

Fixed Income Update

4Q16

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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.

2016 Company Highlights

- *Generated normalized FFO and FAD per share increases of 4% and 6% versus 2015, respectively.*
- *Net debt to undepreciated book cap. declined to 37.4% (12/31/16) from 39.5% (12/31/15).*
- *Completed $3.0 billion of gross investments, including $1.15 billion premier west coast seniors housing portfolio.*
- *Received credit ratings upgrades to Baa1 from Moody's and BBB+ from S&P.*
- *Enhanced financial flexibility with expanded, extended and lower-priced $3.7 billion unsecured credit facility.*

Significant Balance Sheet Strength

Moody's	Baa1	Stable
S&P	BBB+	Stable
Fitch	BBB+	Stable

RATIO	4Q13[2]	4Q16[2]	Pro Forma Improvement
NET DEBT / UNDEPRECIATED BOOK CAP [1]	42.6%	37.4%	↓ **520 bps**
NET DEBT / ENTERPRISE VALUE [1]	38.3%	31.1%	↓ **720 bps**
NET DEBT / ADJUSTED EBITDA [1]	6.1x	5.4x	↓ **0.7x**
ADJUSTED INTEREST COVERAGE	3.4x	4.2x	↑ **0.8x**
ADJUSTED FIXED CHARGE COVERAGE	2.7x	3.3x	↑ **0.6x**

1. Net debt represents total debt minus cash.
2. Represents three months ended 4Q13 and 4Q16. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

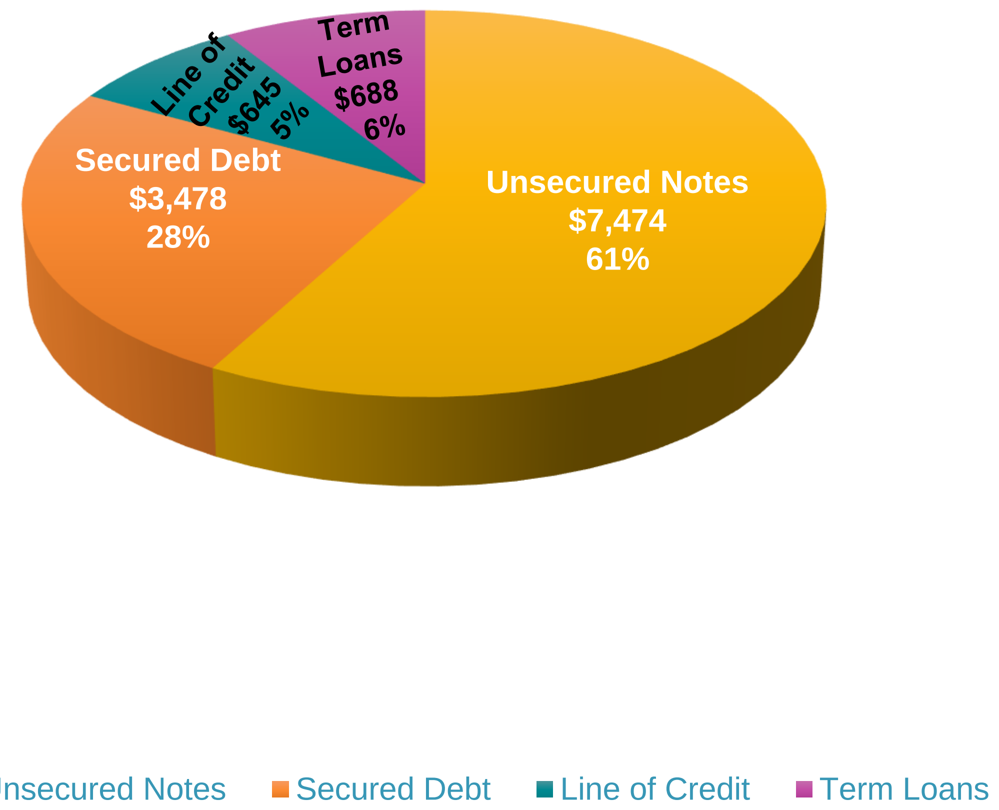
Strong Unsecured Debt Covenant Compliance

