



# welltower

## Corporate Presentation

March 2016

*Transforming healthcare infrastructure through premium quality properties, partners and locations*

London

Toronto

Los Angeles

Boston

New York

Chicago

Washington DC

This document contains “forward-looking” statements as that term is defined in the Private Securities Litigation Reform Act of 1995. When the company uses words such as “may,” “will,” “intend,” “should,” “believe,” “expect,” “anticipate,” “project,” “estimate” or similar expressions that do not relate solely to historical matters, it is making forward-looking statements. In particular, these forward-looking statements include, but are not limited to, those relating to the company’s opportunities to acquire, develop or sell properties; the company’s ability to close its anticipated acquisitions, investments or dispositions on currently anticipated terms, or within currently anticipated timeframes; the expected performance of the company’s operators/tenants and properties; the company’s expected occupancy rates; the company’s ability to declare and to make distributions to stockholders; the company’s investment and financing opportunities and plans; the company’s continued qualification as a REIT; the company’s ability to meet its earning guidance; and the company’s ability to access capital markets or other sources of funds.

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause the company’s actual results to differ materially from the company’s expectations discussed in the forward-looking statements. This may be a result of various factors, including, but not limited to: the status of the economy; the status of capital markets, including availability and cost of capital; issues facing the health care industry, including compliance with, and changes to, regulations and payment policies, responding to government investigations and punitive settlements and operators’/tenants’ difficulty in cost-effectively obtaining and maintaining adequate liability and other insurance; changes in financing terms; competition within the health care and seniors housing industries; negative developments in the operating results or financial condition of operators/tenants, including, but not limited to, their ability to pay rent and repay loans; the company’s ability to transition or sell properties with profitable results; the failure to make new investments or acquisitions as and when anticipated; natural disasters and other acts of God affecting the company’s properties; the company’s ability to re-lease space at similar rates as vacancies occur; the company’s ability to timely reinvest sale proceeds at similar rates to assets sold; operator/tenant or joint venture partner bankruptcies or insolvencies; the cooperation of joint venture partners; government regulations affecting Medicare and Medicaid reimbursement rates and operational requirements; liability or contract claims by or against operators/tenants; unanticipated difficulties and/or expenditures relating to future investments or acquisitions; environmental laws affecting the company’s properties; changes in rules or practices governing the company’s financial reporting; the movement of U.S. and foreign currency exchange rates; the company’s ability to maintain its qualification as a REIT; key management personnel recruitment and retention; and other risks described in the company’s reports filed from time to time with the Securities and Exchange Commission. Finally, the company assumes no obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, or to update the reasons why actual results could differ from those projected in any forward-looking statements.

45-year old company with a **new brand** that emphasizes **wellness**

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A strong and **proven capital allocation track record**

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**\$27 billion** invested since 2010

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Over past six years, invested on average **\$1.1 billion per quarter**, and over **60% with existing operating partners**

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Bringing **new sources of capital to the industry**, e.g., JV with Canada Pension Plan Investment Board

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Over **1,400 quality properties** in U.S., U.K. and Canada





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Our long term funding model offers **significant advantages** over alternatives that look for exit after 5-7 years

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**\$39 billion enterprise value**, S&P 500 company, Baa2/BBB/BBB+ credit rating

# Highly Experienced Management Team

	Tenure (Yrs)	Industry Experience (Yrs)
 <b>Tom DeRosa</b> CEO	12 <sup>(1)</sup>	27
 <b>Scott Brinker</b> CIO	14	17
 <b>Scott Estes</b> CFO	13	21
 <b>Jeff Miller</b> COO	12	27
 <b>Erin Ibele</b> HR	30	30

## Unparalleled Industry Experience

- ✓ 16-year average tenure
- ✓ 24-year average industry experience
- ✓ Board members of NYSE companies & key industry associations

## Unmatched Focus

- ✓ On capital allocation to drive shareholder value
- ✓ Consistent growth with a conservative financial profile
- ✓ Innovative alignment with financial partners and operators

1. Prior to starting as the CEO at Welltower on 4/14/14, Tom DeRosa served on the Company's Board of Directors

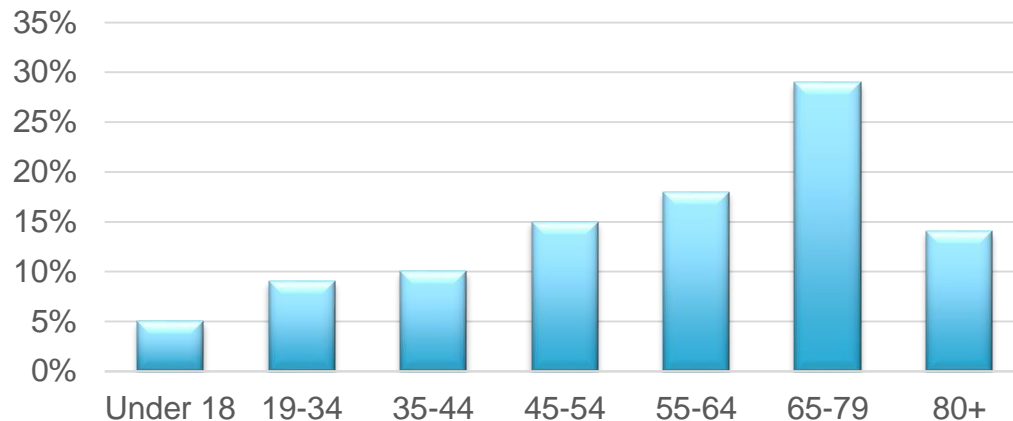
# Investment Opportunity and Highlights

# Theme one: Demographics & Trends - A Play On Aging

In 2050, the U.S. population aged 65 and over is projected to be 83.7 million, almost double its estimated population of 43.1 million in 2012.

U.S. Department of Commerce  
Economics and Statistics Administration

Total Health Care Expenses Incurred By Age Group

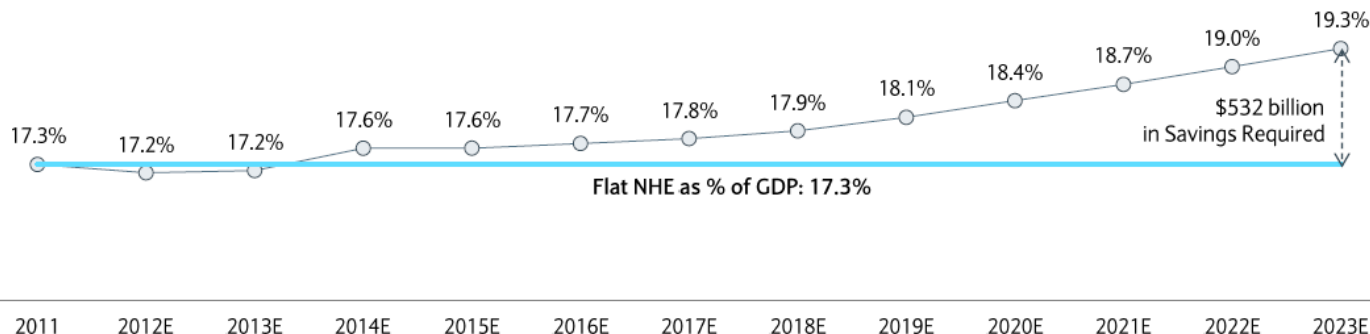


Age in Years

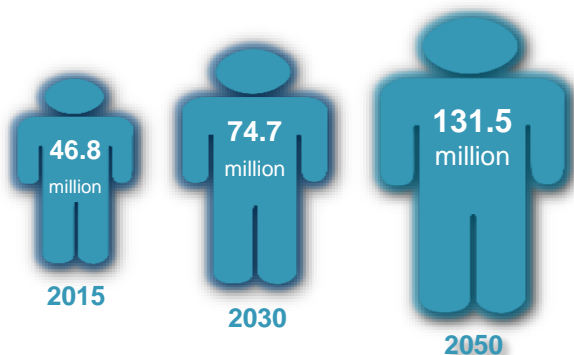
U.S. Agency for Healthcare  
Research & Quality, Rockville, MD

## Health Care Cost Trends Are Unsustainable

NHE as % of GDP Trends

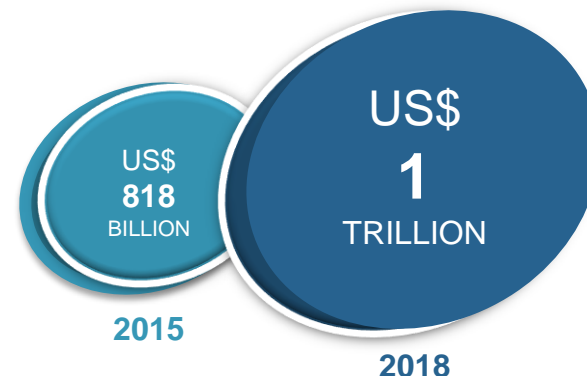


Source: National Health Expenditure, CMS  
Data as of 9/30/2015.



**46.8 million people worldwide are living with dementia in 2015.**

**This number will almost double every 20 years.**



**The total estimated worldwide cost of dementia in 2015 is US \$818 Billion.**

**By 2018, dementia will be a trillion dollar disease**

**Alzheimer's Disease (the most common form of dementia) is the only "Top 10 Cause of Death" in the U.S. that cannot be PREVENTED, CURED or SLOWED**

Source: Alzheimer's Disease International.  
*The World Alzheimer Report 2015, The Global Impact of Dementia: An analysis of prevalence, incidence, cost and trends updates*



# Welltower Solution: Innovative Seniors Housing Silverado: Redefining the Concept of Home...



- **Investment Relationship Since 1998**
  - \$414m invested in 27 communities
- **A social and medical hybrid model of care**
- **Physician medical directors, master level social workers and 24-hour licensed nurses**
- **Industry-leading clinical and quality of life measures which the company has been tracking since 1997**





## Silverado Communities Clinical Outcomes (Jan – Dec 2015)

Clinical outcomes: memory care communities	Silverado company-wide	Skilled nursing facilities <sup>1</sup> (non-Silverado)	Assisted living <sup>2</sup> (non-Silverado)
% transfers to ER/Urgent care	2.9%	8.0%	34.6%
% of hospital readmissions within 30 days	4.7%	15.7%	
% of acute hospitalizations	3.6%	20.0%	23.9%
% of deaths receiving hospice service	88.4%	33.1% <sup>3</sup>	

## Silverado Hospice Clinical Outcomes (Jan – Dec 2014)

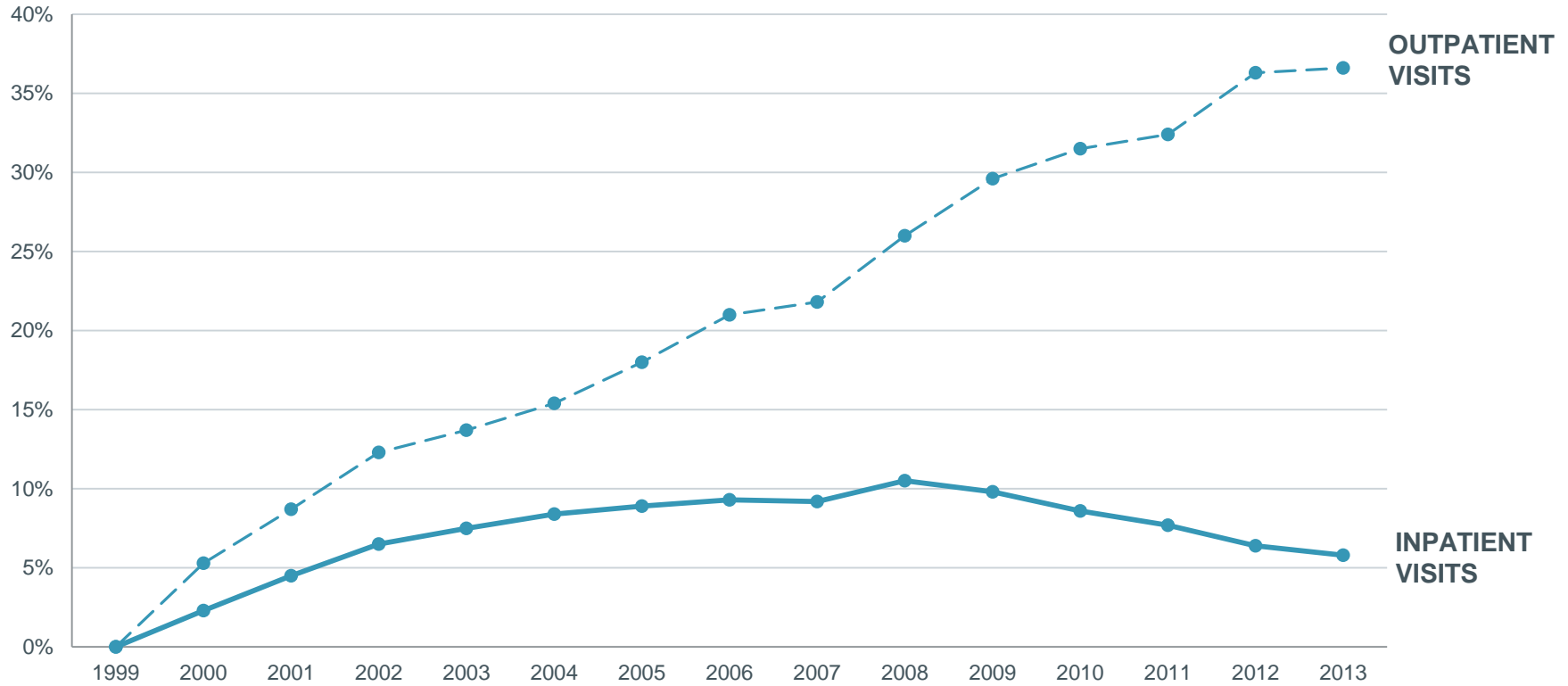
Clinical outcomes: hospice	Silverado company-wide (year ending, 2014)	National average (year ending, 2012 NHPCO)
Hospital readmission rate within 30 days (CMS)	2.7%	5.4%
Revocation rate (NHPCO)	7.2%	14.4%
Conversion rate	81.0%	75.0%

1. Skilled Nursing Facilities source: National Quality Indicator System 2010. ER transfer source: Percent of transfers every 90 days.

2. Source for Assisted Living 2010 National Survey of Residential Care Facilities The NSRCF was conducted by the Centers for Disease Control and Prevention's National Center for Health Statistics (NCHS). The survey methodology and data dictionary are available from the NCHS website. ([http://www.cdc.gov/nchs/nsrcf/nsrcf\\_questionnaires.htm](http://www.cdc.gov/nchs/nsrcf/nsrcf_questionnaires.htm)).

