



Business and Transaction Update

June 21, 2021

welltower

Forward Looking Statements and Risk Factors

This document contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When Welltower uses words such as “may,” “will,” “intend,” “should,” “believe,” “expect,” “anticipate,” “project,” “pro forma,” “estimate” or similar expressions that do not relate solely to historical matters, Welltower is making forward-looking statements. Forward-looking statements, including statements related to Funds From Operations guidance, are not guarantees of future performance and involve risks and uncertainties that may cause Welltower’s actual results to differ materially from Welltower’s expectations discussed in the forward-looking statements. This may be a result of various factors, including, but not limited to: the successful completion of the transactions; the duration and scope of the COVID-19 pandemic; the impact of the COVID-19 pandemic on occupancy rates and on the operations of Welltower and its operators/tenants; actions governments take in response to the COVID-19 pandemic, including the introduction of public health measures and other regulations affecting Welltower’s properties and the operations of Welltower and its operators/tenants; uncertainty regarding the implementation and impact of the CARES Act and future stimulus or other COVID-19 relief legislation; the effects of health and safety measures adopted by Welltower and its operators/tenants related to the COVID-19 pandemic; increased operational costs as a result of health and safety measures related to COVID-19; the impact of the COVID-19 pandemic on the business and financial condition of operators/tenants and their ability to make payments to Welltower; disruptions to Welltower’s property acquisition and disposition activity due to economic uncertainty caused by COVID-19; general economic uncertainty in key markets as a result of the COVID-19 pandemic and a worsening of global economic conditions or low levels of economic growth; 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; Welltower’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 Welltower’s properties; Welltower’s ability to re-lease space at similar rates as vacancies occur; Welltower’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 Welltower’s properties; changes in rules or practices governing Welltower’s financial reporting; the movement of U.S. and foreign currency exchange rates; Welltower’s ability to maintain Welltower’s qualification as a REIT; key management personnel recruitment and retention; and other risks described in Welltower’s reports filed from time to time with the SEC. Finally, Welltower undertakes no obligation to update or revise publicly 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.

Recent Developments

Atria Senior Living to Acquire Holiday Retirement

Welltower to Acquire 86 Communities to be Operated by Combined Atria and Holiday Entity for \$1.58 billion

- **Immediately accretive to Welltower's normalized funds from operations ("FFO") at \$0.10 per diluted share during the first twelve months following completion of the acquisition; expected low double-digit unlevered IRR to Welltower ("WELL")⁽¹⁾.** Transaction expected to close during the third quarter 2021
 - Significant upside potential through post-COVID recovery in seniors housing fundamentals and reinvestment in assets
- Attractive cost basis at \$152,000 per unit representing a 30%+ discount to estimated replacement cost
- Initial cash cap rate of 6.2% on occupancy of approximately 76.3% as of June 20, 2021
- 80 independent living and six combination independent living/assisted living communities are 100% private pay with care offered through third party home health agencies
 - Lower level of acuity and higher average length of stay contribute to superior portfolio operating margins
- Atria to acquire Holiday management company and to retain current Holiday executive management and staff, thereby de-risking the overall transaction
- **Following completion of the Holiday transaction, WELL will have executed approximately \$3.2 billion of pro rata gross investments year-to-date⁽²⁾**
 - Investments have been funded through cash on balance sheet, disposition proceeds and equity issuance through at-the-market program⁽³⁾

Balance Sheet Update

- **Year-to-date, efficiently issued approximately \$1.36 billion of equity through the at-the-market program on forward basis at average price of \$77.80 per share**
- Expect to receive a total of **\$838 million in pro rata disposition proceeds through June 30, 2021:**
 - **\$580 million received as of June 21, 2021**
 - \$184 million in proceeds from an expected loan payoff and \$75 million in proceeds from the sale of an LTACH portfolio that are expected to close before the end of 2Q21
- **Anticipate receiving an additional \$618 million in disposition proceeds in the second half of 2021 from assets held for sale as of 1Q21⁽⁴⁾**
- As previously reported on June 8, 2021, closed on an expanded \$4.7 billion unsecured credit facility which will replace the company's existing line of credit of approximately \$3.0 billion and bears an interest rate of LIBOR plus 77.5bps, which represents a five basis point improvement from pricing under the previous unsecured revolving line of credit

