------|--------------|----------------|----------------|-----------|------------------|---------------------|-------|---------------|------------------------------|------------|
| | | | | | | | | | Initial | Stabilized |
| Waldwick | New York, NY | Senior housing | 1 | \$ 14,258 | \$ 9,263 | \$ 23,521 | 79 | 3Q17 | 3Q19 | 1Q21 |

LAND HELD FOR DEVELOPMENT

| Project | MSA | Property Type | Gross Site Acreage | Estimated Rentable Units | Investment to Date |
|-----------------|------------------|----------------|--------------------|--------------------------|--------------------|
| Oakmont Village | Santa Rosa, CA | Senior housing | 3 | 74 | \$ 2,340 |
| Brandywine | Philadelphia, PA | Senior housing | 8 | 67 | 797 |
| | | | 11 | 141 | \$ 3,137 |

Other | CCRC JV

Dollars in thousands, except REVPOR

| CCRC JV | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 1Q19 |
|---|------------------|------------------|--|------------------|------------------|
| Property count | 15 | 15 | 15 | 15 | 15 |
| Units | 7,257 | 7,262 | 7,268 | 7,273 | 7,269 |
| Occupancy % | 86.4 | 85.8 | 85.5 | 85.7 | 85.8 |
| REVPOR ⁽¹⁾ | \$ 5,099 | \$ 5,132 | \$ 5,188 | \$ 5,206 | \$ 5,208 |
| HCP's SHARE OF CCRC JV | | | | | |
| Investment | \$ 713,996 | \$ 718,920 | \$ 723,044 | \$ 729,503 | \$ 733,817 |
| Cash Real Estate Revenues excluding Cash NREFs, net | \$ 46,982 | \$ 46,983 | \$ 47,370 | \$ 47,682 | \$ 47,728 |
| Cash NREFs, net ⁽²⁾ | 6,235 | 7,186 | 10,299 | 8,687 | 7,767 |
| Cash Operating Expenses | (40,916) | (40,980) | (42,095) | (42,126) | (41,181) |
| Cash NOI | \$ 12,300 | \$ 13,189 | \$ 15,574 | \$ 14,243 | \$ 14,315 |
| Margin % including NREFs, net | 23.0 | 24.2 | 26.8 | 25.1 | 25.7 |
| | | | Year-Over-Year Three-Month Growth | | 16.4% |

(1) The 3-month average Cash Rental and Operating Revenues per occupied unit excluding Cash NREFs, net for the period presented.

(2) Represents non-refundable Entrance Fees, net of a 15% reserve for statutory refunds due to early terminations and related management fees. See Entrance Fees in Glossary.

2019 Guidance⁽¹⁾

Projected full year 2019, dollars in millions, except per share amounts

| | Full Year 2019 Guidance (May 1, 2019) |
|--|--|
| Net income, FFO and FFO as Adjusted per Share Guidance | |
| Diluted earnings per common share | \$0.45 - \$0.51 |
| Diluted NAREIT FFO per common share | \$1.67 - \$1.73 |
| Diluted FFO as adjusted per common share | \$1.70 - \$1.76 |
| Annualized dividend per share | \$1.48 |
| Year-Over-Year SPP Cash NOI Guidance | |
| Total Portfolio | 1.25% - 2.75% |
| Other Supplemental Information - Cash Addition (Reduction) | |
| Amortization of deferred compensation | \$14 - \$16 |
| Amortization of deferred financing costs | \$11 - \$15 |
| Straight-line rents | (\$25) - (\$31) |
| FAD capital expenditures | (\$95) - (\$110) |
| CCRC Entrance Fees, net | \$12 - \$16 |
| Deferred income taxes | (\$12) - (\$18) |
| Other FAD adjustments - primarily JV FAD Capital | (\$3) - (\$7) |
| Capital Expenditures (excluding FAD Capital Expenditures)⁽²⁾ | |
| 1st generation tenant improvements / ICE | \$55 - \$70 |
| Casualty related capital | \$5 - \$10 |
| Revenue enhancing | \$70 - \$85 |
| Development and Redevelopment | \$600 - \$700 |
| Development loan funding | \$85 - \$95 |
| Other Items | |
| Interest income | \$8 - \$12 |
| General and administrative | \$84 - \$89 |
| Interest expense | \$215 - \$235 |
| HCP's share of Unconsolidated JVs Cash NOI | \$75 - \$83 |
| HCP's share of Unconsolidated JVs FFO | \$48 - \$56 |

(1) Refer to the February 13, 2019 release for additional 2019 Guidance.

