

Fixed Income Update

1Q17

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Forward Looking Statements

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,” “pro forma,” “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.

2017 First Quarter Company Highlights

Balance Sheet Improvements:

- Extinguished $806 million of secured debt at a blended average interest rate of 5.6%.
- Redeemed 11.5 million shares of our 6.5% Series J preferred stock.
- Net debt to undepreciated book cap. declined to 35.8% (3/31/17) from 37.4% (12/31/16). [1]
- Net debt to adjusted EBITDA improved to 5.26x.[1]

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

Significant Balance Sheet Strength

Moody's
Baa1
Stable

S&P
BBB+
Stable

Fitch
BBB+
Stable

RATIO	4Q13[2]	1Q17[2]	Improvement
NET DEBT / UNDEPRECIATED BOOK CAP [1]	42.5%	35.8%	↓ **670 bps**
NET DEBT / ENTERPRISE VALUE [1]	38.3%	28.8%	↓ **950 bps**
NET DEBT / ADJUSTED EBITDA [1]	6.1x	5.3x	↓ **0.8x**
ADJUSTED INTEREST COVERAGE	3.4x	4.3x	↑ **0.9x**
ADJUSTED FIXED CHARGE COVERAGE	2.7x	3.5x	↑ **0.8x**

1. Net debt represents total debt minus cash.
2. Represents three months ended 4Q13 and 1Q17. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

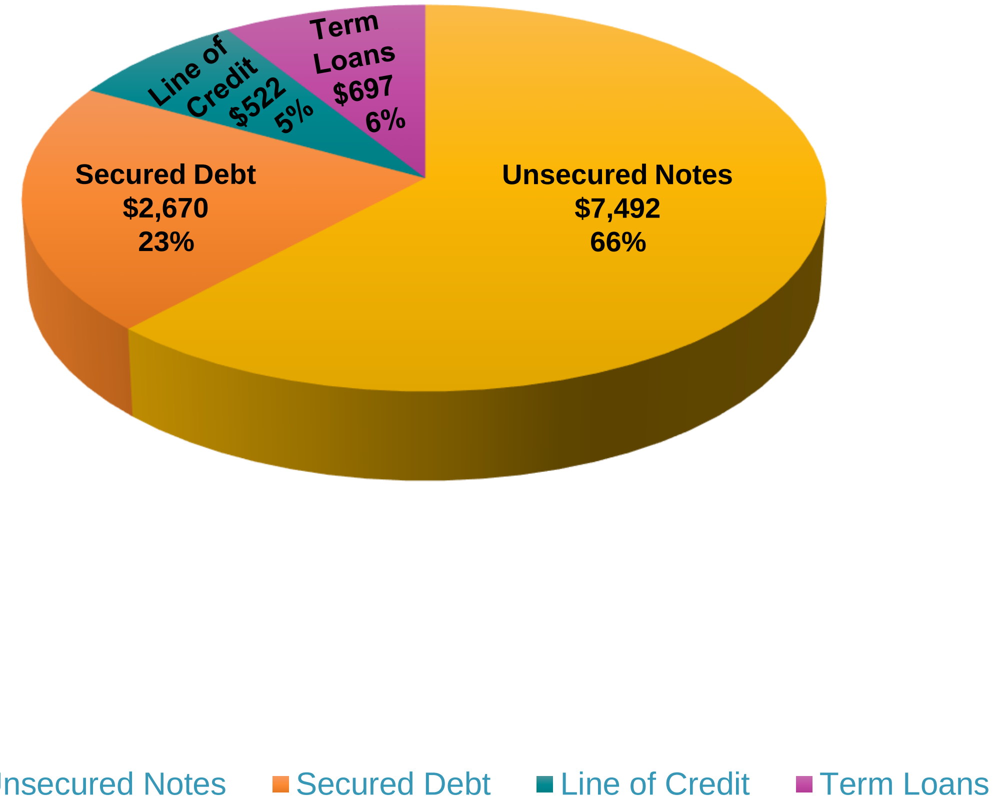
Strong Unsecured Debt Covenant Compliance