3. NHPCO 2013 National Average

# Theme two: Outpatient will Dominate Care Delivery

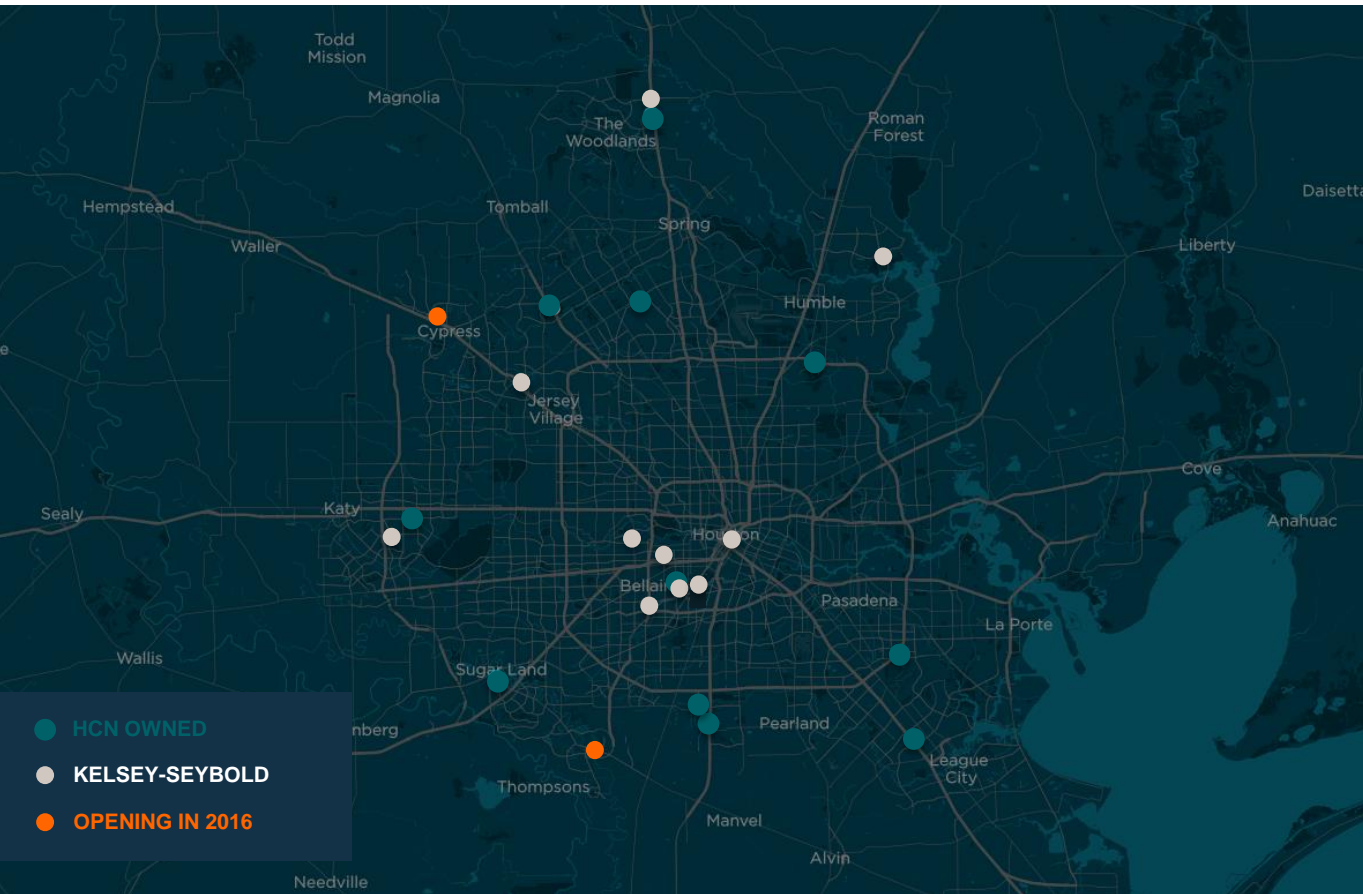


Source: American Hospital Association, Medicare Payment Advisory Commission

- **Multi-specialty, independent physician group**
- **400+ physicians**
- **20 clinical locations**
- **1.2 million patient visits per year**
- **ACO accredited (first in nation)**



# Adapting to a Consumer Driven Marketplace



# Theme three: Transform Health Care Infrastructure by Creating Connected Delivery



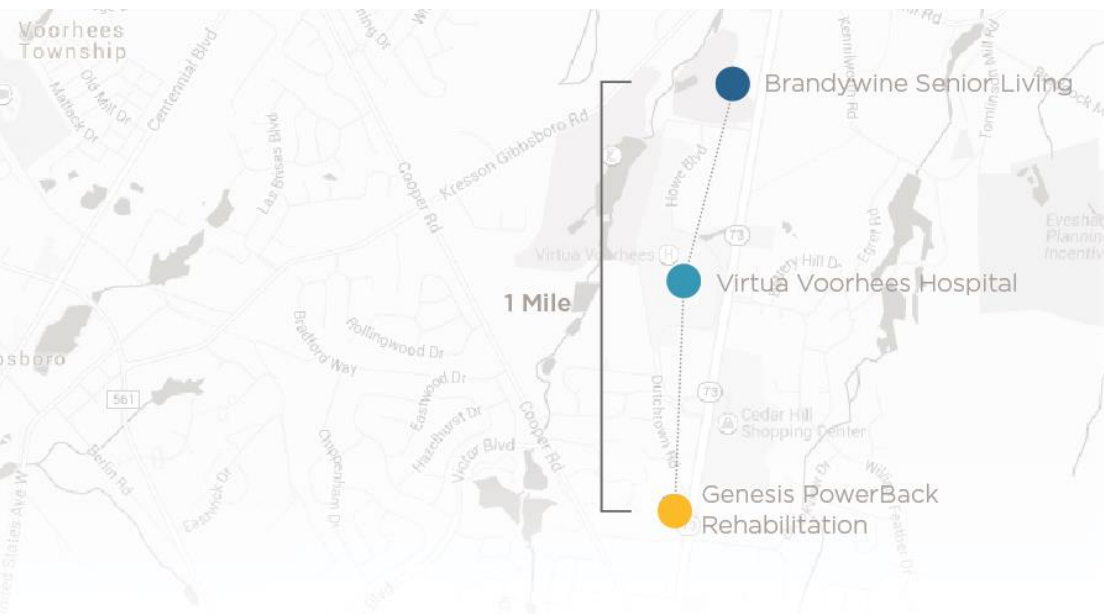


# Welltower Solution – Connected Delivery Medical Mile: Voorhees, NJ

## IDEAS

## PARTNERS

## SMART CAPITAL



In the town of Voorhees, New Jersey, minutes from downtown Philadelphia, we worked with three of our partners across the continuum of care to build a state-of-the-art, collaborative model of health care delivery, known in the local community as the “Medical Mile.”

Voorhees offers a template for the future of connected health care development at the community level. Connected health systems are the key to improving quality of care and addressing patient needs, and are only possible with innovative partners, ideas and resources.



## Brandywine Senior Living

Brandywine Senior Living, known for offering the highest quality care in premium settings, recognized an opportunity to serve the affluent Voorhees community with an amenity-rich prototype assisted living facility.

**Investment:**  
**\$34 million, 95,000 square feet**



## Genesis Healthcare PowerBack Rehabilitation

Genesis HealthCare's PowerBack Rehabilitation model provides specialized care in cardiac, pulmonary and orthopedic management, and is focused on sending patients home as soon as possible. Welltower is investing with Genesis to expand its innovative high impact rehab model in communities around the U.S.

**Investment:**  
**\$29 million, 86,000 square feet**



## Virtua Health System

Virtua, the largest non-profit healthcare system in southern New Jersey, had a vision to provide specialized, high-level care using advanced technologies and quality clinical services in a new, attached outpatient facility as part of its medical campus.

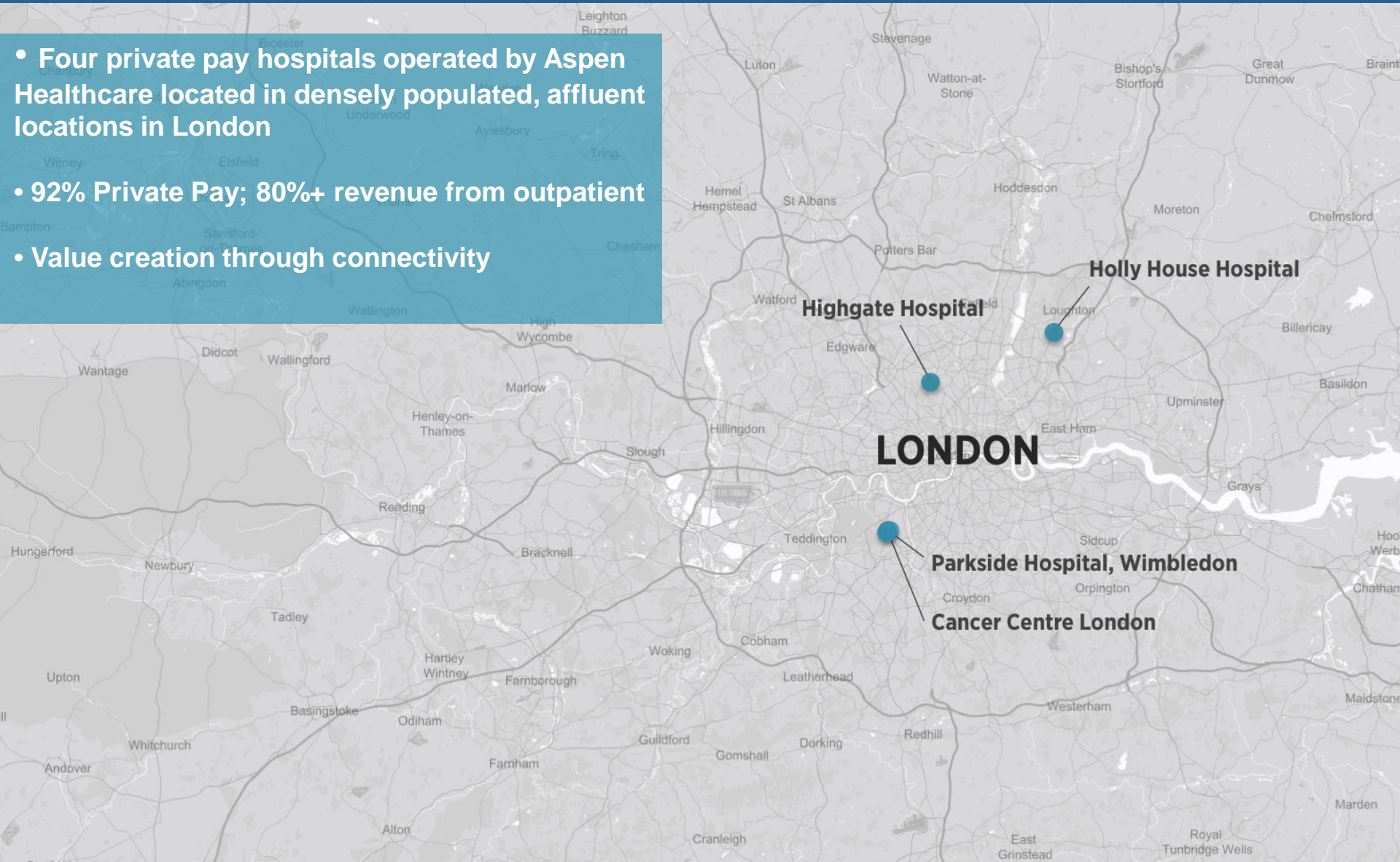
**Investment:**  
**\$93 million, 292,000 square feet**



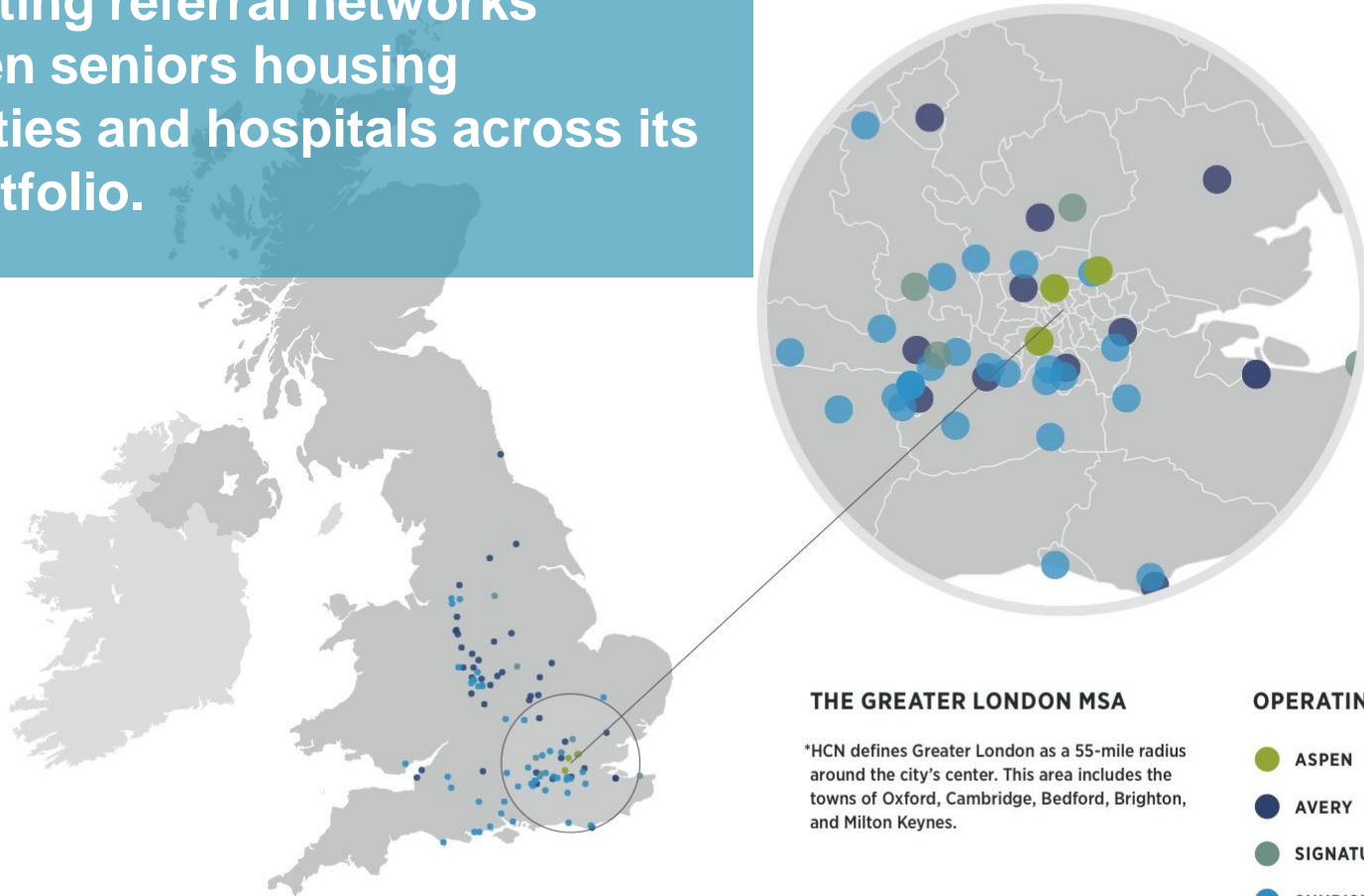
# Connected Delivery – A Future Opportunity

## ASPEN Healthcare: London

- Four private pay hospitals operated by Aspen Healthcare located in densely populated, affluent locations in London
- 92% Private Pay; 80%+ revenue from outpatient
- Value creation through connectivity



Welltower is establishing value-generating referral networks between seniors housing properties and hospitals across its UK portfolio.



1

## Outcome and Value-Based Incentives

Improve care & reduce cost



Portfolio focus in lower-cost settings, outpatient, post-acute and seniors housing

2

## Consumerism

Modern facilities, innovative treatment, convenient locations



Innovative seniors housing and care models that promote wellness to minimize hospitalization

3

## Capital Efficiency Focus

Vast investment requirements necessitate efficient resource allocation



Align capital with shift towards outpatient treatment to create improved healthcare infrastructure and lower-cost models

# Company Overview

# 1970

Founded as  
1<sup>st</sup> Healthcare-Focused  
REIT

# \$39B

Enterprise Value

# 1,482

Properties

# S&P 500

Member

# 89%

Private Pay Sources

Global NOI Diversity

# US + UK + CANADA

84%

8%

8%

Moody's  
**Baa2**  
Positive

S&P  
**BBB**  
Positive

Fitch  
**BBB+**  
Stable

Since 2010...