(2) Includes HCP's Share of Unconsolidated JVs.

Glossary

Adjusted Fixed Charge Coverage*

Adjusted EBITDAre divided by Fixed Charges. Adjusted Fixed Charge Coverage is a supplemental measure of liquidity and our ability to meet interest payments on our outstanding debt and pay dividends to our preferred stockholders, if applicable. Our various debt agreements contain covenants that require us to maintain ratios similar to Adjusted Fixed Charge Coverage, and credit rating agencies utilize similar ratios in evaluating and determining the credit rating on certain of our debt instruments. Adjusted Fixed Charge Coverage is subject to the same limitations and qualifications as Adjusted EBITDAre and Fixed Charges.

Annualized Base Rent

The most recent month's (or subsequent month's if acquired in the most recent month) base rent including additional rent floors, cash income from DFLs and/or interest income annualized for 12 months. Annualized Base Rent excludes properties in our SHOP and properties sold or held for sale during the quarter. Further, Annualized Base Rent does not include tenant recoveries, additional rents in excess of floors and non-cash revenue adjustments (i.e., straight-line rents, amortization of market lease intangibles, DFL non-cash interest and deferred revenues). We use Annualized Base Rent for the purpose of determining Lease Expirations and Debt Investment Maturities.

Cash Flow Coverage ("CFC")*

Facility EBITDAR or Facility EBITDARM divided by the aggregate of base rent and any additional rent due to us for the trailing 12-month period one quarter in arrears from the period presented. CFC is a supplemental measure of a property's ability to generate cash flows for the operator/tenant (not HCP) to meet the operator's/tenant's related rent and other obligations to us. However, CFC is subject to the same limitations and qualifications as Facility EBITDAR or Facility EBITDARM. CFC is not presented for: (i) properties operated under a RIDEA structure; or (ii) newly completed facilities under lease-up, facilities acquired or transitioned to new operators during the relevant trailing 12-month period, vacant facilities and facilities for which data is not available or meaningful.

Cash Operating Expenses*

Cash Operating Expenses represents property level operating expenses (which exclude transition costs) after eliminating the effects of straight-line rents, lease termination fees, actuarial reserves for insurance claims that have been incurred but not reported, and the impact of deferred community fee expense.

Cash Real Estate Revenues*

Cash Real Estate Revenues represents rental and related revenues, resident fees and services and income from DFLs after eliminating the effects of straight-line rents, DFL non-cash interest, amortization of market lease intangibles, lease termination fees and the impact of deferred community fee income.

Completion Date - Development/Redevelopment

For Developments, management's estimate of the period the core and shell structure improvements are expected to be or have been completed. For Redevelopments, management's estimate of the period in which major construction activity in relation to the scope of the project has been or will be substantially completed and excludes the completion of tenant improvements.

Consolidated Debt

The carrying amount of bank line of credit and term loans, senior unsecured notes, mortgage debt and other debt, as reported in our consolidated financial statements.

Consolidated Gross Assets*

The carrying amount of total assets, excluding investments in and advances to our unconsolidated JVs, after adding back accumulated depreciation and amortization, as reported in our consolidated financial statements. Consolidated Gross Assets is a supplemental measure of our financial position, which, when used in conjunction with debt-related measures, enables both management and investors to analyze our leverage and to compare our leverage to that of other companies.

Consolidated Secured Debt

Mortgage and other debt secured by real estate, as reported in our consolidated financial statements.

Continuing Care Retirement Community ("CCRC")

A senior housing facility which provides at least three levels of care (i.e., independent living, assisted living and skilled nursing).