Ratio	1Q17	Unsecured Notes Covenants (1)	Compliance
Secured Indebtedness to Total Assets	9.6%	< 40.0%	✓
Total Indebtedness to Total Assets	41.3%	< 60.0%	✓
Unsecured Debt to Unencumbered Assets	35.0%	<66.7%	✓
Minimum Interest Coverage Ratio(2)	4.3x	> 1.5x	✓

1. See, for example, Supplemental Indenture No. 12 dated 3/1/2016, which was filed with the SEC as an exhibit to HCN's Form 8-K filed on 3/3/2016.
2. For the twelve months ending 3/31/2017. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

Debt Structure Summary

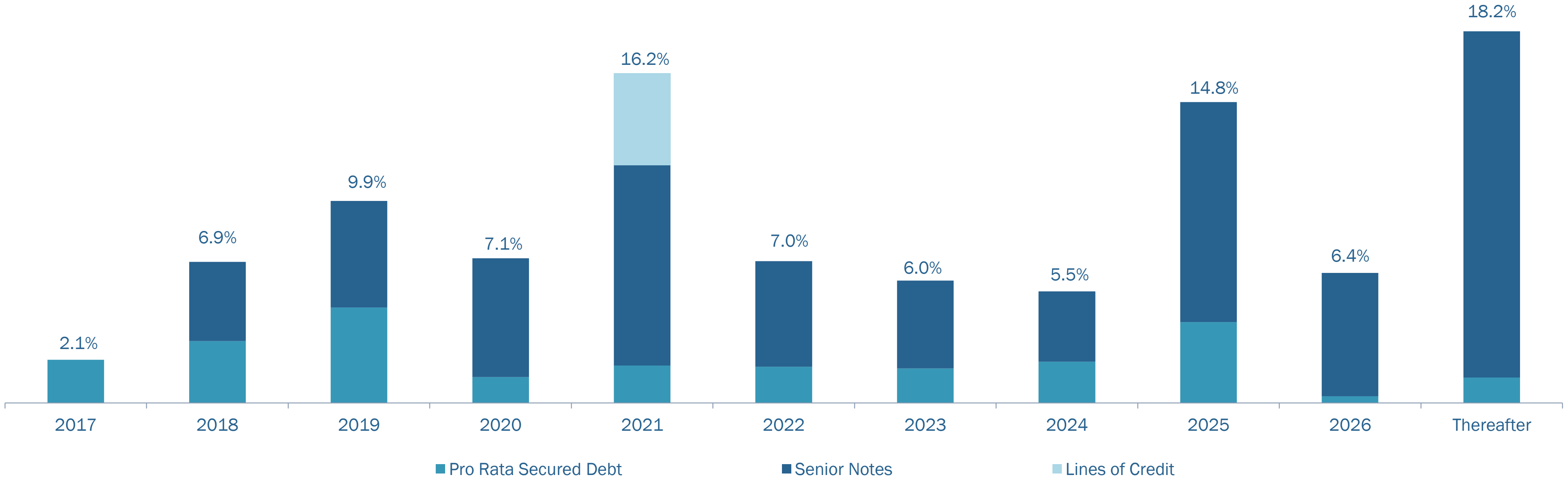
1Q17[1] ($ MILLIONS)



1. Data as of 3/31/17 and represents consolidated balance sheet data.

Balanced and Manageable Debt Maturity Profile

Weighted average maturity of 7.5 years



In millions	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Thereafter
Unsecured Debt	-	$450	$605	$675	$1,660	$600	$500	$400	$1,250	$700	$1,966
Pro Rata Secured Debt	$ 245	$351	$542	$147	$212	$205	$195	$234	$458	$38	$145
Total ($mm)	**$245**	**$801**	**$1,147**	**$822**	**$1,872**	**$805**	**$695**	**$634**	**$1,708**	**$738**	**$2,111**