We have invested

**\$27.3B**

Disposed of

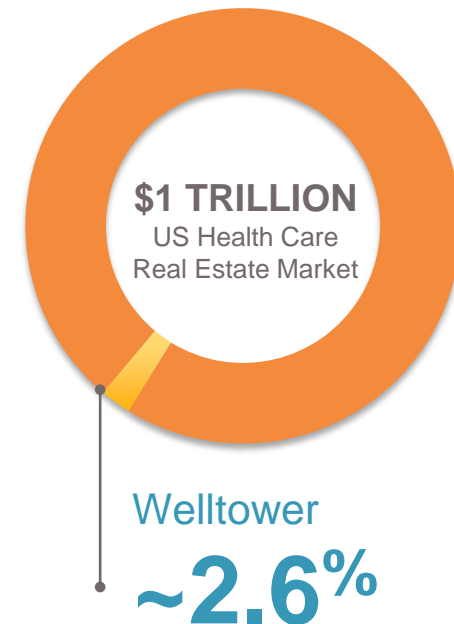
**\$4.1B**

Which has grown the company

<sup>(1)</sup>

**>4.7x**

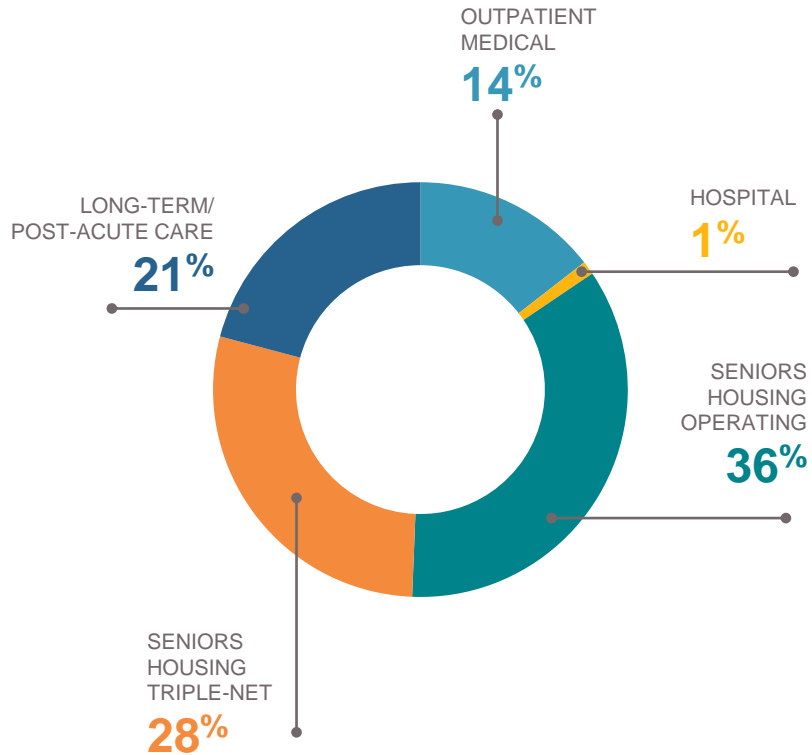
Growing and Consolidating Health Care  
Real Estate Market<sup>(2)</sup>



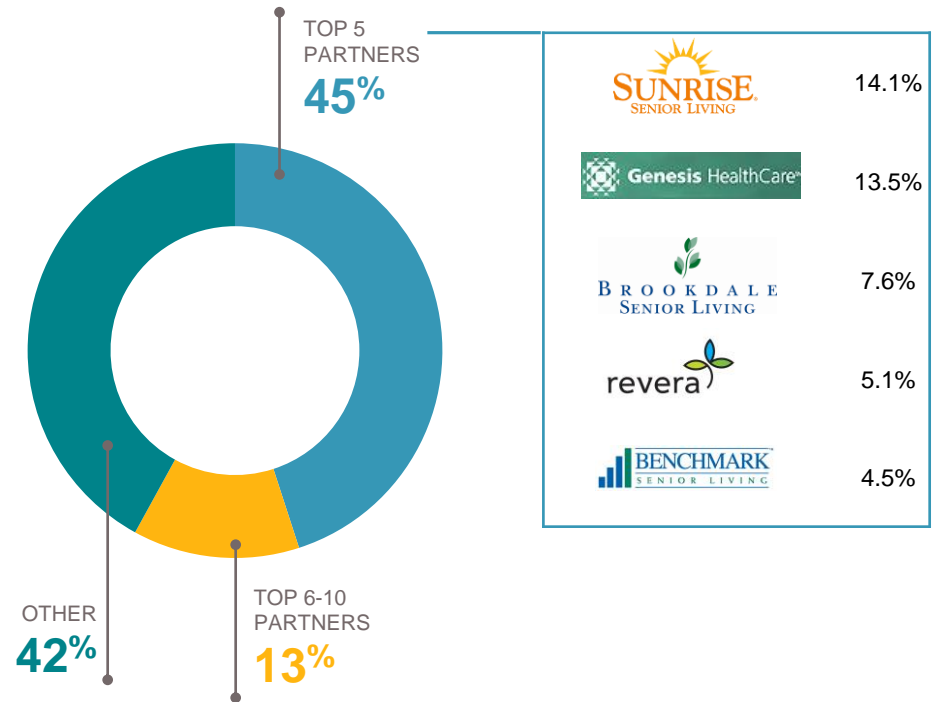
1. As measured by consolidated enterprise value.

2. Stifel Nicolaus, Industry Analysis: Healthcare Real Estate. Welltower ownership based on 12/31/2015 US Gross Real Estate Investments.

## Segment Diversification



## Partner Diversification



Data as of 12/31/2015, based on In-Place NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation. Percentages may not sum to 100% due to rounding.



Premier Operating Partners  
and Class 'A' Real Estate



Active Portfolio  
Management



Welltower  
Partners



**3.8%**

Portfolio average SS NOI  
Growth Past 19 Quarters<sup>(1)</sup>

**7.2%**

SH-Operating Average SS NOI  
Growth Past 19 Quarters<sup>(1)</sup>

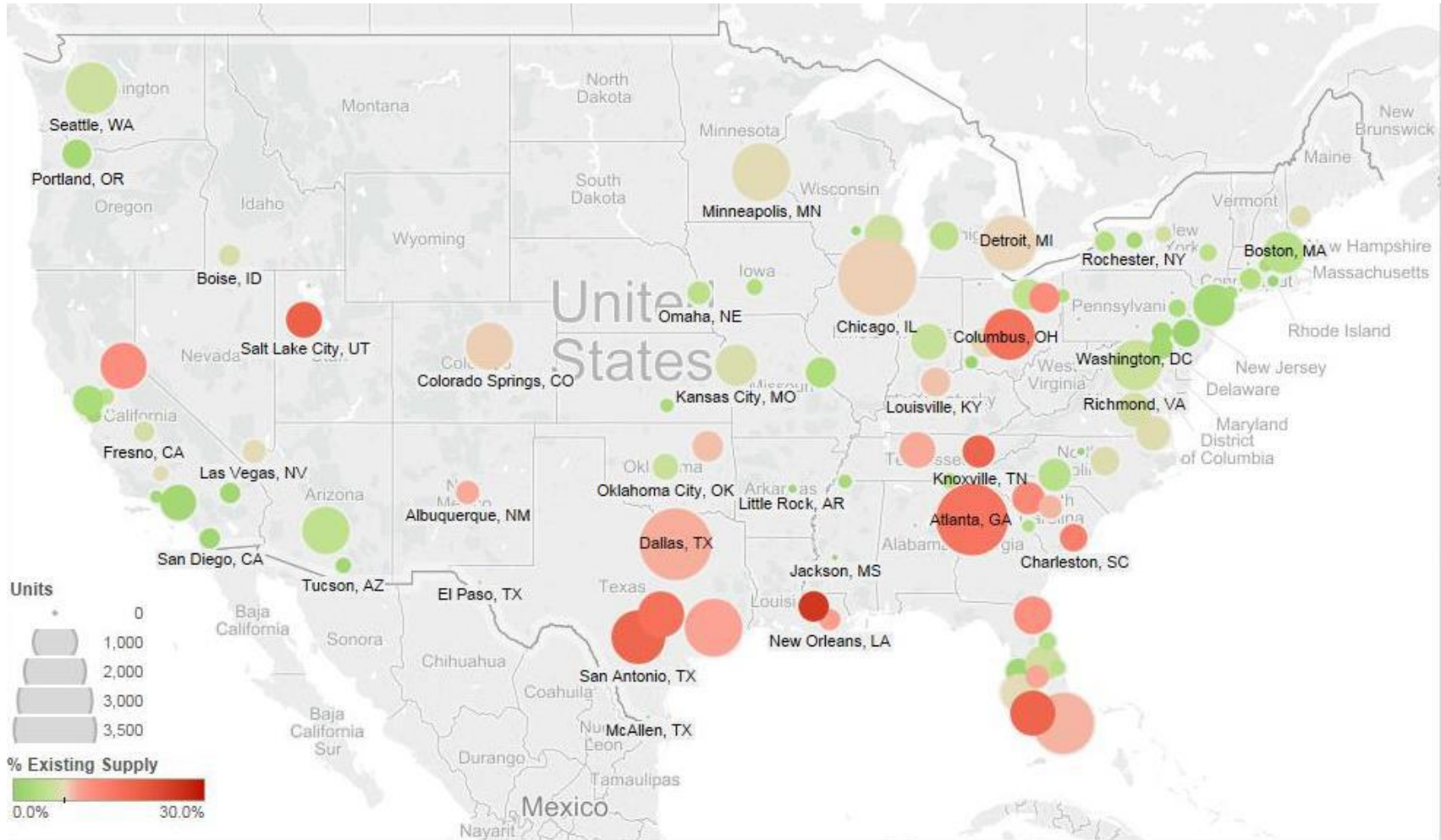
**\$693M**

Repeat Business Per Quarter  
Since 1Q10

# US Seniors Housing Industry |

## >10% of Inventory Under Construction in 15 Markets

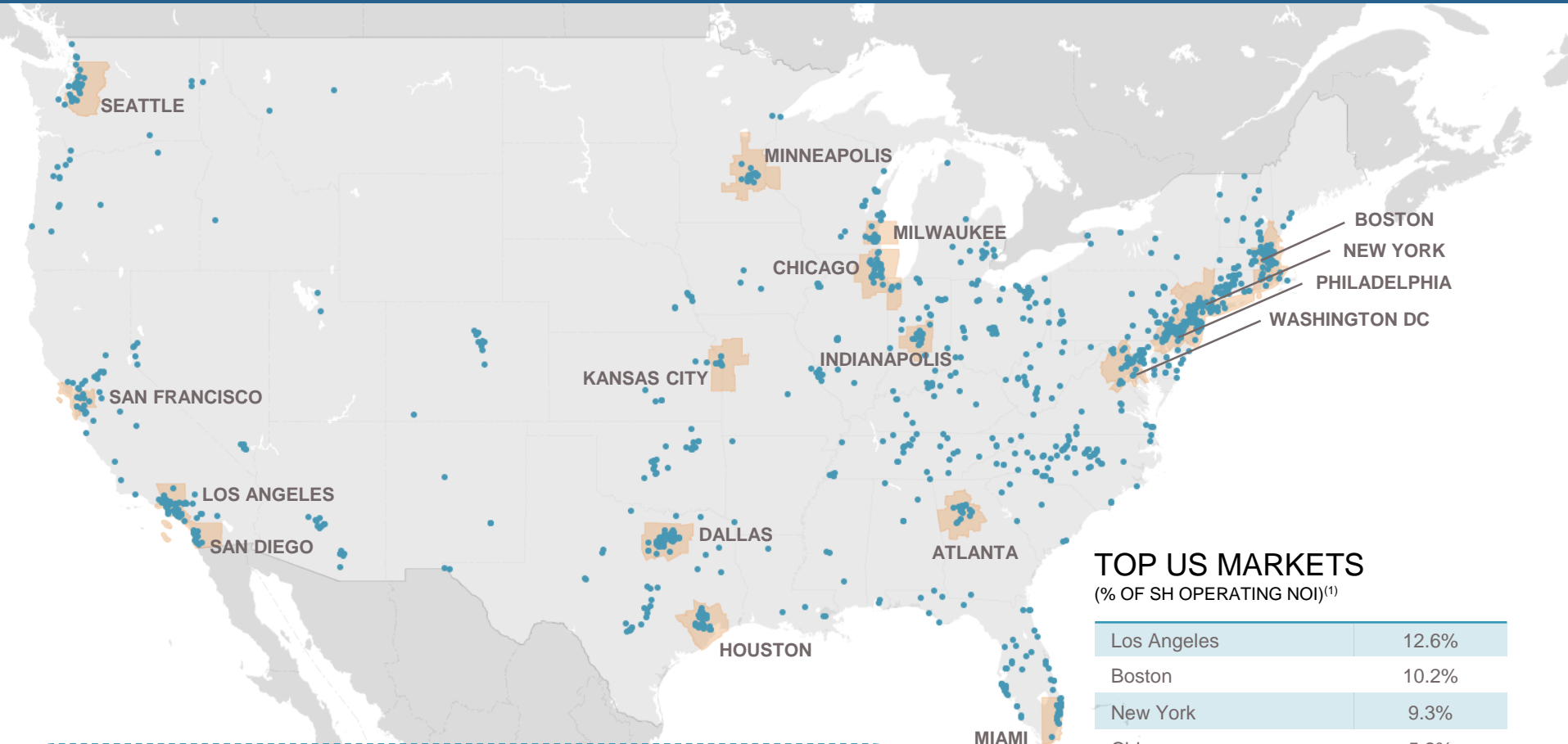
### Seniors Housing Construction: All Markets | As of 4Q15



Source: NIC MAP® Data Service

# Welltower US Portfolio |

High barrier to entry major metro markets with muted supply impact



## TOP US MARKETS (% OF SH OPERATING NOI)<sup>(1)</sup>

Los Angeles	12.6%
Boston	10.2%
New York	9.3%
Chicago	5.2%
San Diego	5.1%
Washington DC	3.8%
Seattle	2.9%

## PREMIER LOCATIONS



**93%**

Top 31 MSAs +  
Coastal States<sup>(1)</sup>

**1,215**

Facilities

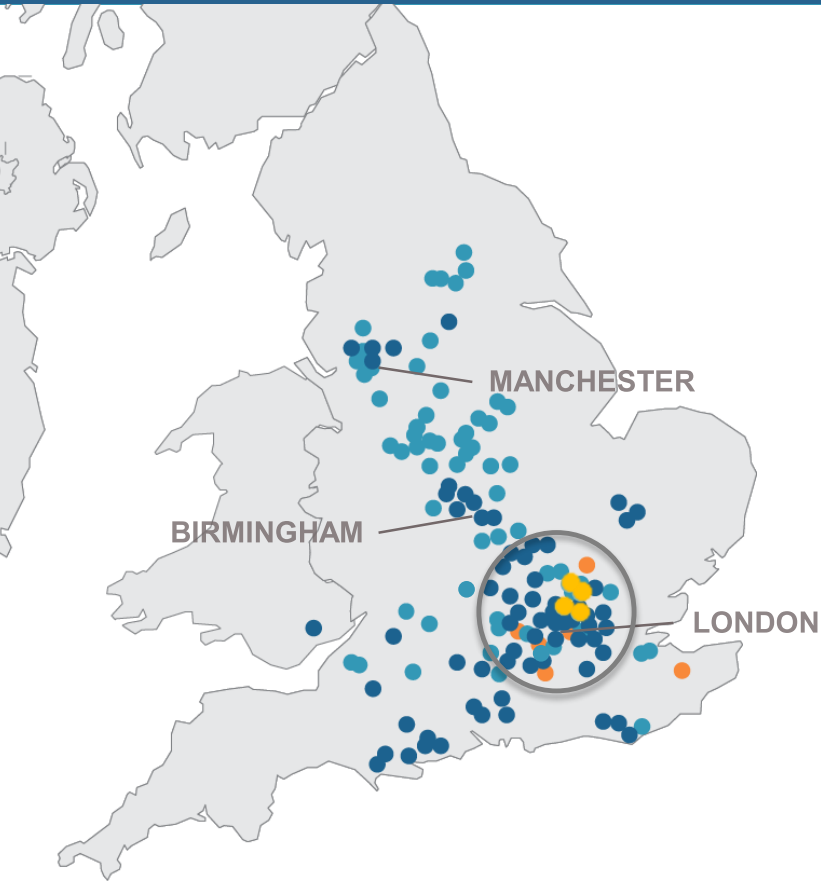
**\$25.9B**

Gross Real Estate  
Investments

- WELLTOWER PROPERTY
- MAJOR METRO AREA

Data as of 12/31/2015, based on In-Place NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation

(1) % of US SH Operating NOI



● ASPEN   
 ● AVERY   
 ● SIGNATURE   
 ● SUNRISE

### Unmatched local scale and market share

UK

# 80%

SH Operating NOI in Greater London & Southern England

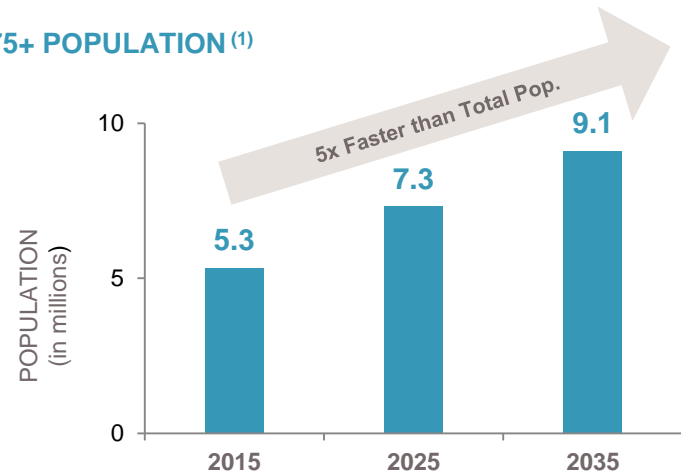
# 112

Facilities

# \$2.8B

Gross Real Estate Investments

### 75+ POPULATION <sup>(1)</sup>



Data as of 12/31/ 2015. NOI data based on In-Place UK SH Operating NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