1. See Supplemental Financial Measures at the end of this presentation

2. Exclusive of development funding

3. As of December 31, 2020 we had approximately \$2.0 billion of cash and cash equivalents, inclusive of \$424 million of IRC section 1031 deposits. \$1.36 billion of equity issued through at-the-market program on forward basis year-to-date

4. Includes 1Q2021 assets held for sale of \$688 million as of March 31, 2021 less \$70 million related to dispositions closed subsequent to quarter end as of June 21, 2021

Recent Developments

Seniors Housing Operating (SHO) Portfolio Update⁽¹⁾

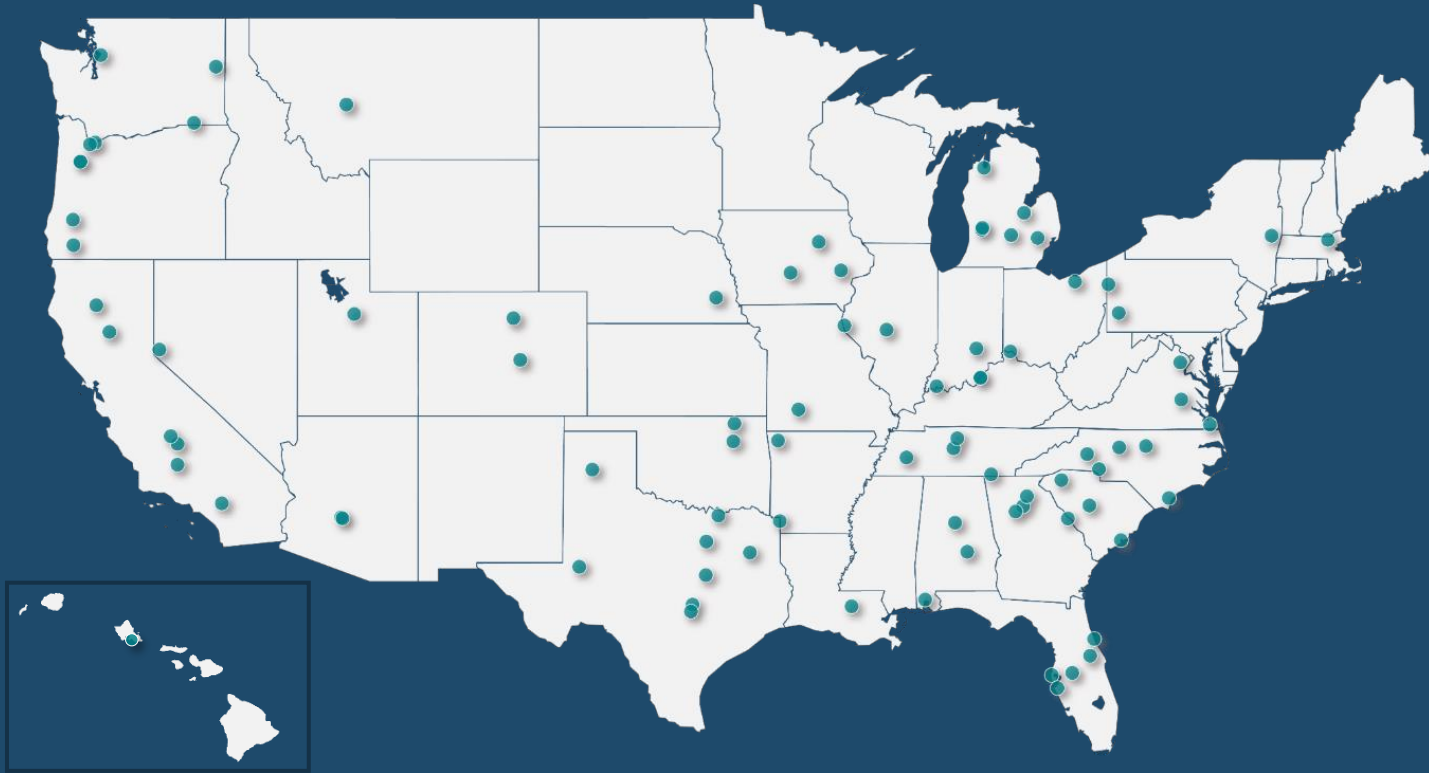
- **Quarter-to-date through June 18, 2021, SHO portfolio occupancy has gained 140bps, exceeding WELL's initial full quarter 2Q21 guidance of an approximate gain of 130bps**
 - Following a 50bps increase in April 2021, SHO portfolio occupancy rose an additional 50bps in May 2021 and 40bps month-to-date through June 18, 2021
- Move-in activity has remained robust through June as many communities returned to pre-COVID conditions; **strong recent sales activity supports continued near-term momentum**
- Quarter-to-date through June 18, 2021, the US and UK SHO portfolios reported occupancy gains of approximately 210bps and 170bps, respectively. In Canada, following a 50bps decline in occupancy through the first two months of 2Q21, occupancy was flat month-to-date through June 18, 2021
- **Since the trough in occupancy on March 12, 2021, total portfolio occupancy has increased 180bps, led by the US and UK with gains of 270bps and 210bps, respectively**
- **The outlook for SHO portfolio occupancy growth remains favorable:**
 - **The months of June through October have historically represented the seasonally strongest period of lead generation and occupancy growth for the seniors housing industry⁽²⁾**
 - California has fully re-opened and the state of Washington is expected to fully reopen on June 30^(3,4); the two states collectively comprise approximately 25% of total WELL SHO NOI⁽⁵⁾
 - An approximate 80% decline in new COVID cases in Canada has resulted in the removal of some restrictions, including the lifting of a stay-at-home order in Ontario on June 2, 2021⁽⁶⁾