Ratio	4Q16	Unsecured Notes Covenants [1]	Compliance
Secured Indebtedness to Total Assets	12.0%	< 40.0%	✓
Total Indebtedness to Total Assets	42.8%	< 60.0%	✓
Unsecured Debt to Unencumbered Assets	36.8%	<66.7%	✓
Minimum Interest Coverage Ratio[2]	4.2x	> 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 12/31/2016. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

Debt Structure Summary

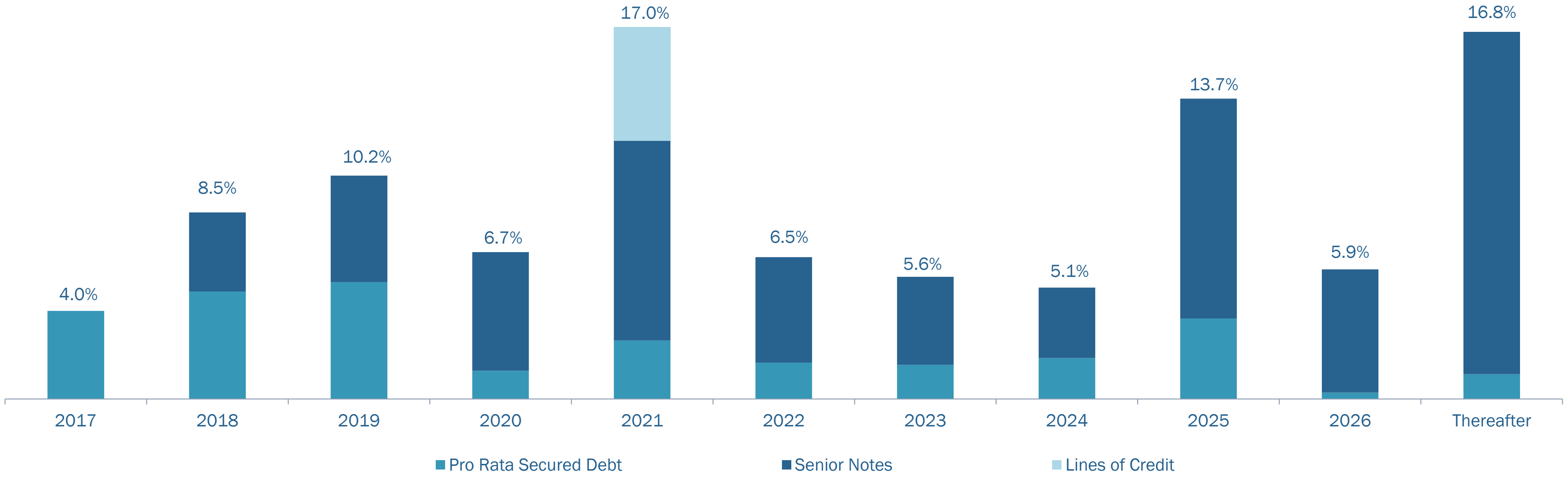
4Q16[1] ($ MILLIONS)



1. Data as of 12/31/16 and represents consolidated balance sheet data.

Balanced and Manageable Debt Maturity Profile

Weighted average maturity of 7.3 years



Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Thereafter
Unsecured Debt	-	$450	$605	$673	$1,781	$600	$500	$400	$1,250	$700	$1,945
Secured Debt	$501	$610	$664	$161	$332	$206	$194	$232	$457	$36	$140
Total ($mm)	**$501**	**$1,060**	**$1,269**	**$834**	**$2,113**	**$806**	**$694**	**$632**	**$1,707**	**$736**	**$2,086**