1. UK data, source: Office for National Statistics.



### Key Operators

- REVERA
- CHARTWELL
- SUNRISE
- AGECARE
- CONTINUUM

### Portfolio Summary

CN

76%

SH Operating NOI in  
Top 10 Canadian  
MSAs

155

Facilities

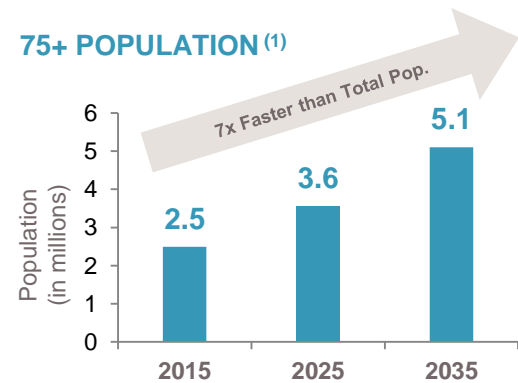
\$2.9B

Gross Real Estate  
Investments

Data as of 12/31/2015. NOI data based on In-Place Canadian SH Operating NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

1. Canadian data, source: Statistics Canada.

### 75+ POPULATION (1)



# Superior Assets Lead to Superior Operating Results welltower

	US Seniors Housing				UK Seniors Housing <sup>(13)</sup>	
	Welltower US RIDEA <sup>(1)</sup>	HC REIT Peers <sup>(2)</sup>	Public Operators <sup>(3)</sup>	Industry Benchmarks	Welltower UK RIDEA <sup>(9)</sup>	Industry Benchmarks
<b>Property Age</b> <i>Years</i>	12	18 <sup>(4)</sup>	17 <sup>(4)</sup>	19 <sup>(5)</sup>	8	20 <sup>(10)</sup>
<b>Housing Value</b> <i>Median</i>	\$451,581	\$221,390 <sup>(4)</sup>	\$190,797 <sup>(4)</sup>	\$191,227 <sup>(6)</sup>	£413,658	£250,473 <sup>(11)</sup>
<b>Household Income</b> <i>Median</i>	\$77,169	\$53,996 <sup>(4)</sup>	\$52,694 <sup>(4)</sup>	\$53,706 <sup>(6)</sup>	<i>Data Not Available</i>	<i>Data Not Available</i>
<b>REVPOR</b> <i>Monthly</i>	\$6,550	\$4,725 <sup>(7)</sup>	\$4,067 <sup>(7)</sup>	\$4,309 <sup>(5)</sup>	£6,410	£2,933 <sup>(12)</sup>
<b>SSREVPOR Growth</b> <i>Year-over-year</i>	3.6%	2.3% <sup>(7)</sup>	2.0% <sup>(7)</sup>	2.2% <sup>(5)</sup>	2.2%	2.3% <sup>(12)</sup>
<b>SSNOI per Unit</b> <i>Annual</i>	\$22,958	\$15,428 <sup>(7)</sup>	\$12,430 <sup>(7)</sup>	\$16,879 <sup>(8)</sup>	£21,367	£7,950 <sup>(12)</sup>
<b>SSNOI Growth</b> <i>Year-over-year</i>	4.6%	3.4% <sup>(7)</sup>	0.4% <sup>(7)</sup>	<i>Data Not Available</i>	-3.3%	<i>Data Not Available</i>

# Superior Assets Lead to Superior Operating Results

## Post-Acute and Long-Term Care

	WELLTOWER PAC/LTC <sup>(1)</sup>	HC REIT Peers <sup>(2)</sup>	Public Operators <sup>(3)</sup>	Industry Benchmarks <sup>(4)</sup>
<b>Property Age</b> <i>Years</i>	22	36	32	36
<b>Occupancy</b>	86%	83%	81%	87%
<b>Quality Mix</b> <i>Private &amp; Medicare Revenue %</i>	57%	51%	54%	39%
<b>EBITDARM Coverage</b>	1.74x	1.7x	<i>Data Not Available</i>	<i>Data Not Available</i>
<b>EBITDARM per Bed</b> <i>Annual</i>	\$20,729	\$14,392	\$12,391	<i>Data Not Available</i>
<b>EBITDARM Margin</b>	20%	<i>Data Not Available</i>	17%	13%

1. Welltower data as of 12/31/2015. EBITDARM Coverage and EBITDARM per bed figures represent trailing twelve months results.

2. Average 2014 results obtained from publicly available documents for the following peers: OHI/AVIV, VTR, HCP, LTC and SBRA.

3. Average 2014 results obtained from publicly available documents for the following publicly traded skilled nursing operators: ADK, DVCR, ENSG, NHC and KND.

4. Average Age per 3Q15 NIC MAP for Majority NC Properties in the top 99 MSAs; occupancy per AHCA March 2015. Trends in Nursing Facility Statistics; quality mix per MedPAC March 2015 Report to Congress.



# Superior Assets Lead to Superior Operating Results

## Outpatient Medical

	Welltower <sup>(1)</sup>	Outpatient Medical Peers <sup>(2)</sup>
<b>Occupancy</b>	<b>95%</b>	<b>90%</b>
<b>Property Size</b> <i>Square Feet</i>	<b>66,592</b>	<b>56,862</b>
<b>Health System Affiliation<sup>(3)</sup></b>	<b>95%</b>	<b>94%</b>
<b>NOI Margin</b>	<b>69%</b>	<b>65%</b>
<b>NOI per Square Foot</b> <i>Annualized</i>	<b>\$20.94</b>	<b>\$17.60</b>
<b>Lease Expirations<sup>(4)</sup></b> <i>Through 2019</i>	<b>28%</b>	<b>37%</b>
<b>In-house Managed<sup>(4)</sup></b>	<b>99%</b>	<b>Data Not Available</b>

1. Data as of 12/31/2015. Please see non-GAAP financial measures and reconciliations at the end of this presentation.


2. Results obtained from publicly available documents for the following peers: HCP, HR, HTA, and VTR as of 9/30/15.

3. Welltower percentage based on NOI. Peers based on square feet.

4. As a percentage of square feet.

# Financial Summary

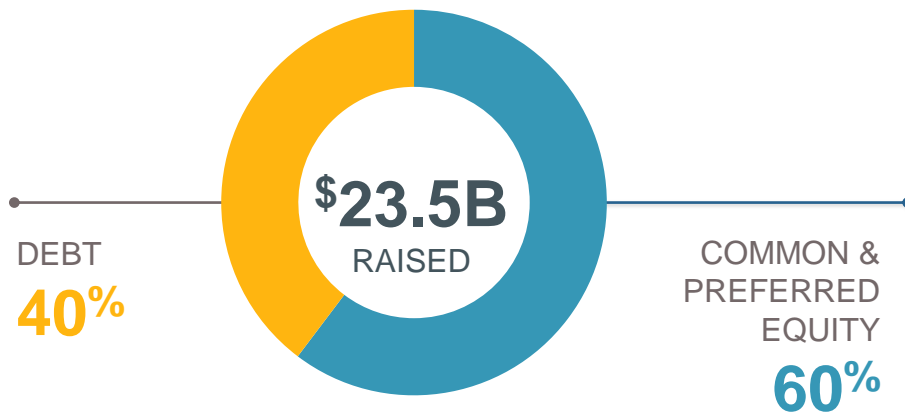
# Strong Balance Sheet Enables Flexibility

	S&P <b>BBB</b> Positive	<b>RATIO</b>	<b>4Q13</b>	<b>4Q15</b>	<b>Improvement</b>
		NET DEBT / UNDEPRECIATED BOOK CAP <sup>(1)</sup>	42.6%	39.9%	↓ 270 bps
		NET DEBT / ENTERPRISE VALUE <sup>(1)</sup>	38.3%	32.7%	↓ 560 bps
		NET DEBT / ADJUSTED EBITDA <sup>(2)</sup>	6.1x	5.6x	↓ 0.5x
		ADJUSTED INTEREST COVERAGE <sup>(2)</sup>	3.4x	4.3x	↑ 0.9x
	Fitch <b>BBB+</b> Stable	ADJUSTED FIXED CHARGE COVERAGE <sup>(2)</sup>	2.7x	3.4x	↑ 0.7x

1. Net debt represents total debt minus cash.

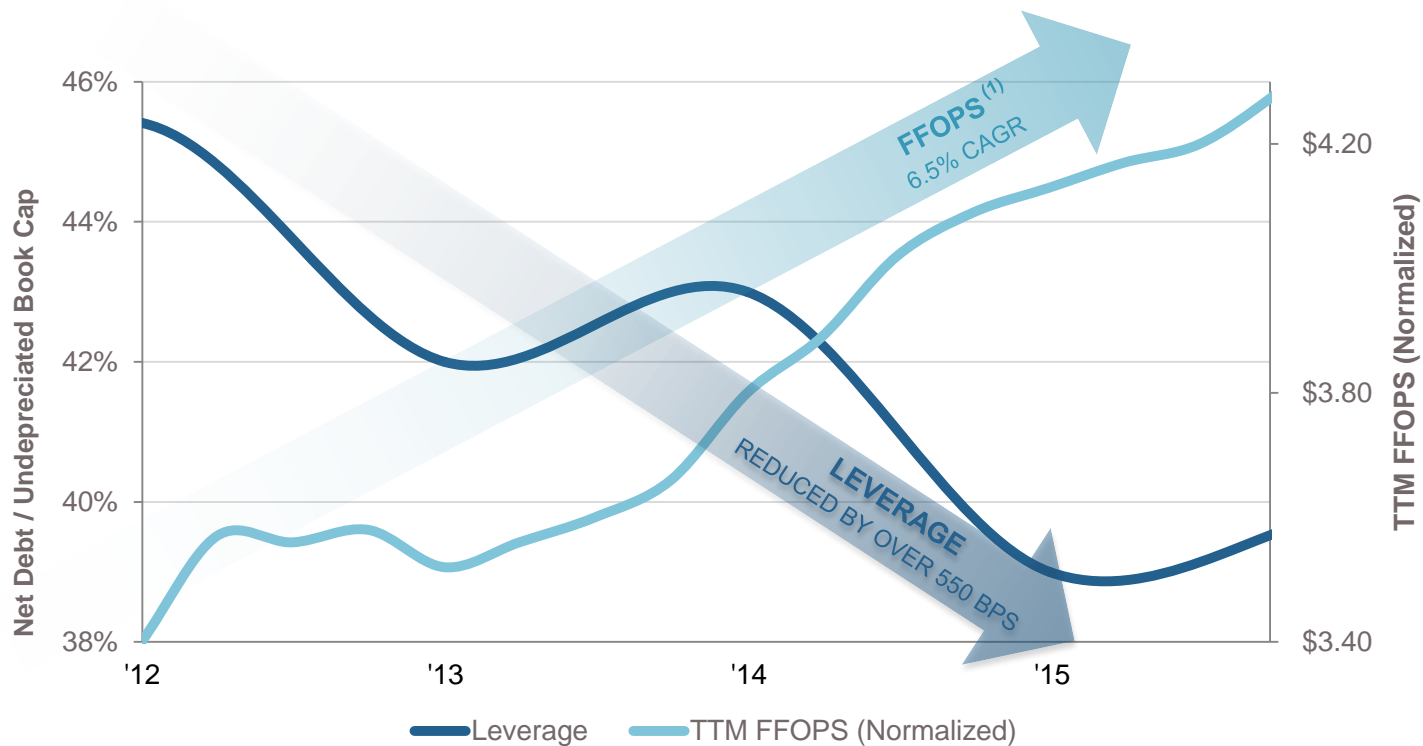
2. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

## Capital Raised Since 1Q 2010



**\$2.5B**  
Unsecured Line of Credit

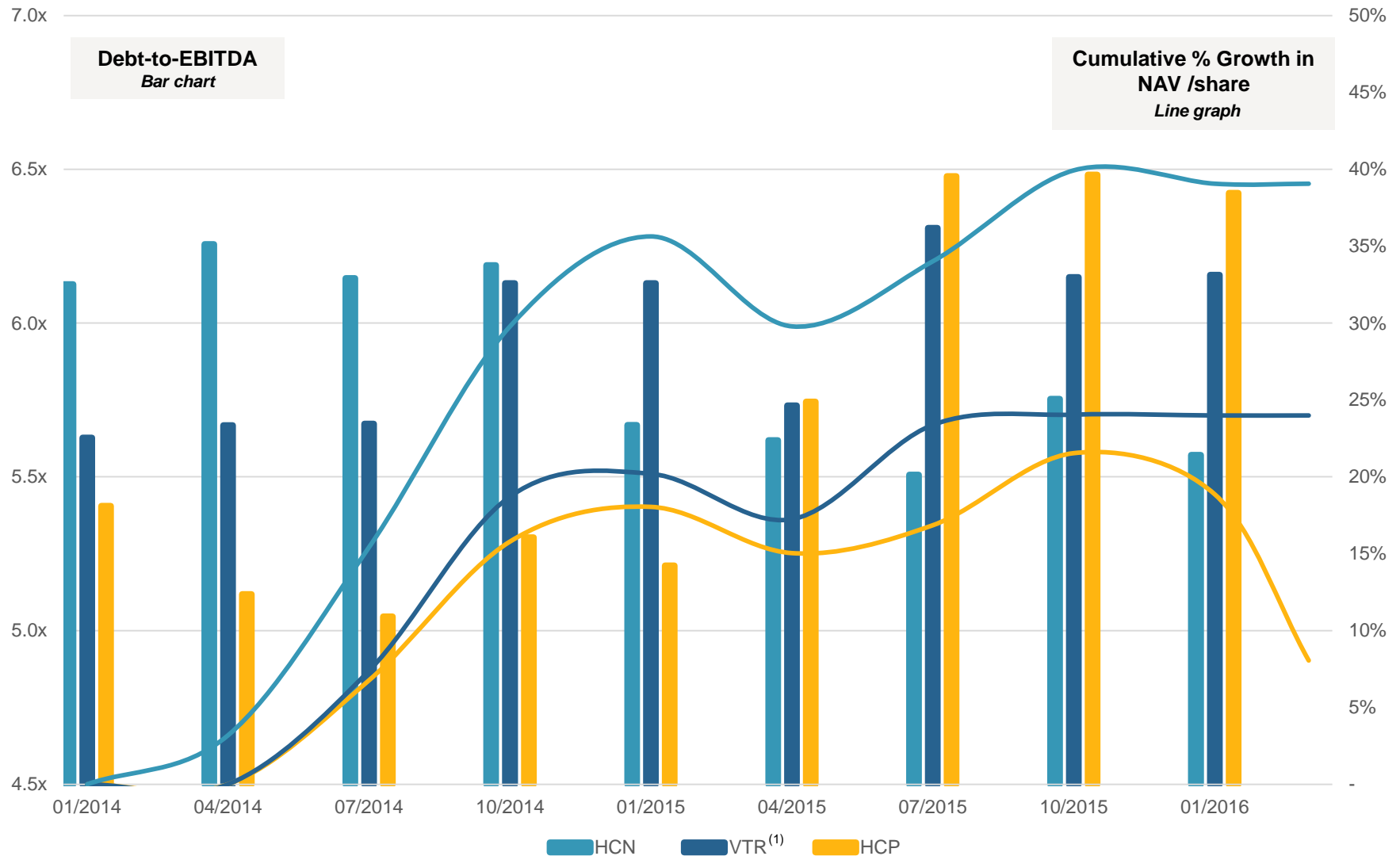
# Increasing Earnings While Driving Down Leverage



Data between 12/31/2011 and 12/31/2015. "Leverage" represents net debt to undepreciated book capitalization ratio.

1. "FFOPS" represents rolling four quarter total of normalized FFO per share results. Please see non-GAAP financial measures at the end of this presentation.