Debt Investments

Loans secured by a direct interest in real estate and mezzanine loans.

Development

Includes ground-up construction. Newly completed developments, are considered Stabilized at the earlier of lease-up (typically when the tenant(s) controls the physical use of 80% of the space) or 24 months from the date the property is placed in service.

Direct Financing Lease ("DFL")

Lease for which future minimum lease payments are recorded as a receivable and the difference between the future minimum lease payments and the estimated residual values less the cost of the properties is recorded as unearned income. Unearned income is deferred and amortized to income over the lease terms to provide a constant yield.

EBITDAre and Adjusted EBITDAre*

EBITDAre, or EBITDA for Real Estate, is a supplemental performance measure defined by the National Association of Real Estate Investment Trusts ("NAREIT") and intended for real estate companies. It represents earnings before interest expense, income taxes, depreciation and amortization, gains or losses from sales of depreciable property (including gains or losses on change in control), and impairment charges (recoveries) related to depreciable property. Adjusted EBITDAre is defined as EBITDAre excluding impairments (recoveries) related to non-depreciable assets, transaction-related items, prepayment costs (benefits) associated with early retirement or payment of debt, severance and related charges, litigation costs (recoveries), casualty-related charges (recoveries), stock compensation expense and foreign currency remeasurement losses (gains), and is adjusted to include our share of CCRC non-refundable entrance fees received. EBITDAre and Adjusted EBITDAre include our pro rata share of our unconsolidated JVs presented on the same basis.

Enterprise Debt*

Consolidated Debt plus our pro rata share of total debt from our unconsolidated JVs. Enterprise Debt is a supplemental measure of our financial position, which enables both management and investors to analyze our leverage and to compare our leverage to that of other companies. Our pro rata share of total debt from our unconsolidated JVs is not intended to reflect our actual liability or ability to access assets should there be a default under any or all such loans or a liquidation of the JVs.

Glossary

Enterprise Gross Assets*

Consolidated Gross Assets plus our pro rata share of total gross assets from our unconsolidated JVs, after adding back accumulated depreciation and amortization. Enterprise Gross Assets is a supplemental measure of our financial position, which, when used in conjunction with debt-related measures, enables both management and investors to analyze our leverage and to compare our leverage to that of other companies.

Enterprise Secured Debt*

Consolidated Secured Debt plus our pro rata share of mortgage debt from our unconsolidated JVs. Enterprise Secured Debt is a supplemental measure of our financial position, which enables both management and investors to analyze our leverage and to compare our leverage to that of other companies. Our pro rata share of Enterprise Secured Debt from our unconsolidated JVs is not intended to reflect our actual liability or ability to access assets should there be a default under any or all such loans or a liquidation of the JVs.

Entrance Fees

Certain of our communities have residency agreements which require the resident to pay an upfront entrance fee prior to taking occupancy at the community. For net income, NOI and NAREIT FFO, the non-refundable portion of the entrance fee is recorded as deferred entrance fee revenue and amortized over the estimated stay of the resident based on an actuarial valuation. For Cash NOI and FAD, the non-refundable entrance fees ("NREFs") are recognized upon receipt, net of a reserve for statutory refunds due to early terminations. The refundable portion of a resident's entrance fee is generally refundable within a certain number of months or days following contract termination or upon the sale of the unit. All refundable amounts due to residents at any time in the future are classified as liabilities.