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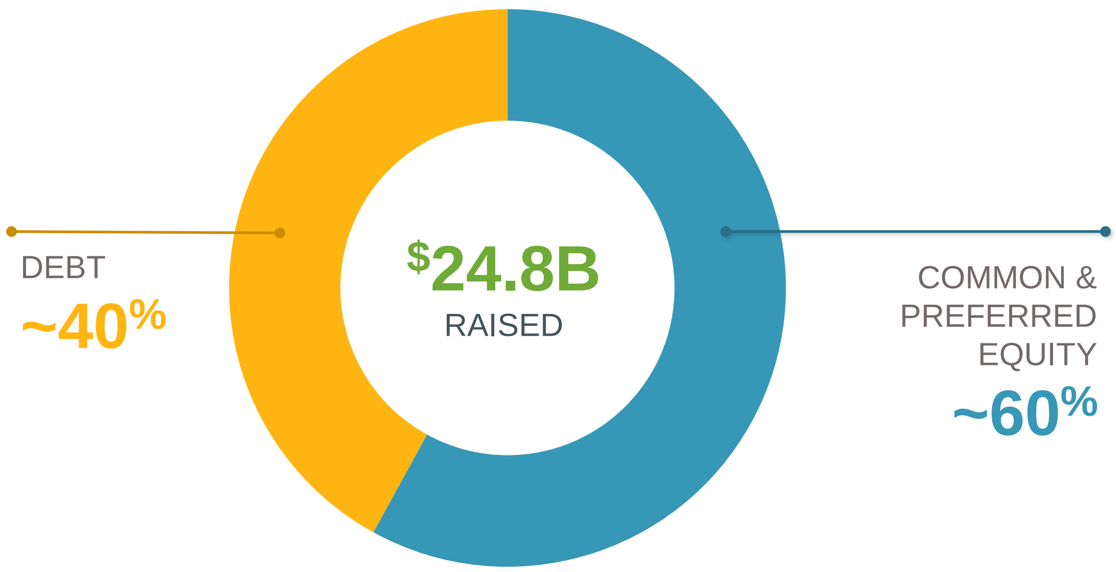
1. Data as of 3/31/2017 in USD. Represents pro rata principal amounts due excluding unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet.

Prudent Capital Strategy

Capital Raised Since 2010



$3.0B
Unsecured Line of Credit

$2.9B(1)
Availability

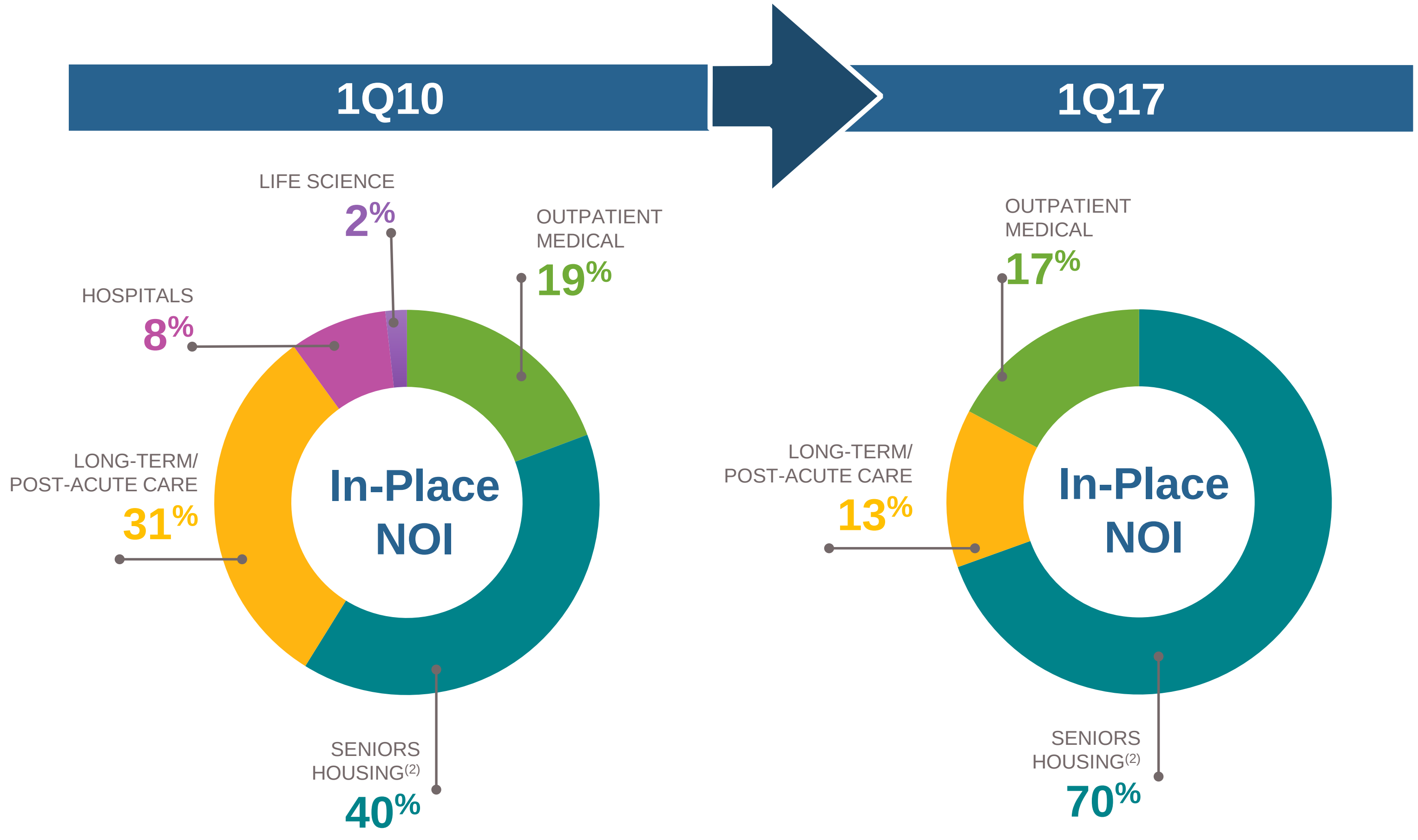
1. Line balance as of 3/31/17 less cash and cash equivalents.