# We Have Delivered Stronger, More Capital-Efficient Growth and Value Creation Than Peers

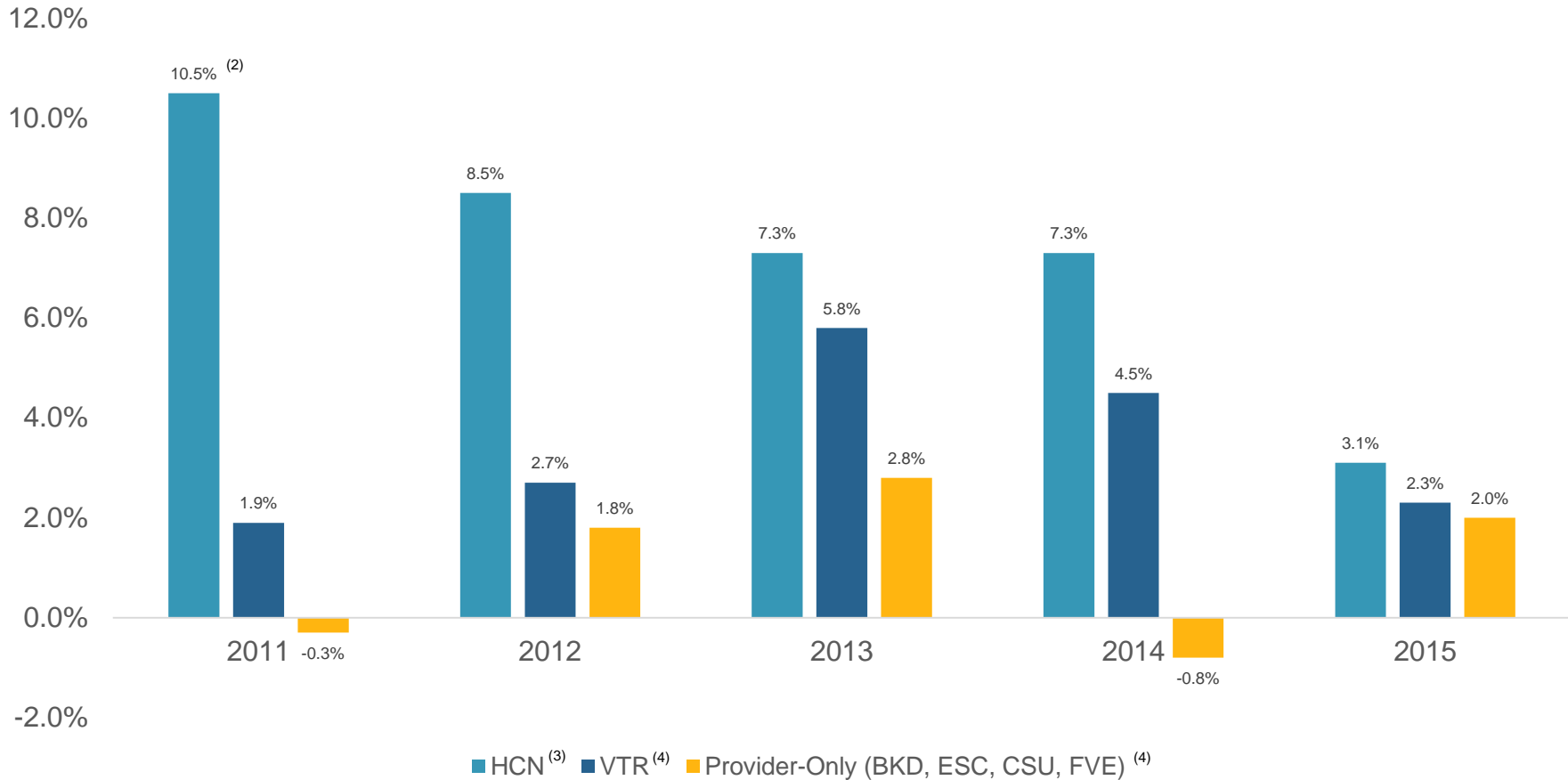


Source: Green Street Advisors data

1. VTR is inclusive of CCP.

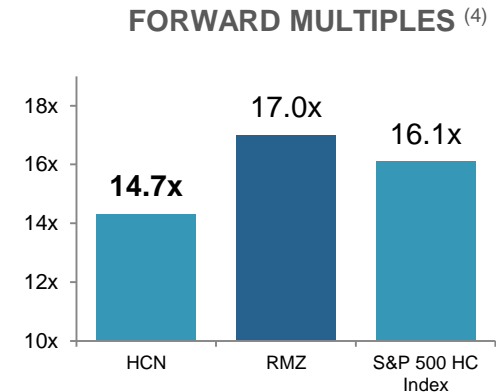
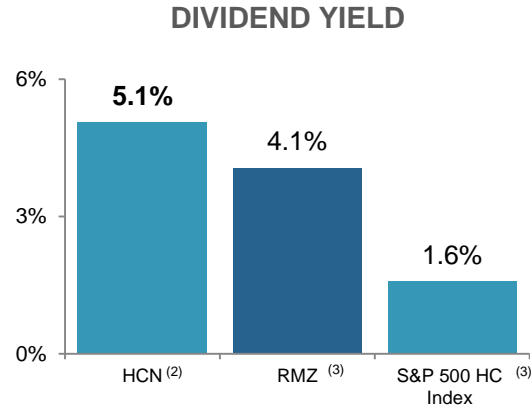
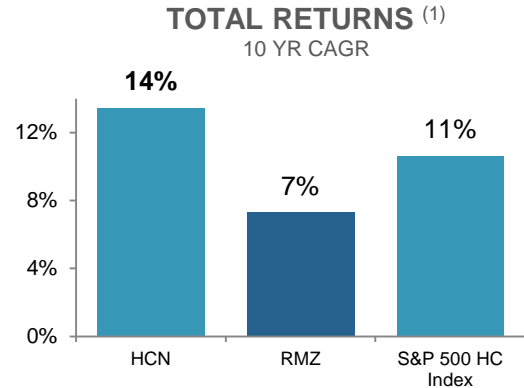
# We Have Delivered *Superior* Seniors Housing Operating Growth: Welltower vs Peers

## Same Store NOI Growth <sup>(1)</sup>



1. Simple average of quarterly growth for comparability.
2. Represents average of 2Q11-4Q11
3. Please see non-GAAP Financial measures and reconciliations
4. Information from public filings

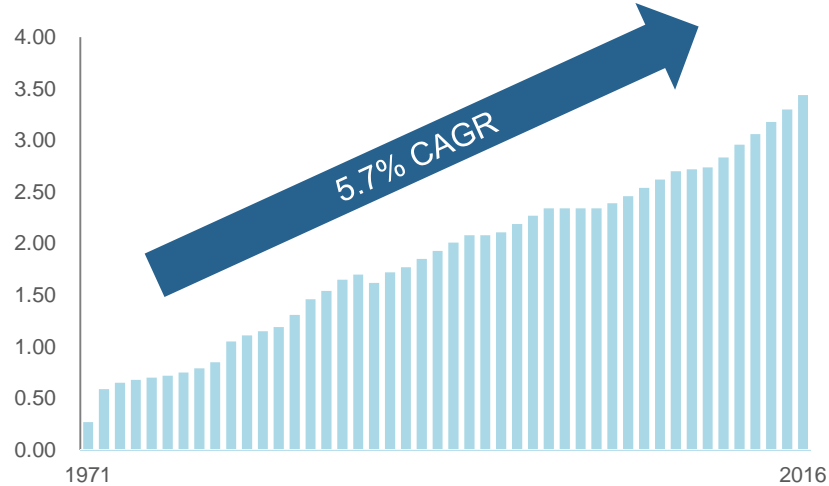
# Outstanding long term shareholder returns yet significantly cheaper valuation



1. Bloomberg data as of 12/31/2015
2. Current quarterly dividend annualized (\$3.44). Yield as of 12/31/2015.
3. Bloomberg data as of 12/31/2015.
4. Based on 2016 consensus from Bloomberg as of 12/31/2015. HCN is P/FFO and S&P 500 Healthcare is P/E.



## Dividend Growth (1)



## Total Returns (2)



**5.1%**

Dividend Yield (1)

**73%**

FFO Payout Ratio (3)

**83%**

FAD Payout Ratio (3)

**15.6%**

Average Annual Return Since Inception (2)

1. Data as of 12/31/2015, adjusted for stock splits. The 2016 dividend represents the approved dividend rate for 2016, subject to quarterly review by the Board of Directors.  
 2. Data as of 12/31/2015.  
 3. Data for three months ended 12/31/2015. Please see non-GAAP financial measurements and reconciliations at the end of this presentation.

# Appendix

## Slide 28

1. Data as of 12/31/2015 for properties included in the seniors housing segment. Age, housing value, household income, and REVPOR represents 4Q15 results. NOI per unit represents the annual cash NOI per unit based on trailing twelve month results for those properties that have been in the portfolio for at least 15 months prior to 9/30/2015. Housing value and household income are based on 3-mile radius median data. Growth figures represent the average cash NOI performance of Welltower's same store portfolio over the past four quarters. Please see non-GAAP financial measures and reconciliations at the end of this presentation.
2. Average Trailing 4 quarters as of 9/30/2015 results for the following peers: HCP, NHI, SNH, and VTR. Housing value and household income are based on 5-mile radius median data.
3. Average Trailing 4 quarters as of 9/30/2015 results for the following publicly traded seniors housing operators: BKD, CSU and FVE. Housing value and household income are based on 5-mile radius median data.
4. Derived or obtained from BofAML research reports, NIC, Nielsen, and/or publicly available documents.
5. NIC 4Q15 Majority AL.
6. US Median, Source: Nielsen 2015.
7. Derived or obtained from publicly available documents.
8. The State of Seniors Housing 2015. Represents 2012-2014 results.
9. Data as of 12/31/2015. Age, housing value, and REVPOR. NOI per unit represents the annual cash NOI per unit based on trailing twelve month results for those properties that have been in the portfolio for at least 15 months prior to 12/31/2015. Housing value is based on 3-mile radius average data. Growth figures represent the average cash NOI performance of Welltower's same store portfolio over the past four quarters. Please see non-GAAP financial measures and reconciliations at the end of this presentation.
10. LaingBuisson, Care of Older People 27th Edition.
11. UK Average, CACI 2015 CI.
12. Knight Frank 2015 Care Homes Trading Performance Review. Based on a 5% management fee assumption.
13. All currency references are in U.S. dollars and, where applicable, based upon the exchange rate of GBP:USD of 1.00:1.5439

# Financial Disclosures

Welltower Inc. believes that net income attributable to common stockholders (NICS), as defined by U.S. generally accepted accounting principles (U.S. GAAP), is the most appropriate earnings measurement. However, the company considers Net Operating Income (NOI), In-Place NOI, Same Store Cash NOI (SSCNOI), Revenues per Occupied Room (REVPOR), Same Store REVPOR (SS REVPOR), Funds From Operations (FFO), Funds Available for Distribution (FAD) and Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) to be useful supplemental measures of its operating performance.

Welltower's supplemental reporting measures and similarly entitled financial measures are widely used by investors, equity and debt analysts and rating agencies in the valuation, comparison, rating and investment recommendations of companies. Welltower's management uses these financial measures to facilitate internal and external comparisons to historical operating results and in making operating decisions. Additionally, these measures are utilized by the Board of Directors to evaluate management.

None of the supplemental reporting measures represent net income or cash flow provided from operating activities as determined in accordance with U.S. GAAP and should not be considered as alternative measures of profitability or liquidity. Finally, the supplemental reporting measures, as defined by Welltower, may not be comparable to similarly entitled items reported by other real estate investment trusts or other companies. Multi-period amounts may not equal the sum of the individual quarterly amounts due to rounding.

Net operating income (NOI) is used to evaluate the operating performance of our properties. We define NOI as total revenues, including tenant reimbursements, less property operating expenses. Property operating expenses represent costs associated with managing, maintaining and servicing tenants for our seniors housing operating and medical facility properties. These expenses include, but are not limited to, property-related payroll and benefits, property management fees, marketing, housekeeping, food service, maintenance, utilities, property taxes and insurance. General and administrative expenses represent costs unrelated to property operations or transaction costs. These expenses include, but are not limited to, payroll and benefits, professional services, office expenses and depreciation of corporate fixed assets.

In-Place NOI represents NOI excluding interest income, other income and non-cash NOI and adjusted for timing of current quarter portfolio changes such as acquisitions, development conversions, segment transitions, dispositions and investments held for sale.

Revenues per occupied room (REVPOR) is used to evaluate the revenue-generating capacity and profit potential of our seniors housing operating portfolio independent of fluctuating occupancy rates. REVPOR is also used in comparison against industry and competitor statistics, if known, to evaluate the quality of our seniors housing operating portfolio.

Same store cash NOI (SSCNOI) and same store REVPOR (SS REVPOR) are used to evaluate the cash-based performance of our properties under a consistent population which eliminates changes in the composition of our portfolio. For purposes of SSCNOI and SS REVPOR, same store is generally defined as those revenue-generating properties in the portfolio for the relevant reporting periods. Entrance fee communities for periods prior to 1Q15 and any properties acquired, developed/re-developed, transitioned, sold or classified as held for sale during those periods are generally excluded from the same store amounts. Normalizers include adjustments and reclassifications that in management's opinion are appropriate in considering SSCNOI, a supplemental, non-GAAP performance measure. None of these adjustments or reclassifications, which may increase or decrease SSCNOI, are reflected in our financial statements prepared in accordance with U.S. GAAP.

We believe NOI, In-Place NOI, SSCNOI, REVPOR and SS REVPOR provide investors relevant and useful information because they measure the operating performance of our properties at the property level on an unleveraged basis. We use NOI, In-Place NOI, SSCNOI, REVPOR and SS REVPOR to make decisions about resource allocations and to assess the property level performance of our properties.

# In-Place NOI Reconciliations

In thousands at Welltower pro rata ownership	% of SHO by Country	% of SHO	Seniors housing operating	Seniors housing triple-net	Long-term/post-acute	Hospital	Outpatient medical	Total	% of Total	% of Country
Annualized three months ended December 31, 2015										
New York	9.3%	6.4%	\$ 48,228	\$ 64,632	\$ 26,212	\$ -	\$ 4,612	\$ 143,684	6.8%	8.1%
Philadelphia	1.1%	0.8%	5,900	31,104	58,340	-	20,260	115,604	5.5%	6.5%
Los Angeles	12.6%	8.6%	64,940	3,512	-	-	19,024	87,476	4.2%	4.9%
Boston	10.2%	7.0%	52,684	1,688	18,412	-	988	73,772	3.5%	4.1%
Dallas	2.5%	1.7%	12,692	24,616	3,476	-	27,676	68,460	3.2%	3.8%
Chicago	5.2%	3.6%	26,856	20,912	4,912	-	3,540	56,220	2.7%	3.2%
Seattle	2.9%	2.0%	15,048	23,944	-	-	12,556	51,548	2.4%	2.9%
Washington DC	3.8%	2.6%	19,416	6,168	20,768	-	-	46,352	2.2%	2.6%
Houston	1.6%	1.1%	8,200	2,448	1,480	-	22,892	35,020	1.7%	2.0%
San Diego	5.1%	3.5%	26,468	-	2,608	-	1,340	30,416	1.4%	1.7%
Other Top 31 US MSAs and Coastal States	38.5%	26.6%	199,656	222,816	148,380	-	112,344	683,196	32.4%	38.4%
Other United States	7.2%	4.9%	37,072	126,300	147,908	-	77,356	388,636	18.4%	21.8%
Total United States	100.0%	68.8%	517,160	528,140	432,496	-	302,588	1,780,384	84.4%	100.0%
London	63.4%	7.7%	57,836	14,576	-	21,532	-	93,944	4.5%	55.9%
Other Southern England	16.9%	2.0%	15,376	5,908	-	-	-	21,284	1.0%	12.7%
Other United Kingdom	19.7%	2.4%	17,952	34,836	-	-	-	52,788	2.5%	31.4%
Total United Kingdom	100.0%	12.1%	91,164	55,320	-	21,532	-	168,016	8.0%	100.0%
Toronto	23.8%	4.5%	34,064	-	-	-	-	34,064	1.6%	21.4%
Calgary	7.9%	1.5%	11,234	580	6,192	-	-	18,006	0.9%	11.3%
Montreal	10.7%	2.0%	15,283	-	-	-	-	15,283	0.7%	9.6%
Ottawa	13.7%	2.6%	19,578	-	-	-	-	19,578	0.9%	12.3%
Vancouver	7.6%	1.4%	10,814	1,332	-	-	-	12,146	0.6%	7.6%
Other Top 10 Canadian MSAs	12.2%	2.3%	17,508	-	-	-	-	17,508	0.8%	11.0%
Remaining Canada	24.1%	4.8%	34,563	8,084	-	-	-	42,647	2.1%	26.8%
Total Canada	100.0%	19.1%	143,044	9,996	6,192	-	-	159,232	7.6%	100.0%
Total In-Place NOI <sup>(1)</sup>		100.0%	\$ 751,368	\$ 593,456	\$ 438,688	\$ 21,532	\$ 302,588	\$ 2,107,632	100.0%	
	% of Total		35.6%	28.2%	20.8%	1.0%	14.4%	100.0%		

Notes:

(1) Please refer to "In-Place NOI by Partner Reconciliations" for a reconciliation of In-Place NOI to net income attributable to common stockholders.

(2) Represents timing adjustments for current quarter acquisitions, construction conversions and segment transitions.