Facility EBITDAR and Facility EBITDARM*

Earnings before interest, taxes, depreciation, amortization and rent (and management fees), as applicable, for a particular facility accruing to the operator/tenant of the property (HCP as lessor), for the trailing 12 months and one quarter in arrears from the date reported. We use Facility EBITDAR or Facility EBITDARM in determining CFC and as a supplemental measure of the ability of the property to generate sufficient liquidity to meet related obligations to us. Facility EBITDAR includes: (i) contractual management fees; (ii) an imputed management fee of 5% of revenues for senior housing facilities and post-acute/skilled facilities, or (iii) an imputed management fee of 2% of revenues for hospitals. All facility financial performance data was derived solely from information provided by operators/tenants without independent verification by us. Facility EBITDAR and Facility EBITDARM are subject to the same limitations and qualifications as EBITDA. In addition, Facility EBITDAR and Facility EBITDARM do not represent a borrower's net income or cash flow from operations and should not be considered alternatives to those indicators. Facility EBITDAR and Facility EBITDARM are not presented for: (i) properties operated under a RIDEA structure; or (ii) newly completed facilities under lease-up, facilities acquired or transitioned to new operators during the relevant trailing 12-month period, vacant facilities and facilities for which data is not available or meaningful.

Financial Leverage*

Enterprise Debt divided by Enterprise Gross Assets. Financial Leverage is a supplemental measure of our financial position, which enables both management and investors to analyze our leverage and to compare our leverage to that of other companies.

Fixed Charges*

Total interest expense plus capitalized interest plus preferred stock dividends (if applicable). Fixed Charges also includes our pro rata share of the interest expense plus capitalized interest plus preferred stock dividends (if applicable) of our unconsolidated JVs. Fixed Charges is a supplemental measure of our interest payments on outstanding debt and dividends to preferred stockholders for purposes of presenting Fixed Charge Coverage and Adjusted Fixed Charge Coverage. Fixed Charges is subject to limitations and qualifications, as, among other things, it does not include all contractual obligations.

Funds Available for Distribution ("FAD")*

See the "Funds Available for Distribution" definition included in the accompanying Discussion and Reconciliations of Non-GAAP Financial Measures for information regarding FAD.

Funds From Operations ("NAREIT FFO") and FFO as Adjusted*

See the "Funds From Operations" definition included in the accompanying Discussion and Reconciliations of Non-GAAP Financial Measures for information regarding NAREIT FFO and FFO as adjusted.

HCP's Share of Unconsolidated Joint Ventures ("JVs")

HCP's pro rata share information is prepared on a basis consistent with the comparable consolidated amounts by applying our actual ownership percentage for the period, and is intended to reflect our proportionate economic interest in the financial position and operating results of properties in our portfolio.

Healthcare Affiliated

Represents properties that are on-campus or adjacent to a healthcare system and properties that are leased 50% or more to a healthcare system.

Initial Capital Expenditures ("ICE")

Expenditures required to bring a newly acquired property up to standard. The expenditures are typically identified during underwriting and incurred within the first year of ownership.

Investment and Portfolio Investment*

Represents: (i) the carrying amount of real estate assets and intangibles, after adding back accumulated depreciation and amortization, and (ii) the carrying amount of DFLs and Debt Investments. Portfolio Investment also includes our pro rata share of the real estate assets and intangibles held in our unconsolidated JVs, presented on the same basis as Investment, less the value attributable to refundable Entrance Fee liabilities. Investment and Portfolio Investment exclude land held for development.

Metropolitan Statistical Areas ("MSA")

Metropolitan Statistical Areas are geographic entities delineated by the Office of Management and Budget for use by Federal Statistical agencies in collecting, tabulating, and publishing Federal statistics. A metro area contains a core urban area of 50,000 or more population, consists of one or more counties and includes the counties containing the core urban area, as well as any adjacent counties that have a high degree of social and economic integration (as measured by commuting to work) with the urban core.

Glossary

Net Debt*

Enterprise Debt less the carrying amount of cash and cash equivalents as reported in our consolidated financial statements and our pro rata share of cash and cash equivalents from our unconsolidated JVs. Net Debt is a supplemental measure of our financial position, which enables both management and investors to analyze our leverage and to compare our leverage to that of other companies.

Net Debt to Adjusted EBITDAre*

Net Debt divided by Adjusted EBITDAre is a supplemental measure of our ability to decrease our debt. Because we may not be able to use our cash to reduce our debt on a dollar-for-dollar basis, this measure may have material limitations.