Previously Reported Leadership Update

- **Announced the appointment of John F. Burkart as Executive Vice President, Chief Operating Officer (“COO”) of Welltower starting July 19, 2021.** Mr. Burkart had previously served as COO of Essex Property Trust
- **Announced the appointment of Andrew Haslam as Vice President, Health Systems Strategy.** Mr. Haslam is concluding his tenure as the Head of Real Estate and Chief Asset Officer at Providence St. Joseph Health, one of the largest health systems in the US

1. Occupancy metrics reported at Welltower pro rata share
2. The National Investment Center for Seniors Housing & Care
3. <https://www.governor.wa.gov/news-media/inslee-announces-statewide-reopening-date-june-30-and-short-term-statewide-move-phase%2%A03>
4. <https://covid19.ca.gov/safely-reopening/>
5. Please refer to the 1Q21 supplemental for additional details
6. <https://www.theglobeandmail.com/canada/article-covid-19-news-today-stay-at-home-order-ends-in-ontario-but-most-other/>

|| Holiday Portfolio Acquisition



Portfolio Overview

Product Overview

- Portfolio is 100% private pay and primarily comprised of nearly identical 120-unit purpose-built communities which are cost prohibitive to replicate
- Traditional room layout includes high ceilings and kitchenettes; common areas include open lobby and dining room overseen by a mezzanine with abundant natural light
- Highly amenitized communities with on-site hair salon, library, chapel, activities room, swimming pool, and fitness room
- Communities are 100% private pay with care offered a la carte through third party home health agencies
- Compelling value proposition relative to multifamily and higher acuity communities
 - Average monthly rent of approximately \$2,775 includes three meals per day, housekeeping, transportation, and activities
- Flexible staffing model with care provided through third party home health agencies

Resident Overview

- Average age of residents is 81 years with minimal need for care
- Residents are financially stable and view themselves as active and independent
- Majority of residents utilize third party care as acuity needs increase, allowing for longer length of stay