# In-Place NOI by Partner Reconciliations

In thousands	Three months ended 12/31/15	
Annualized In-Place NOI by partner <sup>(1)</sup>		
Sunrise Senior Living	\$ 297,876	14.1%
Genesis Healthcare	285,504	13.5%
Brookdale Senior Living	159,196	7.6%
Revera	108,088	5.1%
Benchmark Senior Living	94,072	4.5%
Partners #6-#10	27,152	12.9%
Remaining partners	891,384	42.3%
Total annualized in-place NOI	<u>2,107,632</u>	100.0%
	x 1/4	
Total current quarter in-place NOI	526,908	
Interest income	24,190	
Other income	7,113	
Held for sale & dispositions	6,008	
Non-cash NOI	26,412	
Timing adjustments <sup>(2)</sup>	<u>(5,284)</u>	
Total current quarter NOI <sup>(1)</sup>	585,347	
Interest expense	(13,107)	
Depreciation and amortization	(222,809)	
General & administrative	(36,854)	
Transaction costs	(40,547)	
Gain (loss) on extinguishment of debt, net	195	
Other expenses	(35,648)	
Income tax benefit (expense)	(2,682)	
Non-operating expenses from unconsolidated entities and noncontrolling interests	(2,172)	
Gain (loss) on sales of properties, net	31,385	
Preferred dividends	(16,352)	
Loss (income) attributable to noncontrolling interests	<u>4,165</u>	
Net income attributable to common stockholders	\$ 132,931	
Notes:		
(1) Amounts reflected at Welltower pro rata and includes amounts related to investments sold or classified as held for sale.		
(2) Represents timing adjustments for current quarter acquisitions, construction conversions and segment transitions.		



# SSCNOI Reconciliations

In thousands	Three months ended																	
	6/30/11	6/30/10	9/30/11	9/30/10	12/31/11	12/31/10	3/31/12	3/31/11	6/30/12	6/30/11	9/30/12	9/30/11	12/31/12	12/31/11	3/31/13	3/31/12	6/30/13	6/30/12
<b>SSCNOI Reconciliations:</b>																		
Net income (loss) attributable to common stockholders	\$ 69,847	\$ 45,646	\$ 36,607	\$ (4,563)	\$ 27,282	\$ 39,988	\$ 39,307	\$ 23,372	\$ 54,735	\$ 69,847	\$ 37,269	\$ 36,607	\$ 90,576	\$ 27,282	\$ 55,058	\$ 39,307	\$ (8,508)	\$ 54,735
Interest expense <sup>(1)</sup>	84,773	37,550	87,811	44,985	90,084	48,440	93,722	59,330	96,762	84,773	96,243	87,811	96,573	90,084	110,734	93,722	110,844	96,762
Depreciation and amortization <sup>(3)</sup>	111,053	47,451	115,640	52,393	122,144	59,119	127,422	74,768	132,963	111,053	132,858	115,640	140,342	122,144	187,122	127,422	200,477	132,963
General & administrative	19,561	11,878	19,735	11,628	20,190	14,298	27,751	17,714	25,870	19,561	23,679	19,735	20,039	20,190	27,179	27,751	23,902	25,870
Transaction costs	13,738	752	6,739	21,235	13,682	16,959	5,579	36,065	28,691	13,738	8,264	6,739	19,074	13,682	65,980	5,579	28,136	28,691
Loss (gain) on derivatives, net	-	-	-	-	-	-	555	-	(2,676)	-	409	-	(113)	-	2,309	555	(2,716)	(2,676)
Loss (gain) on extinguishment of debt, net	-	7,035	-	9,099	(979)	-	-	-	576	-	215	-	(1,566)	(979)	(308)	-	-	576
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for loan losses	168	-	132	28,918	1,463	766	-	248	-	168	27,008	132	-	1,463	-	-	-	-
Income tax expense (benefit)	211	188	223	52	825	38	1,470	129	1,447	211	836	223	3,858	825	2,763	1,470	1,215	1,447
Non-operating expenses from unconsolidated entities & noncontrolling interests	2,111	4,569	1,262	4,260	917	4,013	(297)	3,547	5,471	2,111	9,251	1,262	8,018	917	12,477	(297)	18,664	5,471
Loss (gain) on sales of	(30,224)	(3,314)	(185)	(10,526)	(4,594)	(15,557)	(769)	(26,156)	(32,450)	(30,224)	(12,827)	(185)	(54,502)	(4,594)	(82,492)	(769)	29,997	(32,450)
Impairment of assets	-	-	-	947	11,992	-	202	-	6,952	-	6,952	-	22,335	11,992	-	-	-	-
Preferred dividends	17,353	5,484	17,234	5,347	17,234	5,305	19,207	8,680	16,719	17,353	16,602	17,234	16,602	17,234	16,602	19,207	16,602	16,719
Preferred stock redemption	-	-	-	-	-	-	-	-	6,242	-	-	-	-	-	-	-	-	6,242
Income (loss) attributable to noncontrolling interests	(992)	(66)	(1,488)	(690)	(2,173)	(740)	(1,056)	(242)	(821)	(992)	(365)	(1,488)	(174)	(2,173)	139	(1,056)	(913)	(821)
Net operating income (NOI)	\$ 287,599	\$ 157,173	\$ 283,710	\$ 163,085	\$ 298,067	\$ 172,629	\$ 312,891	\$ 197,657	\$ 333,529	\$ 287,599	\$ 346,394	\$ 283,710	\$ 361,062	\$ 298,067	\$ 397,563	\$ 312,891	\$ 417,700	\$ 333,529
Non-cash NOI attributable to same store properties <sup>(2)</sup>	(5,158)	(3,701)	(6,516)	(4,181)	(6,746)	(3,660)	(5,910)	(5,486)	(9,498)	(9,457)	(9,072)	(10,469)	(12,227)	(10,827)	(8,760)	(9,139)	(8,376)	(9,971)
NOI attributable to non same store properties	(132,971)	(41,491)	(114,121)	(30,622)	(126,651)	(31,580)	(118,277)	(31,042)	(74,993)	(48,736)	(80,929)	(35,485)	(100,214)	(54,077)	(129,744)	(53,952)	(138,629)	(62,443)
Same store cash NOI pre-Welltower ownership <sup>(3)</sup>	-	30,215	-	27,949	-	20,910	-	19,945	-	9,623	-	10,125	-	6,328	-	1,099	-	-
Same store cash NOI (SSCNOI)	\$ 149,470	\$ 142,196	\$ 163,073	\$ 156,231	\$ 164,670	\$ 158,299	\$ 188,704	\$ 181,074	\$ 249,038	\$ 239,029	\$ 256,393	\$ 247,881	\$ 248,621	\$ 239,491	\$ 259,059	\$ 250,899	\$ 270,695	\$ 261,115
Year-over-year SSCNOI growth	5.1%		4.4%		4.0%		4.2%		4.2%		3.4%		3.8%		3.3%		3.7%	
SSCNOI attributable to long-term/post-acute and medical facilities	(71,464)	(70,056)	(82,197)	(80,304)	(81,653)	(80,093)	(84,177)	(82,808)	(137,158)	(132,666)	(138,491)	(134,912)	(136,872)	(133,176)	(140,953)	(136,772)	(146,808)	(142,845)
SSCNOI attributable to seniors housing operating & triple-net	\$ 78,006	\$ 72,140	\$ 80,876	\$ 75,927	\$ 83,017	\$ 78,206	\$ 104,527	\$ 98,266	\$ 111,880	\$ 106,363	\$ 117,902	\$ 112,969	\$ 111,749	\$ 106,315	\$ 118,106	\$ 114,127	\$ 123,887	\$ 118,270
Y-o-Y SH SSCNOI growth	8.1%		6.5%		6.2%		6.4%		5.2%		4.4%		5.1%		3.5%		4.7%	
SSCNOI attributable to seniors housing triple-net	(43,623)	(41,925)	(46,086)	(44,125)	(48,622)	(46,441)	(61,601)	(59,612)	(64,263)	(62,082)	(70,187)	(68,389)	(63,909)	(62,196)	(69,263)	(67,534)	(72,218)	(70,463)
SSCNOI attributable to seniors housing operating (SHO)	\$ 34,383	\$ 30,215	\$ 34,790	\$ 31,802	\$ 34,395	\$ 31,765	\$ 42,926	\$ 38,654	\$ 47,617	\$ 44,281	\$ 47,715	\$ 44,580	\$ 47,840	\$ 44,119	\$ 48,843	\$ 46,593	\$ 51,669	\$ 47,807
Y-o-Y SHO SSCNOI growth	13.8%		9.4%		8.3%		11.1%		7.5%		7.0%		8.4%		4.8%		8.1%	
Full year avg. SHO SSCNOI growth				2011		10.5%						2012		8.5%				

Notes:

(1) Includes amounts related to discontinued operations.

(2) Includes adjustments to normalize management fees at the contractual rate for periods prior to 6/30/15, adjustments to translate Canadian properties at a USD/CAD rate of 1.01 prior to 3/31/15 & 1.2506 thereafter, and adjustments to translate UK properties at a GBP/USD rate of 1.60 prior to 3/31/15 and 1.5439 thereafter.

(3) Represents the performance of certain seniors housing operating properties that were not owned by Welltower in the prior year period.

# SSCNOI Reconciliations (Continued)

In thousands	Three months ended																				
	9/30/13	9/30/12	12/31/13	12/31/12	3/31/14	3/31/13	6/30/14	6/30/13	9/30/14	9/30/13	12/31/14	12/31/13	3/31/15	3/31/14	6/30/15	6/30/14	9/30/15	9/30/14	12/31/15	12/31/14	
<b>SSCNOI Reconciliations:</b>																					
Net income (loss) attributable to common stockholders	\$ 20,691	\$ 37,269	\$ 11,473	\$ 90,576	\$ 50,022	\$ 55,058	\$ 71,829	\$ (8,508)	\$ 136,255	\$ 20,691	\$ 188,636	\$ 11,473	\$ 190,799	\$ 50,022	\$ 312,573	\$ 71,829	\$ 182,043	\$ 136,255	\$ 132,931	\$ 188,636	
Interest expense <sup>(1)</sup>	16,542	96,243	124,485	96,573	120,956	110,734	121,099	110,844	118,435	116,542	120,707	124,485	121,080	120,956	118,861	121,099	121,180	118,435	131,097	120,707	
Depreciation and amortization <sup>(1)</sup>	242,981	132,858	243,380	140,342	233,318	187,122	214,449	200,477	200,970	242,981	195,393	243,380	188,829	233,318	208,802	214,449	205,799	200,970	222,809	195,393	
General & administrative	28,718	23,679	28,519	20,039	32,865	27,179	51,660	23,902	30,803	28,718	27,616	28,519	34,755	32,865	38,474	51,660	36,950	30,803	36,854	27,616	
Transaction costs	23,591	8,264	15,693	19,074	952	65,980	7,040	28,136	13,554	23,591	47,991	15,693	48,937	952	12,491	7,040	9,333	13,554	40,547	47,991	
Loss (gain) on derivatives, net	4,872	409	6	(13)	-	2,309	351	(2,716)	49	4,872	(1,895)	6	(58,427)	-	-	351	-	49	-	(1,895)	
Loss (gain) on extinguishment of debt, net	(4,068)	215	3,467	(1,566)	(148)	(308)	531	-	2,692	(4,068)	6,484	3,467	15,401	(148)	18,887	531	584	2,692	(195)	6,484	
Other expenses	-	-	-	-	-	-	-	-	10,262	-	-	-	-	-	10,583	-	-	10,262	35,648	-	
Provision for loan losses	-	27,008	2,110	-	-	-	-	-	-	-	-	2,110	-	-	-	-	-	-	-	-	
Income tax expense (benefit)	3,077	836	435	3,858	2,260	2,763	1,569	1,215	(10,198)	3,077	5,101	435	(304)	2,260	7,417	1,569	(3,344)	(10,198)	2,682	5,101	
Non-operating expenses from unconsolidated entities & noncontrolling interests	4,419	9,251	9,195	8,018	11,060	12,477	20,354	18,664	11,073	4,419	16,057	9,195	20,834	11,060	8,212	20,354	(974)	11,073	2,172	16,057	
Loss (gain) on sales of	(4,707)	(12,827)	8,064	(54,502)	-	(82,492)	(13,079)	29,997	(29,604)	(4,707)	(110,839)	8,064	(56,845)	-	(190,111)	(13,079)	(2,046)	(29,604)	(31,385)	(110,839)	
Impairment of assets	-	6,952	-	22,335	-	-	-	-	-	-	-	-	2,220	-	-	-	-	-	-	-	
Preferred dividends	16,602	16,602	16,531	16,602	16,353	16,602	16,352	16,602	16,352	16,602	16,352	16,531	16,352	16,353	16,352	16,352	16,352	16,352	16,352	16,352	
Preferred stock redemption	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income (loss) attributable to noncontrolling interests	(3,688)	(365)	(2,308)	(174)	(1,175)	139	(327)	(913)	164	(3,688)	1,486	(2,308)	2,271	(1,175)	1,534	(327)	862	164	(4,165)	1,486	
Net operating income (NOI)	\$ 449,030	\$ 346,394	\$ 461,050	\$ 361,062	\$ 466,463	\$ 397,563	\$ 491,828	\$ 417,700	\$ 500,807	\$ 449,030	\$ 513,089	\$ 461,050	\$ 525,902	\$ 466,463	\$ 564,075	\$ 491,828	\$ 566,689	\$ 500,807	\$ 585,347	\$ 513,089	
Non-cash NOI attributable to same store properties <sup>(2)</sup>	(10,239)	(11,980)	(9,522)	(13,999)	(10,257)	(9,352)	(16,137)	(8,631)	(14,991)	(8,678)	(13,303)	(9,735)	(18,431)	(15,679)	(24,127)	(27,331)	(22,472)	(29,426)	(21,749)	(28,154)	
NOI attributable to non same store properties	(162,736)	(68,313)	(161,645)	(65,912)	(78,938)	(43,102)	(86,635)	(50,663)	(76,372)	(48,928)	(78,833)	(44,840)	(93,434)	(49,458)	(108,805)	(46,997)	(103,362)	(43,904)	(122,084)	(56,826)	
Same store cash NOI pre-Welltower ownership <sup>(1)</sup>	-	-	-	-	-	16,394	-	14,207	-	986	87	289	-	223	-	321	-	566	531	242	
Same store cash NOI (SSCNOI)	\$ 276,055	\$ 266,101	\$ 289,883	\$ 281,151	\$ 377,268	\$ 361,503	\$ 389,056	\$ 372,613	\$ 409,444	\$ 392,410	\$ 421,040	\$ 406,764	\$ 414,037	\$ 401,549	\$ 431,143	\$ 417,821	\$ 440,855	\$ 428,043	\$ 442,045	\$ 428,351	
Year-over-year SSCNOI growth	3.7%		3.1%		4.4%		4.4%		4.3%		3.5%		3.1%		3.2%		3.0%		3.2%	3.8%	
SSCNOI attributable to long-term/post-acute and outpatient medical	(152,599)	(149,087)	(152,445)	(149,221)	(160,551)	(157,275)	(162,012)	(158,074)	(154,575)	(151,335)	(153,773)	(150,833)	(152,852)	(148,437)	(154,302)	(149,961)	(158,462)	(153,854)	(163,100)	(158,232)	
SSCNOI attributable to seniors housing operating & triple-net	\$ 123,456	\$ 117,014	\$ 137,438	\$ 131,930	\$ 216,717	\$ 204,228	\$ 227,044	\$ 214,539	\$ 254,869	\$ 241,075	\$ 267,267	\$ 255,931	\$ 261,185	\$ 253,112	\$ 276,841	\$ 267,860	\$ 282,393	\$ 274,189	\$ 278,945	\$ 270,119	
Y-o-Y SH SSCNOI growth	5.5%		4.2%		6.1%		5.8%		5.7%		4.4%		3.2%		3.4%		3.0%		3.3%	5.0%	
SSCNOI attributable to seniors housing triple-net	(73,236)	(71,267)	(84,387)	(82,018)	(87,276)	(84,511)	(88,683)	(86,129)	(94,619)	(92,126)	(110,121)	(107,282)	(114,983)	(111,180)	(115,873)	(112,031)	(119,998)	(116,133)	(119,406)	(115,708)	
SSCNOI attributable to seniors housing operating (SHO)	\$ 50,220	\$ 45,747	\$ 53,051	\$ 49,912	\$ 129,441	\$ 119,717	\$ 138,361	\$ 128,410	\$ 160,250	\$ 148,949	\$ 157,146	\$ 148,649	\$ 146,202	\$ 141,932	\$ 160,968	\$ 155,829	\$ 162,395	\$ 158,056	\$ 159,539	\$ 154,411	
Y-o-Y SHO SSCNOI growth	9.8%		6.3%		8.1%		7.7%		7.6%		5.7%		3.0%		3.3%		2.7%		3.3%	7.2%	
Full year avg. SHO SSCNOI growth		2013	7.3%						2014	7.3%							2015	3.1%			

Notes:

- (1) Includes amounts related to discontinued operations.
- (2) Includes adjustments to normalize management fees at the contractual rate for periods prior to 6/30/15, adjustments to translate Canadian properties at a USD/CAD rate of 1.01 prior to 3/31/15 & 1.2506 thereafter, and adjustments to translate UK properties at a GBP/USD rate of 1.60 prior to 3/31/15 and 1.5439 thereafter.
- (3) Represents the performance of certain seniors housing operating properties that were not owned by Welltower in the prior year period.