Net Operating Income from Continuing Operations (“NOI”) and Cash NOI*

NOI is defined as real estate revenues (inclusive of rental and related revenues, resident fees and services, and income from direct financing leases), less property level operating expenses (which exclude transition costs); NOI excludes all other financial statement amounts included in net income (loss). Cash NOI is calculated as NOI after eliminating the effects of straight-line rents, DFL non-cash interest, amortization of market lease intangibles, termination fees, actuarial reserves for insurance claims that have been incurred but not reported, and the impact of deferred community fee income and expense.

Occupancy

For life science facilities and medical office buildings, Occupancy represents the percentage of total rentable square feet leased where rental payments have commenced, including month-to-month leases, as of the end of the period reported. For senior housing triple-net facilities, post-acute/skilled facilities and hospitals, Occupancy represents the facilities’ average operating Occupancy for the trailing three-month period ended one quarter in arrears from the date reported. For SHOP properties, Occupancy represents the facilities’ average operating Occupancy for the most recent calendar quarter (year-to-date for year-to-date SPP) available weighted to reflect HCP’s share. The percentages are calculated based on units for senior housing facilities and available beds for post-acute/skilled facilities and hospitals. The percentages shown exclude newly completed facilities under lease-up, facilities acquired or transitioned to new operators during the relevant period, vacant facilities and facilities for which data is not available or meaningful. All facility financial performance data was derived solely from information provided by operators/tenants and borrowers without independent verification by us.

Penetration Rate

Reflects the number of available senior housing units as a percentage of total population age 80 and older. This measurement is an indicator of market demand for new development and expansion projects.

Pooled Leases

Two or more leases to the same operator/tenant or their subsidiaries under which their obligations are combined by virtue of cross default protection, a pooling agreement or multiple pooling agreements, or cross-guaranties.

Portfolio Income*

Cash NOI plus interest income plus our pro rata share of Cash NOI from our unconsolidated JVs.

Real Estate Revenues*

Includes rental related revenues, tenant recoveries, resident fees and services and income from DFLs.

Redevelopment

Properties that incur major capital expenditures to significantly improve, change the use, or reposition the property pursuant to a formal redevelopment plan. Newly completed redevelopments, are considered Stabilized at the earlier of lease-up (typically when the tenant(s) controls the physical use of 80% of the space) or 24 months from the date the property is placed in service.

Retention Rate

The ratio of total renewed square feet to the total square feet expiring and available for lease, excluding the square feet for tenant leases terminated for default or buy-out prior to the expiration of the lease.

REVPOR SHOP*

The 3-month average Cash Real Estate Revenues per occupied unit for the most recent period available. REVPOR SHOP excludes newly completed assets under lease-up, assets sold, acquired or transitioned to a new operating structure (such as triple-net to SHOP) during the relevant period, assets in redevelopment, and assets that experienced a casualty event that significantly impacted operations.

REVPOR Triple-net

The 3-month average facility revenue per occupied unit, one quarter in arrears from the period presented. Facility revenue consists primarily of resident rents generated at triple-net communities, which are not included in our financial results. Facility revenues are derived solely from information provided by operators/tenants without independent verification by us. REVPOR Triple-net excludes vacant facilities, newly completed assets under lease-up, assets sold, acquired or transitioned to a new operating structure (such as triple-net to SHOP) during the relevant period.

RIDEA

A structure whereby a taxable REIT subsidiary is permitted to rent a healthcare facility from its parent REIT and hire an independent contractor to operate the facility.

Same Property Portfolio (“SPP”)*

SPP NOI and Adjusted (Cash) NOI information allows us to evaluate the performance of our property portfolio under a consistent population by eliminating changes in the composition of our consolidated portfolio of properties. SPP NOI excludes certain non-property specific operating expenses that are allocated to each operating segment on a consolidated basis. Properties are included in SPP once they are stabilized for the full period in both comparison periods. Newly acquired operating assets are generally considered stabilized at the earlier of lease-up (typically when the tenant(s) control(s) the physical use of at least 80% of the space) or 12 months from the acquisition date. Newly completed developments and redevelopments are considered stabilized at the earlier of lease-up or 24 months from the date the property is placed in service. Properties that experience a change in reporting structure, such as a transition from a triple-net lease to a RIDEA reporting structure, are considered stabilized after 12 months in operations under a consistent reporting structure. A property is removed from SPP when it is classified as held for sale, sold, placed into redevelopment, experiences a casualty event that significantly impacts operations or changes its reporting structure (such as triple-net to SHOP).