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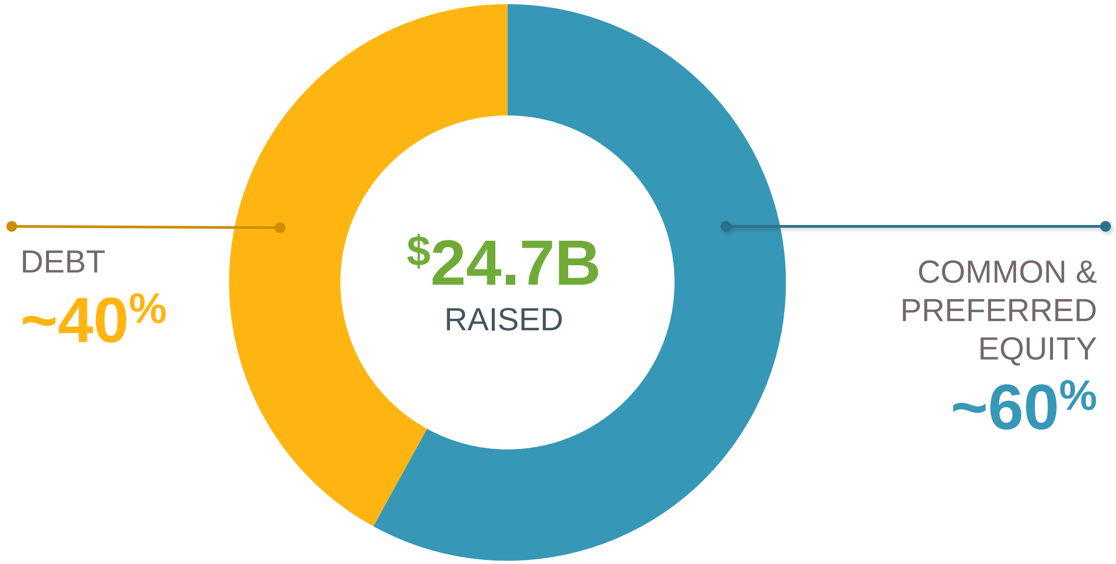
1. Data as of 12/31/2016 in USD. Represents pro rata principal amounts due excluding unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet.

Prudent Capital Strategy

Capital Raised Since 2010



$3.0B
Unsecured Line of Credit

$2.8B(1)
Availability

1. Line balance as of 12/31/16 less cash and cash equivalents.

Diverse and unparalleled access to capital since 2010

COMMON EQUITY

11 follow-on offerings totaling $11B

$1.2B in DRIP proceeds

$171M ATM availability*

**As of 12/31/2016*

PREFERRED STOCK

Two issues totaling $1B*

** Series J being redeemed per press release issued on 2/2/17*

DOMESTIC PUBLIC DEBT

13 offerings totaling $7.4B with average tenor of 11 years

INTERNATIONAL PUBLIC DEBT

2 GBP issues totaling USD $1.7B with average tenor of 17 years

1 CAD issuance of USD $226M

CREDIT FACILIY

$3.7B facility
- *$3.0B revolver*
- *$0.7B in term loans (US and Canada)*

SECURED DEBT

Only 10.6% of gross assets[1].