Implications

- Nearly identical layout and operating structure of properties allows for seamless value-add initiatives across portfolio
- Average resident age of 81 years with lower care needs and value-focus expands WELL's total addressable market
- Portfolio carries substantially higher operating margins (mid-30% despite low occupancy levels over past 12 months) given labor model and higher resident length of stay of 32 months; significant margin upside potential in future years
- Reduced recurring capital expenditure burden resulting from lower acuity level and longer length of stay



Acquisition Summary

*Immediately Accretive to Welltower's FFO Per Share⁽¹⁾
Attractive Initial Yield with Significant Upside Potential*

Acquisition Economics

- 86 communities (10,390 units) span 31 states with highly regionalized operating structure that will be run by combined Atria and Holiday entity
- \$1.58 billion acquisition price reflects per unit valuation of \$152,000 and a discount to estimated replacement cost in excess of 30%
 - All-in basis post capital expenditures represents an approximate 25% discount to replacement cost
- The transaction is expected to be **immediately accretive to WELL's normalized FFO at \$0.10** per diluted share⁽¹⁾ during the first twelve months following completion of the acquisition with an expected **low double-digit unlevered IRR to WELL**
 - Initial cash cap rate of 6.2% at near-trough occupancy of 76.3% as of June 20, 2021; occupancy upside potential into the low 90% range
 - Accretion assumptions capitalization of approximately 65% equity/35% debt
- Significant growth upside through post-COVID recovery in seniors housing fundamentals, implementation of Atria's technologically advanced operating platform and capital investment in assets

Transaction Rationale

- Transaction allows WELL to achieve scale with a top tier seniors housing operator
- Communities are 100% private pay with care offered through third party home health agencies
 - Lower level of acuity and higher average length of stay contribute to superior portfolio operating margins
- Atria's acquisition of Holiday and retention of Holiday employees and senior management significantly de-risks the transaction
- Attractive initial yield and immediate FFO accretion despite ~14% occupancy loss and margin compression resulting from COVID-19 pandemic
- Significant future upside through occupancy stabilization, opportunities for operating margin expansion, and portfolio reinvestment

1. Represents normalized funds from operations attributable to common stockholders per diluted share. Please see supplemental reporting measures at the end of this presentation

Operational Strategy

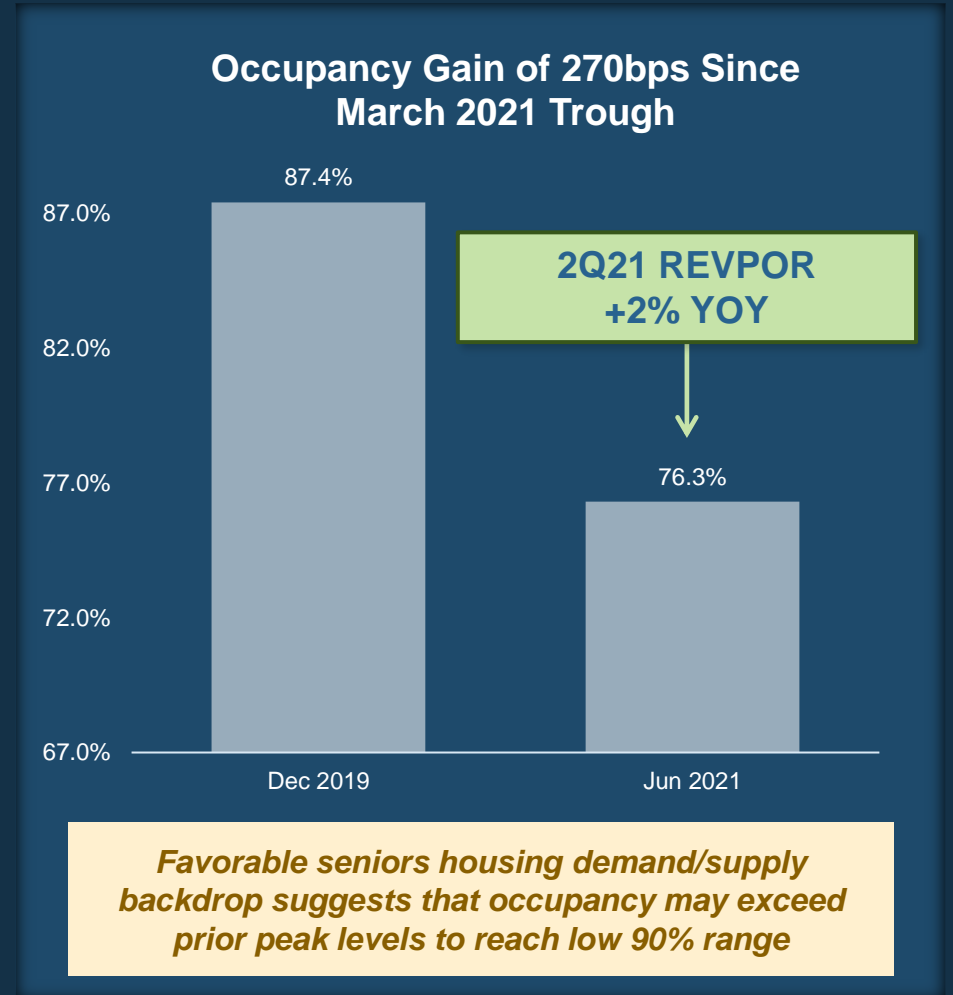
Significant Upside Potential Through Occupancy Growth & Operating Margin Expansion Opportunity
Meaningful Alignment of Interest Between Atria & Welltower