Glossary

Secured Debt Ratio*

Enterprise Secured Debt divided by Enterprise Gross Assets. Secured Debt Ratio is a supplemental measure of our financial position, which enables both management and investors to analyze our leverage and to compare our leverage to that of other companies.

Square Feet (Sq. Ft.)

The square footage for properties, excluding square footage for development or redevelopment properties prior to completion.

Stabilized / Stabilization

Newly acquired operating assets are generally considered Stabilized at the earlier of lease-up (typically when the tenant(s) control(s) the physical use of at least 80% of the space) or 12 months from the acquisition date. Newly completed developments and redevelopments are considered Stabilized at the earlier of lease-up or 24 months from the date the property is placed in service. Properties that experience a change in reporting structure, such as a transition from a triple-net lease to a RIDEA reporting structure, are considered stabilized after 12 months in operations under a consistent reporting structure.

Total Market Equity

The total number of outstanding shares of our common stock multiplied by the closing price per share of our common stock on the New York Stock Exchange as of period end, plus the total number of convertible partnership units multiplied by the closing price per share of our common stock on the New York Stock Exchange as of period end (adjusted for stock splits).

Units/Square Feet/Beds

Senior housing facilities are measured in available units (e.g., studio, one or two bedroom units). Life science facilities and medical office buildings are measured in square feet. Post-acute/skilled facilities and hospitals are measured in available beds.

* Non-GAAP Supplemental Measures

Reconciliations, definitions and important discussions regarding the usefulness and limitations of the Non-GAAP Financial Measures used in this report can be found at <http://ir.hcpi.com/financial-reconciliation>.

Debt Ratios

Adjusted EBITDAre and Adjusted Fixed Charge Coverage

Dollars in thousands

NET INCOME TO ADJUSTED EBITDAre

| | Three Months Ended March 31, 2019 |
|--|--------------------------------------|
| Net income (loss) | \$ 64,990 |
| Interest expense | 49,327 |
| Income tax expense (benefit) | (3,458) |
| Depreciation and amortization | 131,951 |
| Other depreciation and amortization | 2,797 |
| Loss (gain) on sales of real estate, net | (8,044) |
| Impairments (recoveries) of depreciable real estate, net | 8,858 |
| HCP's share of unconsolidated JV: | |
| Interest expense | 4,250 |
| Income tax expense (benefit) | 145 |
| Depreciation and amortization | 15,077 |
| Other JV adjustments | (427) |
| EBITDAre | \$ 265,466 |
| Transaction-related items | 5,889 |
| Litigation costs (recoveries) | 128 |
| Amortization of deferred compensation | 3,590 |
| Foreign currency remeasurement losses (gains) | (28) |
| CCRC entrance fees | 3,496 |
| Adjusted EBITDAre | \$ 278,541 |
| ADJUSTED FIXED CHARGE COVERAGE | |
| Interest expense | 49,327 |
| Capitalized interest | 8,369 |
| HCP's share of unconsolidated JV interest expense and capitalized interest | 4,313 |
| Fixed Charges | \$ 62,009 |
| Adjusted Fixed Charge Coverage | 4.5x |

Debt Ratios

As of and for the quarter ended March 31, 2019, dollars in thousands

ENTERPRISE DEBT AND NET DEBT

| | March 31, 2019 |
|--|---------------------|
| Bank line of credit ⁽¹⁾ | \$ 276,500 |
| Term loans | — |
| Senior unsecured notes | 5,260,622 |
| Mortgage debt | 137,525 |
| Other debt | 89,223 |
| Consolidated Debt | \$ 5,763,870 |
| HCP's share of unconsolidated JV mortgage debt | 333,836 |
| HCP's share of unconsolidated JV other debt | 170,715 |
| Enterprise Debt | \$ 6,268,421 |
| Cash and cash equivalents | (120,117) |
| HCP's share of unconsolidated JV cash and cash equivalents | (26,473) |
| Net Debt | \$ 6,121,831 |