# SSCNOI Growth Reconciliations

In thousands	Three months ended								Averages
	3/31/14	3/31/15	6/30/14	6/30/15	9/30/14	9/30/15	12/31/14	12/31/15	
Consolidated NOI <sup>(1)</sup>	\$ 460,376	\$ 517,716	\$ 482,692	\$ 558,815	\$ 492,366	\$ 570,294	\$ 504,753	\$ 590,746	
Pro rata adjustments <sup>(2)</sup>	6,087	8,186	9,136	5,260	8,441	(3,605)	8,336	(5,399)	
Total pro rata NOI <sup>(3)</sup>	466,463	525,902	491,828	564,075	500,807	566,689	513,089	585,347	
Less non SHO NOI <sup>(4)</sup>	(318,152)	(364,649)	(329,347)	(382,165)	(333,615)	(385,396)	(346,483)	(397,614)	
SHO pro rata NOI <sup>(5)</sup>	148,311	161,253	162,481	181,910	167,192	181,293	166,606	187,733	
Less non SSCNOI <sup>(6)</sup>	(6,379)	(15,051)	(6,652)	(20,942)	(9,136)	(18,898)	(12,195)	(28,194)	
SHO SSCNOI <sup>(7)</sup>	\$ 141,932	\$ 146,202	\$ 155,829	\$ 160,968	\$ 158,056	\$ 162,395	\$ 154,411	\$ 159,539	
SHO SSCNOI growth		3.0%		3.3%		2.7%		3.3%	<b>3.1%</b>
SHO SSCNOI <sup>(7)</sup>	\$ 141,932	\$ 146,202	\$ 155,829	\$ 160,968	\$ 158,056	\$ 162,395	\$ 154,411	\$ 159,539	
Less non-US SSCNOI <sup>(8)</sup>	(45,398)	(44,684)	(45,259)	(44,636)	(47,537)	(47,866)	(44,768)	(45,217)	
US SHO SSCNOI <sup>(9)</sup>	\$ 96,534	\$ 101,518	\$ 110,570	\$ 116,332	\$ 110,519	\$ 114,529	\$ 109,643	\$ 114,322	
US SHO SSCNOI growth		5.2%		5.2%		3.6%		4.3%	<b>4.6%</b>
SHO SSCNOI <sup>(7)</sup>	\$ 141,932	\$ 146,202	\$ 155,829	\$ 160,968	\$ 158,056	\$ 162,395	\$ 154,411	\$ 159,539	
Less non-UK SSCNOI <sup>(8)</sup>	(118,761)	(123,887)	(133,062)	(139,495)	(134,251)	(138,866)	(132,550)	(138,282)	
UK SHO SSCNOI <sup>(9)</sup>	\$ 23,171	\$ 22,315	\$ 22,767	\$ 21,473	\$ 23,805	\$ 23,529	\$ 21,861	\$ 21,257	
UK SHO SSCNOI growth		-3.7%		-5.7%		-1.2%		-2.8%	<b>-3.3%</b>
SHO SSCNOI <sup>(7)</sup>	\$ 141,932	\$ 146,202	\$ 155,829	\$ 160,968	\$ 158,056	\$ 162,395	\$ 154,411	\$ 159,539	
Less non-CA SSCNOI <sup>(8)</sup>	(119,705)	(123,833)	(133,337)	(137,805)	(134,324)	(138,058)	(131,504)	(135,579)	
CA SHO SSCNOI <sup>(9)</sup>	\$ 22,227	\$ 22,369	\$ 22,492	\$ 23,163	\$ 23,732	\$ 24,337	\$ 22,907	\$ 23,960	
CA SHO SSCNOI growth		0.6%		3.0%		2.5%		4.6%	<b>2.7%</b>

Notes:

(1) Represents total consolidated NOI per U.S. GAAP which agree to or are derived from the relevant 10Q/K.

(2) Represents amounts attributable to joint venture partners, both majority and minority.

(3) Represents total NOI at Welltower pro rata ownership.

(4) Represents NOI attributable to NNN and OM.

(5) Represents SS SHO NOI at Welltower pro rata ownership.

(6) Represents net adjustments for non-cash NOI on SS properties, NOI attributable to non-SS properties, NOI attributable to pre-Welltower ownership, normalization of management fees at the contractual rate and normalization of foreign currency exchange rates for properties in the UK and Canada.

(7) Represents SHO SSCNOI at Welltower pro rata ownership.

(8) Represents pro rata SSCNOI derived outside the referenced country.

(9) Represents pro rata SSCNOI derived solely from referenced country.

# SSCNOI / Unit Reconciliations

\$ s in thous ands, except per unit	Three months ended				
	3/31/15	6/30/15	9/30/15	12/31/15	TTM
Consolidated NOI <sup>(1)</sup>	\$ 517,716	\$ 558,815	\$ 570,294	\$ 590,746	\$ 2,237,571
Pro rata adjustments <sup>(2)</sup>	8,186	5,260	(3,605)	(5,399)	4,442
Total pro rata NOI <sup>(3)</sup>	525,902	564,075	566,689	585,347	2,242,013
Less non-SHO NOI <sup>(4)</sup>	(364,649)	(382,165)	(385,396)	(397,614)	(1,529,824)
SHO pro rata NOI <sup>(5)</sup>	161,253	181,910	181,293	187,733	712,189
Less non-SSCNOI <sup>(6)</sup>	(9,335)	(19,975)	(19,454)	(28,194)	(76,958)
SHO SSCNOI <sup>(7)</sup>	151,918	161,935	161,839	159,539	\$ 635,231
Average units in service					30,739
SHO SSCNOI/unit in USD					\$ 20,665
SHO SSCNOI <sup>(7)</sup>	\$ 151,918	\$ 161,935	\$ 161,839	\$ 159,539	\$ 635,231
Less non-US SSCNOI <sup>(8)</sup>	(43,607)	(44,819)	(46,366)	(45,217)	(180,009)
US SHO SSCNOI <sup>(9)</sup>	\$ 108,311	\$ 117,116	\$ 115,473	\$ 114,322	\$ 455,222
US Average units in service					19,829
US SSCNOI/unit					\$ 22,958
SHO SSCNOI <sup>(7)</sup>	\$ 151,918	\$ 161,935	\$ 161,839	\$ 159,539	\$ 635,231
Less non-UK SSCNOI <sup>(8)</sup>	(13,125)	(14,644)	(13,810)	(13,282)	(54,990)
UK SHO SSCNOI <sup>(9)</sup>	\$ 20,664	\$ 21,291	\$ 22,029	\$ 21,257	\$ 85,241
UK Average units in service					2,584
UK SSCNOI/unit USD					\$ 32,988
UK SSCNOI/unit GBP <sup>(10)</sup>					£ 21,367
SHO SSCNOI <sup>(7)</sup>	\$ 151,918	\$ 161,935	\$ 161,839	\$ 159,539	\$ 635,231
Less non-CA SSCNOI <sup>(8)</sup>	(128,975)	(138,407)	(137,502)	(135,579)	(540,463)
CA SHO SSCNOI <sup>(9)</sup>	\$ 22,943	\$ 23,528	\$ 24,337	\$ 23,960	\$ 94,768
CA Average units in service					8,326
CA SSCNOI/unit USD					\$ 11,382
CA SSCNOI/unit CAD <sup>(11)</sup>					\$ 14,234

Notes:

- (1) Represents total consolidated NOI per U.S. GAAP which agree to or are derived from the relevant 10Q/K.
- (2) Represents amounts attributable to joint venture partners, both majority and minority.
- (3) Represents total NOI at Welltower pro rata ownership.
- (4) Represents pro rata NOI attributable to NNN and OM.
- (5) Represents SHO NOI at Welltower pro rata ownership.
- (6) Represents net adjustments for non-cash NOI on SS properties, NOI attributable to non-SS properties, NOI attributable to pre-Welltower ownership, normalization of management fees at the contractual rate and normalization of foreign currency exchange rates for properties in the UK and Canada.
- (7) Represents SHO SSCNOI at Welltower pro rata ownership.
- (8) Represents pro rata SSCNOI derived outside the referenced country.
- (9) Represents pro rata SSCNOI derived solely from referenced country.
- (10) Translated at GBP/USD rate of 1.5439.
- (11) Translated at USD/CAD rate of 1.2506.

# Seniors Housing Operating REVPOR Reconciliations

Dollars in thousands, except REVPOR	Three months ended 12/31/15:			
	CA	UK	US	Total
Consolidated seniors housing operating revenues	\$ 586,826	\$ 586,826	\$ 586,826	\$ 586,826
Unconsolidated revenues attributable to Welltower <sup>(1)</sup>	39,149	39,149	39,149	39,149
Welltower revenues	625,975	625,975	625,975	625,975
Revenues attributable to noncontrolling interests <sup>(2)</sup>	(44,353)	(44,353)	(44,353)	(44,353)
Total revenues	581,622	581,622	581,622	581,622
Less revenues not included in REVPOR calculation	(2,040)	(2,040)	(2,040)	(2,040)
Less revenues not derived in country	(487,273)	(506,875)	(165,016)	-
Adjustment for standardized FX rate <sup>(3)</sup>	4,525	4,766	-	9,291
Total local revenues	\$ 96,834	\$ 77,473	\$ 414,566	\$ 588,873
Average occupied units/month	11,770	2,588	20,926	35,284
REVPOR in USD	\$ 2,720	\$ 9,897	\$ 6,550	\$ 5,518
REVPOR in local currency <sup>(3)</sup>	\$ 3,402	£ 6,410		

Notes:

(1) Represents Welltower's interest in joint venture properties in which Welltower is the minority partner.

(2) Represents minority partner's interest in joint venture properties in which Welltower is the majority partner.

(3) Based on GBP/USD rate of 1.5439:1 and USD/CAD rate of 1.2506:1.

# Seniors Housing Operating SS REVPOR Growth Reconciliations

\$s in thousands, except REVPOR	Three months ended								Averages
	3/31/14	3/31/15	6/30/14	6/30/15	9/30/14	9/30/15	12/31/14	12/31/15	
Consolidated SHO revenues <sup>(1)</sup>	\$ 456,319	\$ 494,561	\$ 468,914	\$ 539,805	\$ 483,791	\$ 547,081	\$ 488,546	\$ 586,826	
Pro rata adjustments <sup>(2)</sup>	46	10,762	8,659	4,137	8,494	178	10,457	(5,204)	
SHO pro rata revenues <sup>(3)</sup>	456,365	505,323	477,573	543,942	492,285	547,259	499,003	581,622	
Less non-SS revenues & normalizers <sup>(4)</sup>	(16,477)	(48,686)	(14,596)	(67,249)	(16,970)	(58,342)	(22,222)	(89,844)	
SHO SS revenues <sup>(5)</sup>	\$ 439,888	\$ 456,637	\$ 462,977	\$ 476,693	\$ 475,315	\$ 488,917	\$ 476,781	\$ 491,778	
Average occupied units/month <sup>(8)</sup>	26,133	26,336	27,214	27,144	27,706	27,651	27,902	27,893	
SHO SS REVPOR <sup>(9)</sup>	\$ 5,689	\$ 5,860	\$ 5,687	\$ 5,870	\$ 5,672	\$ 5,846	\$ 5,649	\$ 5,829	
SS REVPOR growth		3.0%		3.2%		3.1%		3.2%	<b>3.1%</b>
SHO SS revenues <sup>(5)</sup>	\$ 439,888	\$ 456,637	\$ 462,977	\$ 476,693	\$ 475,315	\$ 488,917	\$ 476,781	\$ 491,778	
Less non US revenues <sup>(6)</sup>	(116,953)	(119,567)	(118,403)	(118,934)	(126,450)	(129,340)	(122,994)	(127,252)	
US SHO SS revenues <sup>(7)</sup>	\$ 322,935	\$ 337,070	\$ 344,574	\$ 357,759	\$ 348,865	\$ 359,577	\$ 353,787	\$ 364,526	
Average occupied units/month <sup>(8)</sup>	16,732	16,857	17,793	17,782	17,797	17,752	18,039	17,977	
US SHO SS REVPOR <sup>(9)</sup>	\$ 6,523	\$ 6,758	\$ 6,473	\$ 6,725	\$ 6,481	\$ 6,697	\$ 6,484	\$ 6,704	
US SS REVPOR growth		3.6%		3.9%		3.3%		3.4%	<b>3.6%</b>
SHO SS revenues <sup>(5)</sup>	\$ 439,888	\$ 456,637	\$ 462,977	\$ 476,693	\$ 475,315	\$ 488,917	\$ 476,781	\$ 491,778	
Less non UK revenues <sup>(6)</sup>	(380,655)	(396,693)	(402,714)	(417,178)	(409,027)	(421,074)	(415,151)	(427,643)	
UK SHO SS revenues <sup>(7)</sup>	\$ 59,233	\$ 59,944	\$ 60,263	\$ 59,515	\$ 66,288	\$ 67,843	\$ 61,630	\$ 64,135	
Average occupied units/month <sup>(8)</sup>	2,024	2,002	2,026	1,968	2,340	2,350	2,219	2,244	
UK SHO SS REVPOR <sup>(9)</sup>	\$ 9,891	\$ 10,119	\$ 9,941	\$ 10,110	\$ 9,364	\$ 9,544	\$ 9,184	\$ 9,450	
UK SS REVPOR growth		2.3%		1.7%		1.9%		2.9%	<b>2.2%</b>
SHO SS revenues <sup>(5)</sup>	\$ 439,888	\$ 456,637	\$ 462,977	\$ 476,693	\$ 475,315	\$ 488,917	\$ 476,781	\$ 491,778	
Less non CA revenues <sup>(6)</sup>	(382,168)	(397,014)	(404,837)	(417,274)	(415,153)	(427,420)	(415,417)	(428,661)	
CA SHO SS revenues <sup>(7)</sup>	\$ 57,720	\$ 59,623	\$ 58,140	\$ 59,419	\$ 60,162	\$ 61,497	\$ 61,364	\$ 63,117	
Average occupied units/month <sup>(8)</sup>	7,378	7,477	7,395	7,394	7,572	7,550	7,644	7,672	
CA SHO SS REVPOR <sup>(9)</sup>	\$ 2,644	\$ 2,695	\$ 2,628	\$ 2,686	\$ 2,627	\$ 2,693	\$ 2,654	\$ 2,720	
CA SS REVPOR growth		1.9%		2.2%		2.5%		2.5%	<b>2.3%</b>

## Notes:

- (1) Represents total consolidated revenues per U.S. GAAP which agree to or are derived from the relevant 10Q/K.
- (2) Represents amounts attributable to joint venture partners, both majority and minority.
- (3) Represents total SHO revenues at Welltower pro rata ownership.
- (4) Represents net adjustments for non-cash NOI on SS properties, NOI attributable to non-SS properties, NOI attributable to pre-Welltower ownership, normalization of management fees at the contractual rate and normalization of foreign currency exchange rates for properties in the UK and Canada.
- (5) Represents SS SHO revenues at Welltower pro rata ownership.
- (6) Represents pro rata SS revenues derived outside the referenced country.
- (7) Represents pro rata SS revenues derived solely from referenced country.
- (8) Represents average occupied units for SS properties related solely to referenced country on a pro rata basis.
- (9) Represents pro rata SS average revenues generated per occupied room per month related solely to the referenced country.

# Outpatient Medical NOI Reconciliations

\$s in thousands, except per square foot	Three months ended		
	12/31/2015		
	Total	Non Core <sup>(3)</sup>	Core
OM revenues <sup>(1)</sup>	\$ 121,340	\$ (7,734)	\$ 113,606
OM operating expenses <sup>(1)</sup>	(36,347)	1,521	(34,826)
OM NOI <sup>(1)</sup>	\$ 84,993	\$ (6,213)	\$ 78,780
OM NOI margin			69.3%
OM NOI <sup>(1)</sup>			\$ 78,780
Less: In-P lace NOI adjustments <sup>(1)</sup>			(3,133)
OM In-P lace NOI <sup>(1)</sup>			75,647
OM In-P lace NOI Annualized <sup>(1)</sup>			\$ 302,588
OM pro rata NOI <sup>(1)</sup>			\$ 78,780
Less: Interest Income			(1,372)
OM pro rata rental NOI			\$ 77,408
Totals square feet			16,691,445
Less: loans, development, held for sale			(1,163,384)
Pro rata adjustments <sup>(2)</sup>			(740,967)
Rentals square feet			14,787,094
OM NOI per square foot annualized			\$ 20.94
OM gross rental NOI			\$ 77,408
Non health system affiliated NOI			(3,713)
OM health system affiliated NOI			\$ 73,695
OM health system affiliated NOI%			95.2%
Notes:			
(1) Amounts presented on Welltower pro rata ownership basis and excludes assets sold or held for sale. See "In-P lace NOI Reconciliations" and "In-P lace NOI by Partner Reconciliations" for reconciliation of OM pro rata NOI to net income attributable to common stockholders.			
(2) Represents amounts attributable to joint venture partners, both majority and minority.			
(3) Represents NOI from assets held for sale and non-core other income.			