Operational & Value Add Strategy

- Atria to acquire Holiday management company which currently manages 240 communities. Atria to retain current Holiday employees and senior management
- Atria has intimate familiarity with Holiday-managed assets, having assumed operations of 50 properties across the US and Canada in recent years
- Ten communities include expansion opportunities and five identified as higher and better use
- Anticipate investing \$1.5 to \$2.0 million per community to position portfolio for success into post-COVID recovery and favorable supply/demand backdrop
 - WELL's cost basis remains extremely attractive even after capex investment

Management Contract

- Welltower and Atria have agreed to a strongly-aligned enhanced RIDEA 3.0 management contract based on top and bottom-line financials
- Management contract to incorporate significant incentive to Atria based on long-term NOI growth and other performance hurdles
 - Hurdles imply significant growth in underlying property level performance resulting in a nominal yield in excess of 9% to WELL and net economic yield in excess of 8% to WELL after capital expenditures and payment of the promote



Strategic Deep Dive

Opportunity to Achieve Powerful Operational Scale

Strong In-Place Economics with Margin and Occupancy Upside Through Operational Synergies and Reinvestment

In-Place Portfolio Benefits

- Significant operational scale through merger with Atria platform
- Atria has intimate familiarity with Holiday-managed assets, having assumed operations of 50 properties across Canada and the US in recent years
- Buildings have great “bones” with consistent and timeless design that is difficult and cost-prohibitive to replicate
 - Large room size with high ceilings and layouts that incorporate kitchenettes
- Strong in-place economics with significant upside
 - Fills a growing need for fixed income seniors with moderate housing wealth and those seniors that are focused on value
 - Attractive NOI growth opportunity even assuming zero rent growth
- **Feasibility rents for new developments significantly above current independent living rates**
 - *Current market economics imply that either rate growth will exceed expectations or new competing supply will be curtailed as a result of current construction costs*

Value Add Opportunity

- Anticipate comprehensive renovation capex plan of \$1.5 to \$2.0 million per community to optimize physical plant and position portfolio for success into favorable post-COVID demand/supply backdrop
- Anticipated rebranding alongside community renovation plan
- Ten sites with expansion opportunities
- Five communities identified as higher and better use
- Six combination Independent Living/Assisted Living communities provide additional upside through Atria’s expertise in the product type and expansion of assisted living unit mix