Diverse and unparalleled access to capital since 2010

COMMON EQUITY	PREFERRED STOCK	DOMESTIC PUBLIC DEBT
11 follow-on offerings totaling $11B $1.5B in DRIP proceeds $903M ATM availability* **As of 4/28/2017*	Two issues totaling $1B* **Redeemed Series J on March 7, 2017 for $288M.*	13 offerings totaling $7.4B with average tenor of 11 years* **Excludes convertibles*
INTERNATIONAL PUBLIC DEBT	**CREDIT FACILIY**	**SECURED DEBT**
2 GBP issues totaling USD $1.7B with average tenor of 17 years 1 CAD issuance of USD $226M	$3.7B facility *$3.0B revolver* *$0.7B in term loans (US and Canada)*	Only 8.3% of gross assets[(1)].
ASSET RECYCLING		
Received $8B proceeds from asset sales since 2010 $263M Held for Sale* **Represents expected proceeds*		

1. Gross Assets represents total assets plus depreciation as of 3/31/17.

Portfolio Transformation[1]



Private Pay: 69%[3]

Private Pay: 93%[3]

1. Please see non-GAAP financial measures and reconciliations at the end of this presentation.
2. Comprises Seniors Housing Triple-Net and Seniors Housing Operating properties.
3. Based on Facility Revenue Mix.

NOI and IPNOI

As discussed in Note 17 to our consolidated financial statements, net operating income from continuing operations (NOICO) is used to evaluate the operating performance of the company's properties. We define NOI as the pro rata version of NOICO which is 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 outpatient medical 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. IPNOI represents NOI excluding interest income, other income and non-IPNOI and adjusted for timing of current quarter portfolio changes such as acquisitions, development conversions, segment transitions, dispositions and investments held for sale. We believe NOI and IPNOI provide investors relevant and useful information because they measure the operating performance of the company's properties at the property level on an unleveraged basis. We use NOI and IPNOI to make decisions about resource allocations and to assess the property level performance of our properties.