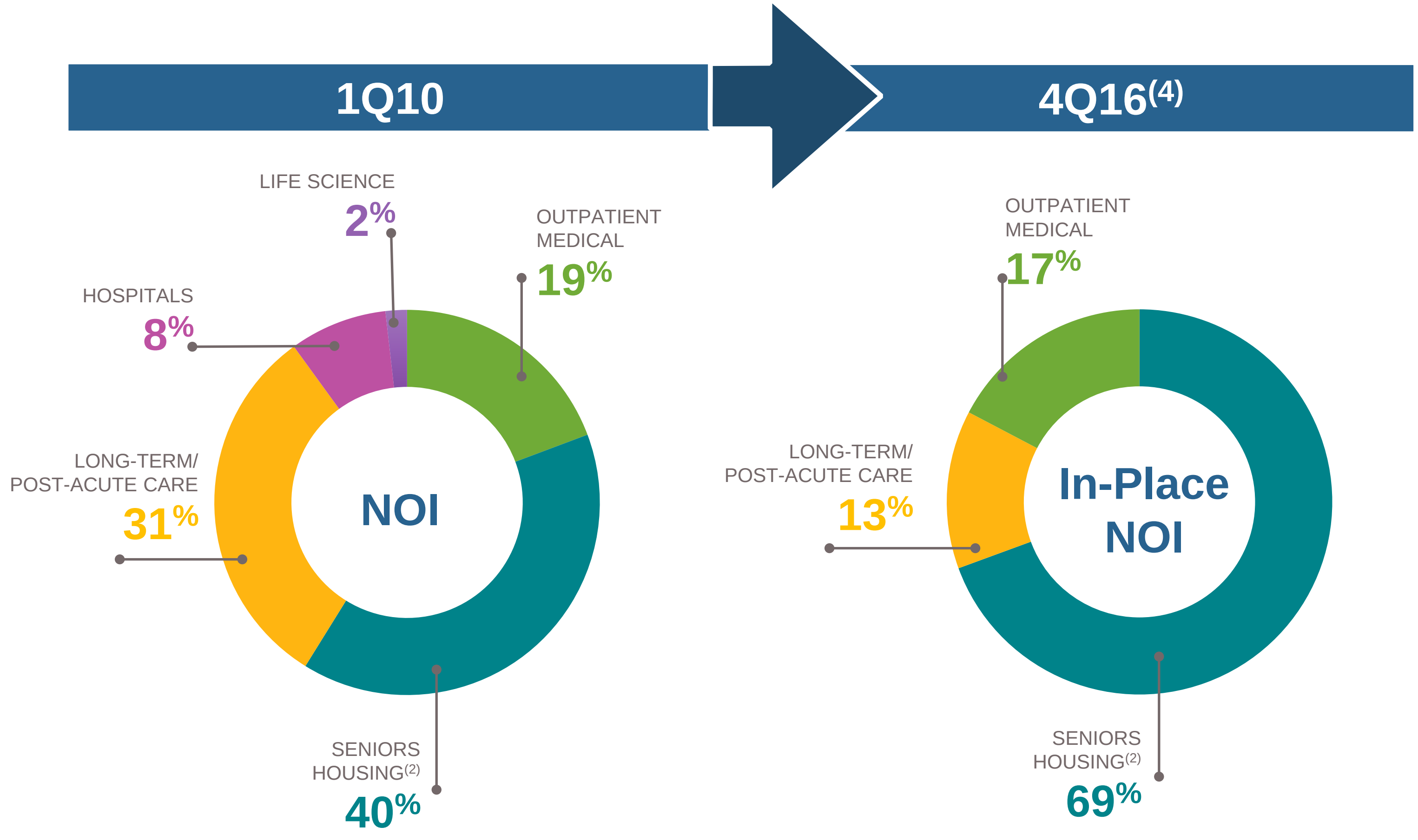
ASSET RECYCLING

Received $6B+ proceeds from asset sales since 2010

$1.4B Held for Sale

1. Gross Assets represents total assets plus depreciation as of 12/31/16.

Portfolio Transformation[1]



Private Pay: 69%[3]

Private Pay: 93%[3]

1. Based on NOI for 1Q10 and In-Place NOI for 4Q16. 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.
4. Numbers do not add up to 100% due to rounding.

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Non-GAAP Financial Measures

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 (IPNOI), Normalized Funds From Operations (FFO), Normalized Funds Available for Distribution (FAD), Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) and Adjusted EBITDA (A-EBITDA) to be useful supplemental measures of its operating performance. Excluding EBITDA and A-EBITDA, these supplemental measures are disclosed on a Welltower pro rata ownership basis.

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

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.

NOI and IPNOI

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 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.

In-Place NOI (IPNOI) 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.