Operational and Margin Upside

- Atria platform will be further scaled to invest in and drive strategic operational and technology initiatives to maximize community level performance
- **Technology driven cost savings**
 - Centralized monitoring, wearables, website and marketing digitation
- **Proprietary software solutions**
 - CRM, revenue and quality management and dashboarding
- Reinvest synergies to advance operational efficiencies, quality and results

|| New Competition Feasibility Analysis

Development Economics Following Recent Surge in Construction Costs DO NOT Justify New Construction
Rents required for new construction ~20% higher than current REVPOR

Key Assumptions	
Estimated Replacement Cost / Unit	\$233,297
Construction Start Year	2022
Stabilization Year	2026
Target Stable Yield	7.50%
Resulting Economics	
Required REVPOR to Achieve Target Yield ⁽¹⁾	\$3,962
WELL 2026 Underwritten REVPOR	\$3,092
WELL REVPOR Discount vs Feasible Rent	-22%

Current market economics imply that either rate growth will exceed expectations or new competing supply will be limited as a result of prohibitive current construction costs

1. Based on stabilized occupancy of 92% and 40% operating margin

Operator Overview

Atria Senior Living Overview

Atria Senior Living is a large national operator with ~200 communities under management in the US and Canada

- Manages the entire care continuum across senior living, specializing in lower acuity communities
- **In recent years, assumed management of 50 communities previously managed by Holiday. Given Holiday's consistent prototypical design, Atria is well suited to understand opportunities and challenges across the portfolio**
- WELL has an established relationship with Atria and has been actively focused on expanding the partnership. Current projects include:
 - Developments in San Francisco and New York as part of the WELL/Related/Atria partnership
 - 135-unit seniors housing development in Princeton Junction, NJ as part of AvalonBay's master planned community
- **Atria strategy is reflection of broader WELL "barbell" strategy: high-end and value-end**
- **Holiday's existing management team and staff to remain in-place**
- Atria to leverage proprietary software for optimizing staffing, digital marketing, and CRM resulting in less dependence on referral sources and increased organic lead generation



Atria Independent Living | Assisted Living | Memory Care

Where we live can determine how well we live.

How successfully we age has a lot to do with the lifestyle choices we make. Atria Senior Living creates vibrant communities where opportunities to stay active, eat well, connect with neighbors and achieve personal goals are right outside one's apartment door, every day.

A photograph of two women, one older and one younger, smiling and looking at a document together. The older woman is on the left, wearing a patterned top, and the younger woman is on the right, wearing a dark jacket over a floral top. They appear to be in a bright, indoor setting.

Transaction Summary

WELL to acquire 86 Holiday communities for approximately \$152,000 per unit, representing a discount to estimated replacement cost in excess of 30%

- Atria Senior Living to acquire Holiday Retirement. Combined Atria and Holiday entity to operate WELL portfolio communities
- **The transaction is expected to be immediately accretive to WELL's next twelve months normalized funds from operations at approximately \$0.10 per diluted share; anticipated unlevered IRR in low double-digit range⁽¹⁾**
- Initial cash cap rate of 6.2% on occupancy of 76.3% as of June 20, 2021
- Welltower and Atria have agreed to a strongly-aligned enhanced RIDEA 3.0 management contract based on both top and bottom-line financial metrics
 - The contract will include significant promote opportunities to Atria upon achievement of certain long-term financial thresholds

Atria to assume operations of the portfolio following its acquisition of the Holiday management company which was announced on June 21, 2021

- Atria is intimately familiar with Holiday-managed assets, having assumed operations of 50 Holiday properties in the US and Canada in recent years
- Atria expects to integrate Holiday's corporate staff and retain its experienced and highly-reputed management team, thereby de-risking the transaction

SIGNIFICANT MULTI-YEAR CASH FLOW GROWTH AND VALUE CREATION POTENTIAL THROUGH POST-COVID FUNDAMENTAL RECOVERY

- ✓ Portfolio is expected to deliver **substantial cash flow growth** in future quarters and in coming years as occupancy growth accelerates from near-trough levels of 76.3%
- ✓ **Favorable seniors housing demand/supply backdrop** suggests that occupancy may exceed prior peak levels in the low 90%-range
- ✓ **Meaningful value creation potential** through reinvestment in assets and properties with higher and better use and integration of Atria's operating platform