Historical NOI and In-Place NOI Reconciliations

$s in thousands		Three months ended 3/31/17	
Net operating income from continuing operations (NOICO)[1]	$	552,129	
NOI attributable to unconsolidated investments		21,279	
NOI attributable to noncontrolling interests		(27,542)	
Pro rata net operating income (NOI)	$	545,866	
Interest income		(20,748)	
Other income		(3,910)	
Held for sale & dispositions		(16,696)	
Non IP NOI		(13,529)	
Timing adjustments [2]		2,785	
In-Place NOI	$	493,768	
In-Place NOI by country			
United States	$	413,306	83.7%
United Kingdom		40,147	8.1%
Canada		40,315	8.2%
Total In-Place NOI	$	493,768	100.0%
In-Place NOI by property type			
Long-Term/Post-Acute	$	65,573	13.3%
Seniors Housing Triple-Net		138,160	28.0%
Outpatient Medical		84,977	17.2%
Seniors Housing Operating		205,058	41.5%
Hospital		-	0.0%
Life Science		-	0.0%
Total In-Place NOI	$	493,768	100.0%

Notes:
(1) Represents consolidated revenues less consolidated property operating expenses.
(2) Represents timing adjustments for current quarter acquisitions, construction conversions and segment transitions.

$s in thousands		Three months ended 3/31/10	
Net operating income from continuing operations (NOICO)[1]	$	140,431	
NOI attributable to unconsolidated investments		2,624	
NOI attributable to noncontrolling interests		-	
Pro rata net operating income (NOI)	$	143,055	
Interest income		(9,048)	
Other income		(996)	
Held for sale & dispositions		(185)	
Non IP NOI		(5,346)	
Timing adjustments		-	
In-Place NOI	$	127,480	
In-Place NOI by country			
United States	$	127,480	100.0%
United Kingdom		-	0.0%
Canada		-	0.0%
Total In-Place NOI	$	127,480	100.0%
In-Place NOI by property type			
Long-Term/Post-Acute	$	39,638	31.1%
Seniors Housing Triple-Net		50,433	39.6%
Outpatient Medical		24,660	19.3%
Seniors Housing Operating		-	0.0%
Hospital		10,456	8.2%
Life Science		2,293	1.8%
Total In-Place NOI	$	127,480	100.0%

Notes:
(1) Represents consolidated revenues less consolidated property operating expenses.

EBITDA and A-EBITDA

We measure our credit strength both in terms of leverage ratios and coverage ratios. The leverage ratios indicate how much of our balance sheet capitalization is related to long-term debt, net of cash and IRC section 1031 deposits. We expect to maintain capitalization ratios and coverage ratios sufficient to maintain a capital structure consistent with our current profile. The coverage ratios are based on EBITDA which stands for earnings (net income per income statement) before interest expense, income taxes, depreciation and amortization. Covenants in our senior unsecured notes 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 A-EBITDA to exclude unconsolidated entities and to include adjustments for stock-based compensation expense, provision for loan losses, gains/losses on extinguishment of debt, transactions costs, gains/losses/impairments on properties, gains/losses on derivatives and other non-recurring and/or non-cash income/charges. We believe that EBITDA and A-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 them to measure our interest coverage ratio, which represents EBITDA and A-EBITDA divided by total interest, and our fixed charge coverage ratio, which represents EBITDA and A-EBITDA divided by fixed charges. Fixed charges include total interest, secured debt principal amortization and preferred dividends. Our leverage ratios include net debt to A-EBITDA, book capitalization, undepreciated book capitalization and market capitalization. Book capitalization represents the sum of net debt (defined as total long-term debt less cash and cash equivalents and any IRC section 1031 deposits), total equity and redeemable noncontrolling interests. Undepreciated book capitalization represents book capitalization adjusted for accumulated depreciation and amortization. Market capitalization represents book capitalization adjusted for the fair market value of our common stock. Our leverage ratios are defined as the proportion of net debt to total capitalization.