Historical cost accounting for real estate assets in accordance with U.S. GAAP implicitly assumes that the value of real estate assets diminishes predictably over time as evidenced by the provision for depreciation and amortization. However, since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient. In response, the National Association of Real Estate Investment Trusts (NAREIT) created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation from net income. FFO, as defined by NAREIT, means net income attributable to common stockholders, computed in accordance with U.S. GAAP, excluding gains (or losses) from sales of real estate and impairments of depreciable assets, plus real estate depreciation and amortization, and after adjustments for unconsolidated entities and noncontrolling interests. Normalized FFO represents FFO adjusted for certain items as detailed in the reconciliations. FAD represents FFO excluding net straight-line rental adjustments, amortization related to above/below market leases and amortization of non-cash interest expenses and less cash used to fund capital expenditures, tenant improvements and lease commissions. Normalized FAD represents FAD adjusted for certain items detailed in the reconciliations.



# FFO Reconciliations

(in thousands, except per share information)	Three months Ended																				
	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	
<b>Funds From Operations:</b>																					
Net income attributable to common stockholders	\$ 23,372	\$ 69,847	\$ 36,607	\$ 27,282	\$ 39,307	\$ 54,735	\$ 37,269	\$ 90,576	\$ 55,058	\$ (8,508)	\$ 20,691	\$ 11,473	\$ 50,022	\$ 71,829	\$ 136,255	\$ 188,636	\$ 190,799	\$ 312,573	\$ 182,043	\$ 132,931	
Depreciation and amortization	74,768	111,053	115,640	122,144	127,422	132,963	132,858	140,342	187,122	200,477	242,981	243,380	233,318	214,449	200,970	195,393	188,829	208,802	205,799	222,809	
Losses/impairments (gains) on properties, net	(25,954)	(30,224)	(185)	7,398	(769)	(32,450)	(5,875)	(32,167)	(82,492)	29,997	(4,707)	8,064	-	(13,079)	(29,604)	(110,839)	(54,625)	(190,111)	(2,046)	(31,385)	
Noncontrolling interests <sup>(1)</sup>	(4,160)	(4,487)	(4,706)	(5,318)	(4,990)	(5,190)	(5,440)	(5,439)	(5,793)	(7,821)	(12,328)	(10,362)	(10,520)	(9,741)	(9,359)	(8,234)	(7,249)	(10,467)	(11,647)	(9,908)	
Unconsolidated entities <sup>(2)</sup>	3,027	3,364	3,020	2,892	2,887	7,873	11,913	11,735	16,983	16,521	11,626	12,522	15,983	20,787	18,250	19,560	26,496	19,791	18,146	18,062	
<b>Funds from operations - NAREIT</b>	<b>71,053</b>	<b>149,553</b>	<b>150,376</b>	<b>154,398</b>	<b>163,857</b>	<b>157,931</b>	<b>170,725</b>	<b>205,047</b>	<b>170,878</b>	<b>230,666</b>	<b>258,263</b>	<b>265,077</b>	<b>288,803</b>	<b>284,245</b>	<b>316,512</b>	<b>284,516</b>	<b>344,250</b>	<b>340,588</b>	<b>392,295</b>	<b>332,509</b>	
Normalizing items <sup>(3)</sup>																					
Loss (gain) on derivatives, net	-	-	-	-	555	(2,676)	409	(113)	2,309	(2,716)	4,872	6	-	351	49	(1,895)	(58,427)	-	-	-	
Transaction costs	36,065	13,738	6,739	13,682	5,579	28,691	8,264	19,074	65,980	28,136	23,591	15,693	952	7,040	13,554	47,991	48,554	12,491	9,333	40,547	
Loss (gain) on extinguishment of debt, net	-	-	-	(979)	-	576	215	(1,566)	(308)	-	(4,068)	3,467	(148)	531	2,692	6,484	15,401	18,887	584	(195)	
Provision for loan losses	248	168	132	1,463	-	-	27,008	-	-	-	-	2,110	-	-	-	-	-	-	-	-	
Special stock compensation grants/payments	-	-	-	-	4,316	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CEO transition costs	-	-	-	-	-	-	-	-	-	-	-	-	-	19,688	-	-	-	-	-	-	
Nonrecurring income tax benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17,426)	-	-	-	(5,430)	-	
Additional other income	-	(3,774)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,144)	-	-	(3,669)	
Other expenses	829	264	212	348	215	-	-	-	-	-	-	-	-	-	10,262	-	695	10,583	-	35,648	
Preferred stock redemption charge	-	-	-	-	-	6,242	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	-	-	-	-	-	-	-	-	(11)	(1,847)	(127)	105	4,502	488	566	1,334	1,151	(312)	(2,485)	-	
<b>Funds from operations - normalized</b>	<b>\$ 108,195</b>	<b>\$ 159,949</b>	<b>\$ 157,459</b>	<b>\$ 168,912</b>	<b>\$ 174,522</b>	<b>\$ 190,764</b>	<b>\$ 206,621</b>	<b>\$ 222,442</b>	<b>\$ 238,859</b>	<b>\$ 256,075</b>	<b>\$ 280,811</b>	<b>\$ 286,226</b>	<b>\$ 289,712</b>	<b>\$ 316,357</b>	<b>\$ 326,131</b>	<b>\$ 337,662</b>	<b>\$ 349,663</b>	<b>\$ 383,700</b>	<b>\$ 396,470</b>	<b>\$ 402,355</b>	
<b>Average common shares outstanding:</b>																					
Basic	154,945	176,445	177,272	185,913	199,661	213,498	224,391	259,290	260,036	273,091	286,020	288,133	289,606	296,256	311,117	327,492	336,754	350,399	351,765	353,604	
Diluted	155,485	177,487	177,849	186,529	201,658	215,138	226,258	261,210	262,525	276,481	288,029	289,677	290,917	297,995	312,812	329,130	337,812	351,366	353,107	354,972	
<b>Net income attributable to common stockholders per share:</b>																					
Basic	\$ 0.15	\$ 0.40	\$ 0.21	\$ 0.15	\$ 0.20	\$ 0.26	\$ 0.17	\$ 0.35	\$ 0.21	\$ (0.03)	\$ 0.07	\$ 0.04	\$ 0.17	\$ 0.24	\$ 0.44	\$ 0.58	\$ 0.57	\$ 0.89	\$ 0.52	\$ 0.38	
Diluted	\$ 0.15	\$ 0.39	\$ 0.21	\$ 0.15	\$ 0.19	\$ 0.25	\$ 0.16	\$ 0.35	\$ 0.21	\$ (0.03)	\$ 0.07	\$ 0.04	\$ 0.17	\$ 0.24	\$ 0.44	\$ 0.57	\$ 0.56	\$ 0.89	\$ 0.52	\$ 0.37	
<b>Funds from operations - NAREIT per share:</b>																					
Basic	\$ 0.46	\$ 0.85	\$ 0.85	\$ 0.83	\$ 0.82	\$ 0.74	\$ 0.76	\$ 0.79	\$ 0.66	\$ 0.84	\$ 0.90	\$ 0.92	\$ 1.00	\$ 0.96	\$ 1.02	\$ 0.87	\$ 1.02	\$ 0.97	\$ 1.12	\$ 0.94	
Diluted	\$ 0.46	\$ 0.84	\$ 0.85	\$ 0.83	\$ 0.81	\$ 0.73	\$ 0.75	\$ 0.78	\$ 0.65	\$ 0.83	\$ 0.90	\$ 0.92	\$ 0.99	\$ 0.95	\$ 1.01	\$ 0.86	\$ 1.02	\$ 0.97	\$ 1.11	\$ 0.94	
<b>Funds from operations normalized per share:</b>																					
Basic	\$ 0.70	\$ 0.91	\$ 0.89	\$ 0.91	\$ 0.87	\$ 0.89	\$ 0.92	\$ 0.86	\$ 0.92	\$ 0.94	\$ 0.98	\$ 0.99	\$ 1.00	\$ 1.07	\$ 1.05	\$ 1.03	\$ 1.04	\$ 1.10	\$ 1.13	\$ 1.14	
Diluted	\$ 0.70	\$ 0.90	\$ 0.89	\$ 0.91	\$ 0.87	\$ 0.89	\$ 0.91	\$ 0.85	\$ 0.91	\$ 0.93	\$ 0.97	\$ 0.99	\$ 1.00	\$ 1.06	\$ 1.04	\$ 1.03	\$ 1.04	\$ 1.09	\$ 1.12	\$ 1.13	
<b>Rolling four quarter total of normalized FFO per diluted share</b>				\$ 3.40	\$ 3.57	\$ 3.56	\$ 3.58	\$ 3.52	\$ 3.56	\$ 3.60	\$ 3.66	\$ 3.80	\$ 3.89	\$ 4.02	\$ 4.09	\$ 4.13	\$ 4.17	\$ 4.20	\$ 4.28	\$ 4.38	

(1) Represents noncontrolling interests' share of net FFO adjustments.

(2) Represents Welltower's share of net FFO adjustments from unconsolidated entities.

(3) Normalizing items include adjustments for certain non-recurring or infrequent income/expenses that are described in Welltower's earnings press releases for the relevant period ends.

# FFO & FAD Payout Reconciliations

In thousands, except per share	Three Months Ended December 31, 2015
Net income (loss) attributable to common stockholders	\$ 132,931
Depreciation and amortization	222,809
Losses/impairments (gains) on properties, net	(31,385)
Noncontrolling interests and unconsolidated entities, net <sup>(1)</sup>	5,669
Transaction costs <sup>(2)</sup>	40,547
Other expenses <sup>(3)</sup>	35,648
Loss (gain) on extinguishments of debt, net <sup>(4)</sup>	(195)
Additional other income <sup>(5)</sup>	(3,669)
Normalized FFO	\$ 402,355
Average diluted common shares outstanding	354,972
Normalized FFO per diluted share	\$ 1.13
Dividends per common share	\$ 0.825
Normalized FFO payout ratio	73.0%
Normalized FFO	\$ 402,355
Gross straight-line rental income	(31,002)
Amortization of above (below) market leases, net	1,155
Non-cash interest expense	2,878
Cap-ex, tenant improvements, lease commissions	(19,993)
Noncontrolling interests and unconsolidated entities, net <sup>(6)</sup>	(2,305)
Normalized FAD	\$ 353,088
Average diluted common shares outstanding	354,972
Normalized FAD per diluted share	\$ 0.99
Dividends per common share	\$ 0.825
Normalized FAD payout ratio	83.3%

Notes:

- (1) Represents net of noncontrolling interests' share of normalized FFO adjustments and Welltower's share of net FFO adjustments from unconsolidated entities.
- (2) Primarily costs incurred with seniors housing transactions.
- (3) Represents write-down of Genesis Healthcare stock investment.
- (4) Primarily related to secured debt extinguishments.
- (5) Represents gain on acquisition of a controlling interest in unconsolidated properties.
- (6) Represents net of noncontrolling interests' share of normalized FAD adjustments and Welltower's share of net FAD adjustments from unconsolidated entities.

# FFO & FAD Payout Reconciliations

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EBITDA stands for earnings before interest, taxes, depreciation and amortization. Covenants in our primary line of credit arrangement, senior unsecured notes and Canadian denominated term loan contain financial ratios based on a definition of EBITDA that is specific to those agreements. Failure to satisfy these covenants could result in an event of default that could have a material adverse impact on our cost and availability of capital, which could in turn have a material adverse impact on our consolidated results of operations, liquidity and/or financial condition. Due to the materiality of these debt agreements and the financial covenants, we have defined EBITDA to include adjustments for stock-based compensation expense, provision for loan losses and gains/losses on extinguishment of debt. Adjusted EBITDA represents EBITDA (as defined) adjusted for transactions costs, gains/losses/impairments on properties, gains/losses on derivatives and timing adjustments for intraquarter investment activity.

We believe that EBITDA and Adjusted EBITDA, along with net income and cash flow provided from operating activities, are important supplemental measures because they provide additional information to assess and evaluate the performance of our operations. We primarily utilize EBITDA and Adjusted EBITDA to measure our interest coverage ratio, which represents EBITDA or Adjusted EBITDA divided by total interest, and our fixed charge coverage ratio, which represents EBITDA or Adjusted EBITDA divided by fixed charges. Fixed charges include total interest, secured debt principal amortization and preferred dividends.

# EBITDA Reconciliations

In thousands	Three Months Ended December 31, 2013	Three Months Ended December 31, 2015
Net income	\$ 25,696	\$ 149,416
Interest expense <sup>(1)</sup>	124,485	131,097
Income tax expense (benefit)	435	2,682
Depreciation and amortization <sup>(1)</sup>	243,380	222,809
Stock-based compensation	3,527	5,189
Provision for loan losses	2,110	-
Loss (gain) on extinguishment of debt, net	3,467	(195)
EBITDA	403,100	510,998
Transaction costs	15,693	40,547
Loss (gain) on sales of properties, net	8,064	(31,385)
Loss (gain) on derivatives, net	6	-
Other expenses	-	35,648
Timing adjustments and sales/held for sale <sup>(2)</sup>	3,306	(724)
Adjusted EBITDA	\$ 430,169	\$ 555,084
<b>Interest Coverage Ratio:</b>		
Interest expense <sup>(1)</sup>	\$ 124,485	\$ 131,097
Non-cash interest expense	(264)	(2,878)
Capitalized interest	2,003	2,358
Total interest	126,224	130,577
Adjusted EBITDA	\$ 430,169	\$ 555,084
Interest coverage ratio - adjusted	3.4x	4.3x
<b>Fixed Charge Coverage Ratio:</b>		
Total interest <sup>(1)</sup>	\$ 126,224	\$ 130,577
Secured debt principal amortization	16,312	18,281
Preferred dividends	16,531	16,352
Total fixed charges	159,067	165,210
Adjusted EBITDA	\$ 430,169	\$ 555,084
Fixed charge coverage ratio - adjusted	2.7x	3.4x
<b>Debt to EBITDA Ratio:</b>		
Total debt	\$ 10,652,014	\$ 12,967,686
Less: cash and cash equivalents <sup>(3)</sup>	(158,780)	(484,754)
Net debt	10,493,234	12,482,932
Adjusted EBITDA annualized	\$ 1,720,676	\$ 2,220,336
Net debt to adjusted EBITDA ratio	6.1x	5.6x
<b>Notes:</b>		
(1) Includes amounts related to properties sold or classified as held for sale.		
(2) Represents timing adjustments for current quarter acquisitions, dispositions & construction conversions.		
(3) Includes IRC section 1031 deposits, if any. 4Q15 also includes cash received from CPPIB joint venture buy-in subsequent to 12/31/15.		

# EBITDA Reconciliations

Dollars in thousands	Twelve Months Ended	
	December 31, 2013	December 31, 2015
Net income	\$ 138,280	\$ 888,549
Interest expense <sup>(1)</sup>	462,606	492,169
Income tax expense (benefit)	7,491	6,451
Depreciation and amortization <sup>(1)</sup>	873,960	826,240
Stock-based compensation	20,177	30,844
Provision for loan losses	2,110	-
Loss (gain) on extinguishment of debt, net	(909)	34,677
<b>EBITDA</b>	<b>\$ 1,503,715</b>	<b>\$ 2,278,930</b>
<b>Interest Coverage Ratio:</b>		
Interest expense <sup>(1)</sup>	\$ 462,606	\$ 492,169
Non-cash interest expense	(4,044)	(2,586)
Capitalized interest	6,700	8,670
Total interest	465,262	498,253
EBITDA	\$ 1,503,715	\$ 2,278,930
Interest coverage ratio	3.2x	4.6x
<b>Fixed Charge Coverage Ratio:</b>		
Total interest <sup>(1)</sup>	\$ 465,262	\$ 498,253
Secured debt principal amortization	56,205	67,064
Preferred dividends	66,336	65,406
Total fixed charges	587,803	630,723
EBITDA	\$ 1,503,715	\$ 2,278,930
Fixed charge coverage ratio	2.6x	3.6x
<b>Notes:</b>		
<b>(1) Includes amounts related to properties sold or classified as held for sale.</b>		