Capital Deployment

Capital Deployment | Value-Driven Investment Thesis

Capital Deployment Volume since 4Q20

\$2.2B GROSS INVESTMENTS⁽¹⁾

- ✓ Initial yield in excess of 7%; Year 3 yield expected to exceed 9%
- ✓ Low last dollar exposure and innovative structure offer downside protection
- ✓ Expected to generate high single digit to mid-teens unlevered IRRs to WELL



StoryPoint Fort Wayne | Fort Wayne, IN

Granular & Off-market Transactions

29 TOTAL TRANSACTIONS⁽¹⁾
76 OM and SH PROPERTIES ACQUIRED
6,007 SENIORS HOUSING UNITS ACQUIRED

- ✓ Predictive analytics and exclusive operator relationships used to execute off-market investments
- ✓ Maximizing risk-adjusted return to WELL through creative investments across the capital stack
 - Debt investments offer equity upside in form of warrants and/or bargain purchase options
- ✓ Seniors housing acquisitions executed at a median investment of \$15.8 million per property



Oakmont Ivy Park at Otay Ranch | Chula Vista, CA

Significant Discount to Replacement Cost

\$161k per unit Last dollar basis US transactions
£40k per unit Last dollar basis UK transactions

- ✓ Investments made at significant discount to replacement cost offer enhanced downside protection
- ✓ Limited recent market transactions priced above replacement cost serves to further curtail new supply



HarborChase of Vero Beach | Vero Beach, FL

1. Includes year-to-date completed pro rata gross investments across acquisitions and loans

Notable Investments

	Transaction	Segment	Property Count	Pro Rata Inv Amount	Commentary
Opportunistic Investment	HRA	SHNNN	8	\$132M	Portfolio of seniors housing communities across the Southeast under a new triple net lease with HRA, a regional seniors housing operator/developer. Anticipated unlevered IRR of 10%+.
	Pathway ⁽¹⁾	SHO	29	\$147M	Portfolio of seniors housing communities across the Midwest. Operations will be transitioned to Pathway Senior Living, a regional seniors housing operator. Anticipated unlevered IRR in low-double digit range.
Growing Existing Relationships	StoryPoint	SHO & SHNNN	7	\$247M	SHO: Expanded relationship with StoryPoint through the acquisition of four purpose-built, Class-A seniors housing communities, with an average age of 2 years, in the Midwest at historical development cost basis. NNN: Acquisition of three properties across the Midwest. Average age of properties is four years. Anticipated unlevered IRRs in high single digit range.
	Oakmont	SHO	1	\$35M	Opportunity to expand relationship with Oakmont through purchase of an AL/MC property in a highly-desirable sub-market in Southern California. Anticipated unlevered IRR of approximately 10%.
Highly Structured Investments	HC-One	Debt & Equity Participation	282	<u>Debt:</u> £540M	Debt, equity, and warrant investments expected to generate unlevered IRR in the mid-teens range. Investments across capital stack made at a significant discount to replacement cost & create opportunity to participate in post-COVID fundamental recovery.
	Mezzanine Loan	Loan	39	\$45M	Loan features strong structural protection, including personal guarantees by sponsor group with net worth in excess of \$1 billion. Anticipated unlevered IRR in the mid-teens range.

US investments made at \$161k/unit on last dollar basis and UK Investments made at £40k/unit on last dollar basis

1. Closed on 22 properties for a pro rata investment of \$97 million; 7 properties for a pro rata investment of approximately \$50 million expected to close in 3Q21

Foundation for Long-Term Growth Established

Opportunity to deploy in excess of \$10 billion across ALL asset classes over next decade

NEW and PROPRIETARY long-term relationships with best-in-class developers and operators with either exclusive rights or right of first offer

\$1B **10** **+** **5**

Expected average annual capital deployment from newly formed **exclusive ventures**

Newly Formed Relationships

Recently Agreed to/ In-Process Relationships



New relationships formed during depths of COVID-19 pandemic to create visible and significant long-term capital deployment opportunities