FINANCIAL LEVERAGE

| | March 31, 2019 |
|-------------------------|----------------|
| Enterprise Debt | \$ 6,268,421 |
| Enterprise Gross Assets | 16,943,422 |
| Financial Leverage | 37.0% |

SECURED DEBT RATIO

| | March 31, 2019 |
|--|-------------------|
| Mortgage debt | \$ 137,525 |
| HCP's share of unconsolidated JV mortgage debt | 333,836 |
| Enterprise Secured Debt | \$ 471,361 |
| Enterprise Gross Assets | 16,943,422 |
| Secured Debt Ratio | 2.8% |

NET DEBT TO ADJUSTED EBITDAre

| | Three Months Ended March 31, 2019 |
|-------------------------------|--------------------------------------|
| Net Debt | \$ 6,121,831 |
| Adjusted EBITDAre | 1,114,164 ⁽²⁾ |
| Net Debt to Adjusted EBITDAre | 5.5x |

(1) Includes £55 million translated into USD.

(2) Represents the current quarter Adjusted EBITDAre multiplied by a factor of four.

Information

BOARD OF DIRECTORS

BRIAN G. CARTWRIGHT

Chairman of the Board, HCP, Inc.
Former General Counsel
U.S. Securities and Exchange Commission

THOMAS M. HERZOG

President and Chief Executive Officer, HCP, Inc.

CHRISTINE N. GARVEY

Former Global Head of Corporate
Real Estate Services, Deutsche Bank AG

R. KENT GRIFFIN, JR.

Former President and Chief Operating Officer,
BioMed Realty Trust, Inc.