TTM A-EBITDA Reconciliation

Dollars in thousands	Twelve Months Ended March 31, 2017	
Net income	$	1,254,208
Interest expense		506,982
Income tax expense (benefit)		(15,158)
Depreciation and amortization		900,822
Loss (income) from unconsolidated entities		29,643
Transaction costs		34,702
Stock-based compensation		25,588
Provision for loan losses		10,215
Loss (gain) on extinguishment of debt, net		48,593
Loss/impairment (gain) on sales of properties, net		(574,216)
Loss (gain) on derivatives, net		(1,225)
Other expenses		19,396
Additional other income		(16,664)
Adjusted EBITDA	$	2,222,886
Interest Coverage Ratio:		
Interest expense	$	506,982
Non-cash interest expense		(3,958)
Capitalized interest		18,035
Total interest		521,059
Adjusted EBITDA	$	2,222,886
Interest coverage ratio		4.3x

Quarterly EBITDA/A-EBITDA Reconciliations

In thousands	Three Months Ended December 31, 2013	Three Months Ended March 31, 2017
Net income	$ 25,696	$ 337,610
Interest expense [1]	124,485	118,597
Income tax expense (benefit)	435	2,245
Depreciation and amortization [1]	243,380	228,276
EBITDA	393,996	686,728
Loss (income) from unconsolidated entities	4,659	23,106
Transaction costs	15,693	-
Stock-based compensation	3,527	4,906
Provision for loan losses	2,110	-
Loss (gain) on extinguishment of debt, net	3,467	31,356
Loss/impairment (gain) on properties, net	8,064	(233,061)
Loss (gain) on derivatives, net	6	1,224
Other expenses	-	11,675
Adjusted EBITDA	$ 431,522	$ 525,934
Interest Coverage Ratio:		
Interest expense [1]	$ 124,485	$ 118,597
Non-cash interest expense	(264)	(1,679)
Capitalized interest	2,003	4,129
Total interest	126,224	121,047
Adjusted EBITDA	$ 431,522	$ 525,934
Interest coverage ratio - adjusted	3.4x	4.3x
Fixed Charge Coverage Ratio:		
Total interest [1]	$ 126,224	$ 121,047
Secured debt principal amortization	16,312	16,249
Preferred dividends	16,531	14,379
Total fixed charges	159,067	151,675
Adjusted EBITDA	$ 431,522	$ 525,934
Fixed charge coverage ratio - adjusted	2.7x	3.5x
Net Debt to Adjusted EBITDA Ratio:		
Total debt	$ 10,652,014	$ 11,454,185
Less: cash and cash equivalents [2]	(158,780)	(380,360)
Net debt	10,493,234	11,073,825
Adjusted EBITDA annualized	$ 1,726,088	$ 2,103,736
Net debt to adjusted EBITDA ratio	6.08x	5.26x

Notes:
(1) 2013 includes amounts related to properties sold or classified as held for sale.
(2) Includes IRC section 1031 deposits, if any.

Capitalization Ratios

Dollars in thousands	12/31/2013	12/31/2016	3/31/2017
Net Debt to Undepreciated Book Capitalization:			
Line of credit	$ 130,000	$ 645,000	$ 522,000
Long-term debt obligations	10,522,014	11,713,245	10,932,185
Cash and cash equivalents [1]	(158,780)	(557,659)	(380,360)
Net debt	10,493,234	11,800,586	11,073,825
Accumulated depreciation and amortization	2,386,658	4,093,494	4,335,160
Total equity[2]	11,791,370	15,679,905	15,495,681
Undepreciated book capitalization	$ 24,671,262	$ 31,573,985	$ 30,904,666
Net debt to undepreciated book capitalization ratio	42.5%	37.4%	35.8%
Net Debt to Enterprise Value:			
Outstanding common stock (000s)	289,564	362,602	364,564
Period end share price	$ 53.57	$ 66.93	$ 70.82
Common equity market capitalization	$ 15,511,943	24,268,952	25,818,422
Net debt	10,493,234	11,800,586	11,073,825
Preferred stock	1,017,361	1,006,250	718,750
Noncontrolling interests [2]	376,787	873,512	859,478
Enterprise value	$ 27,399,325	$ 37,949,300	$ 38,470,475
Net debt to enterprise value ratio	38.3%	31.1%	28.8%

Notes:

(1) Inclusive of IRC section 1031 deposits.

(2) Includes all noncontrolling interests (redeemable and permanent).