Centralized Capital Allocation; Decentralized Execution

HC-One Investment

Follow-On Investment

- Agreed to first follow-on transaction with HC-One through acquisition of newly developed 71-unit community
- Acquisition is expected to be immediately accretive to WELL's normalized FFO attributable to common stockholders per diluted share
- WELL holds Right of First Offer ("ROFO") on future acquisition and development opportunities

Debt Investment

WELL's initial debt investment of £540M is secured by the corporate credit of HC-One as well as first mortgage rights on real estate owned by HC-One

- In April 2021, WELL completed a £540M (\$750M) senior loan advancement to HC-One
- An additional £30M (\$42M) delayed facility is available for working capital and capital expenditures
- Significant durability of income stream with loan maturity in 2026

Downside Protection

- Loan is collateralized by first mortgage rights on 282 properties owned by HC-One⁽¹⁾
- WELL's last pound basis on the total loan amount of £540M (\$750M) is approximately £40,000 per unit⁽¹⁾, representing a substantial discount to replacement cost

Warrants and Equity Investment

As part of the transaction, WELL received warrants allowing for participation in post-COVID recovery in UK seniors housing fundamentals

- WELL has the highest priority in the capital stack after WELL's secured loan to HC-One
- Warrants allow for economic participation in any distributions prior to exit and equity returns above the relevant strike price upon exit

WELL's participation in the recapitalization includes an equity investment

- Enterprise value for equity pricing is attractive and represents a substantial discount to replacement cost of the portfolio

Transaction is expected to result in low-to-mid teens IRR to WELL and is immediately accretive to earnings

Balance Sheet Update | Transaction Sources & Uses

in millions

Sources

Year-to-Date At-the-Market Equity Issuance ⁽¹⁾	\$1,360
Expected Proceeds from Asset Sales and Loan Payoffs in 2Q21 ⁽²⁾	\$259
Total Near-Term Sources	\$1,619
Expected Proceeds from Assets Held for Sale as of 1Q21	\$618
Total Identified Sources	\$2,237

Uses

Holiday Portfolio Acquisition	\$1,580
Expected 2Q21 Senior Apartments Acquisition	\$14
Line of Credit Paydown	\$25
Total Uses	\$1,619

1. Shares issued through WELL's at-the-market program on a forward basis through June 18, 2021
 2. Expected proceeds from asset sales remaining in 2Q21

Supplemental Financial Measures

Non-GAAP Financial Measures

We believe that revenues, net income and net income attributable to common stockholders ("NICS"), as defined by U.S. generally accepted accounting principles ("U.S. GAAP"), are the most appropriate earnings measurements. However, we consider Funds From Operations (FFO) and Normalized FFO to be useful supplemental measures of our operating performance. The supplemental measures are disclosed on our pro rata ownership basis.

Pro rata amounts are derived by reducing consolidated amounts for minority partners' noncontrolling ownership interests and adding our minority ownership share of unconsolidated amounts. We do not control unconsolidated investments. While we consider pro rata disclosures useful, they may not accurately depict the legal and economic implications of our joint venture arrangements and should be used with caution.

Our 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. Our 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 us, 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.

II FFO and Normalized FFO

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. 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 attributable to common stockholders, 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 attributable to common stockholders represents FFO attributable to common stockholders adjusted for certain items detailed in our quarterly earnings releases. We believe that normalized FFO attributable to common stockholders is a useful supplemental measure of operating performance because investors and equity analysts may use this measure to compare the operating performance of the Company between periods or as compared to other REITs or other companies on a consistent basis without having to account for differences caused by unanticipated and/or incalculable items.

No reconciliation of forecasted normalized FFO attributable to common stockholders per diluted share accretion or estimate of forecasted impact on net income attributable to common stockholders per diluted share is provided herein because we are unable to quantify certain amounts that would be required to be included in the comparable GAAP financial measures without unreasonable efforts primarily due to the anticipated timing of receipt of draft third-party real estate appraisals and valuations. We believe such reconciliation would imply a degree of precision that could be confusing or misleading to investors.