DAVID B. HENRY

Former Vice Chairman and Chief Executive Officer,
Kimco Realty Corporation

LYDIA H. KENNARD

President and Chief Executive Officer,
KDG Construction Consulting

KATHERINE M. SANDSTROM

Advisor,
Heitman, LLC

EXECUTIVE MANAGEMENT

THOMAS M. HERZOG

President and Chief Executive Officer

SCOTT M. BRINKER

Executive Vice President
Chief Investment Officer

THOMAS M. KLARITCH

Executive Vice President
Chief Operating Officer
Chief Development Officer

TROY E. MCHENRY

Executive Vice President
General Counsel and Corporate Secretary

PETER A. SCOTT

Executive Vice President
Chief Financial Officer

SHAWN G. JOHNSTON

Executive Vice President
Chief Accounting Officer

GLENN T. PRESTON

Executive Vice President
Medical Office Properties

Forward-Looking Statements & Risk Factors

Statements contained in this supplemental report which are not historical facts are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, among other things, statements regarding our and our officers' intent, belief or expectation as identified by the use of words such as "may," "will," "project," "expect," "believe," "intend," "anticipate," "seek," "target," "forecast," "plan," "potential," "estimate," "could," "would," "should" and other comparable and derivative terms or the negatives thereof. Examples of forward-looking statements include, among other things: (i) statements regarding current, pending or contemplated acquisitions, dispositions, transitions, developments, redevelopments, joint venture transactions, capital recycling plans, financing activities, or other transactions, including with respect to timing, outcomes, yields, and other details; (ii) future new supply and demographics; and (iii) the Company's 2019 guidance and assumptions with respect thereto. Forward-looking statements reflect our current expectations and views about future events and are subject to risks and uncertainties that could significantly affect our future financial condition and results of operations. While forward-looking statements reflect our good faith belief and assumptions we believe to be reasonable based upon current information, we can give no assurance that our expectations or forecasts will be attained. Further, we cannot guarantee the accuracy of any such forward-looking statement contained in this supplemental report, and such forward-looking statements are subject to known and unknown risks and uncertainties that are difficult to predict. These risks and uncertainties include, but are not limited to: the Company's reliance on a concentration of a small number of tenants and operators for a significant percentage of its revenues and net operating income; the financial condition of the Company's existing and future tenants, operators and borrowers, including potential bankruptcies and downturns in their businesses, and their legal and regulatory proceedings, which results in uncertainties regarding the Company's ability to continue to realize the full benefit of such tenants' and operators' leases and borrowers' loans; the ability of the Company's existing and future tenants, operators and borrowers to conduct their respective businesses in a manner sufficient to maintain or increase their revenues and to generate sufficient income to make rent and loan payments to the Company and the Company's ability to recover investments made, if applicable, in their operations; the Company's concentration in the healthcare property sector, particularly in senior housing, life sciences and medical office buildings, which makes its profitability more vulnerable to a downturn in a specific sector than if the Company were investing in multiple industries; operational risks associated with third party management contracts, including the additional regulation and liabilities of RIDEA lease structures; the effect on the Company and its tenants and operators of legislation, executive orders and other legal requirements, including compliance with the Americans with Disabilities Act, fire, safety and health regulations, environmental laws, the Affordable Care Act, licensure, certification and inspection requirements, and laws addressing entitlement programs and related services, including Medicare and Medicaid, which may result in future reductions in reimbursements or fines for noncompliance; the Company's ability to identify replacement tenants and operators and the potential renovation costs and regulatory approvals associated therewith; the risks associated with property development and redevelopment, including costs above original estimates, project delays and lower occupancy rates and rents than expected; the potential impact of uninsured or underinsured losses; the risks associated with the Company's investments in joint ventures and unconsolidated entities,

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Forward-Looking Statements & Risk Factors (continued)

including its lack of sole decision making authority and its reliance on its partners' financial condition and continued cooperation; competition for the acquisition and financing of suitable healthcare properties as well as competition for tenants and operators, including with respect to new leases and mortgages and the renewal or rollover of existing leases; the Company's ability to achieve the benefits of acquisitions or other investments within expected time frames or at all, or within expected cost projections; the potential impact on the Company and its tenants, operators and borrowers from current and future litigation matters, including the possibility of larger than expected litigation costs, adverse results and related developments; changes in federal, state or local laws and regulations, including those affecting the healthcare industry that affect the Company's costs of compliance or increase the costs, or otherwise affect the operations, of its tenants and operators; the Company's ability to foreclose on collateral securing its real estate-related loans; volatility or uncertainty in the capital markets, the availability and cost of capital as impacted by interest rates, changes in the Company's credit ratings, and the value of its common stock, and other conditions that may adversely impact the Company's ability to fund its obligations or consummate transactions, or reduce the earnings from potential transactions; changes in global, national and local economic and other conditions, including currency exchange rates; the Company's ability to manage its indebtedness level and changes in the terms of such indebtedness; competition for skilled management and other key personnel; the Company's reliance on information technology systems and the potential impact of system failures, disruptions or breaches; the Company's ability to maintain its qualification as a real estate investment trust; and other risks and uncertainties described from time to time in the Company's Securities and Exchange Commission (SEC) filings. Except as required by law, we do not undertake, and hereby disclaim, any obligation to update any forward-looking statements, which speak only as of the date on which they are made.

The information in this supplemental report should be read in conjunction with the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other information filed with the SEC. The Reporting Definitions (and Reconciliations of Non-GAAP Financial Measures) are an integral part of the information presented herein. You can access these documents on the Company's website, www.hcpi.com, free of charge, as well as amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The information contained on the Company's website is not incorporated by reference into, and should not be considered a part of, this supplemental report.

In addition, the SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers, including the Company, that file electronically with the SEC at www.sec.gov.

This supplemental report also includes market and industry data that the Company has obtained from market research, publicly available information and industry publications. The accuracy and completeness of such information are not guaranteed. The market and industry data is often based on industry surveys and preparers' experience in the industry. Similarly, although the Company believes that the surveys and market research that others have performed are reliable, it has not independently verified this information.

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