We believe these metrics 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 these metrics 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 12/31/16	
In-Place NOI by country[1]			
United States	$	411,293	84.1%
United Kingdom		38,023	7.8%
Canada		39,805	8.1%
Total In-Place NOI	$	489,121	100.0%
In-Place NOI by property type[1]			
Long-Term/Post-Acute	$	64,948	13.3%
Seniors Housing Triple-Net		133,778	27.4%
Outpatient Medical		84,662	17.3%
Seniors Housing Operating		205,733	42.0%
Hospital		-	0.0%
Life Science		-	0.0%
Total In-Place NOI	$	489,121	100.0%
Interest income		23,689	
Other income		6,657	
Held for sale & dispositions		48,611	
Non IP NOI		13,111	
Timing adjustments[2]		(9,387)	
Total current quarter NOI[1]		571,802	
Interest expense		(126,360)	
Depreciation and amortization		(227,916)	
General & administrative		(32,807)	
Transaction costs		(9,704)	
Gain (loss) on derivatives, net		(68)	
Gain (loss) on extinguishment of debt, net		(17,204)	
Other expenses		(8,838)	
Income tax benefit (expense)		16,585	
Pro rata adjustments[3]		8,855	
Gain (loss/impairment) on sales of properties, net		186,978	
Provision for loan losses		(10,215)	
Preferred dividends		(16,352)	
Loss (income) attributable to noncontrolling interests		(1,714)	
Net income attributable to common stockholders	$	333,042	

Notes:
(1) Amounts reflected at Welltower pro rata ownership.
(2) Represents timing adjustments for current quarter acquisitions, construction conversions and segment transitions.
(3) Represents amounts attributable to joint venture partners, both majority and minority.

$s in thousands		Three months ended 3/31/10	
NOI by country[1]			
United States	$	127,480	100.0%
United Kingdom		-	0.0%
Canada		-	0.0%
Total NOI	$	127,480	100.0%
NOI by property type[1]			
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]		2,293	1.8%
Total NOI	$	127,480	100.0%
Interest income		9,048	
Other income		996	
Held for sale & dispositions		-	
Non IP NOI		5,346	
Timing adjustments		-	
Total current quarter NOI[1]		142,870	
Interest expense		(29,791)	
Depreciation and amortization		(43,387)	
General & administrative		(16,821)	
Transaction costs		(7,714)	
Gain (loss) on derivatives, net		-	
Gain (loss) on extinguishment of debt, net		(18,038)	
Income (loss) from discontinued operations, net		(203)	
Income tax benefit (expense)		(84)	
Pro rata adjustments[3]		(1,856)	
Gain (loss/impairment) on sales of properties, net		6,718	
Provision for loan losses		-	
Preferred dividends		(5,509)	
Loss (income) attributable to noncontrolling interests		(373)	
Net income attributable to common stockholders	$	25,812	

Notes:
(1) Amounts reflected at 100% ownership except as noted.
(2) Represents NOI expenses attributable to unconsolidated life science joint venture.
(3) Represents non-NOI expenses attributable to unconsolidated life science joint venture.

Normalized FFO & FAD

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.

Normalized FFO & FAD Reconciliations

In thousands, except per share		Year ended December 31, 2015		Year ended December 31, 2016
Net income (loss) attributable to common stockholders	$	818,344	$	1,012,397
Depreciation and amortization		826,240		901,242
Losses/impairments (gains) on properties, net		(278,167)		(326,840)
Noncontrolling interests and unconsolidated entities, net [(1)]		42,911		3,368
Transaction costs		110,926		42,910
Other expenses		46,926		11,998
Nonrecurring income tax benefits		(5,430)		(15,675)
Loss (gain) on extinguishments of debt, net		34,677		17,214
Loss (gain) on derivatives, net		(58,427)		(2,448)
Additional other income		(5,813)		(16,664)
Provision for loan losses		-		10,215
Normalized FFO	$	1,532,187	$	1,637,717
Average diluted common shares outstanding		349,424		360,227
Normalized FFO per diluted share	$	4.38	$	4.55
Year-over-year increase				*4%*
Normalized FFO	$	1,532,187	$	1,637,717
Gross straight-line rental income		(122,893)		(108,271)
Amortization of above (below) market leases, net		4,018		322
Non-cash interest expense		2,586		1,681
Cap-ex, tenant improvements, lease commissions		(64,458)		(66,332)
Noncontrolling interests and unconsolidated entities, net [(2)]		(5,162)		3,815
Normalized FAD	$	1,346,278	$	1,468,932
Average diluted common shares outstanding		349,424		360,227
Normalized FAD per diluted share	$	3.85	$	4.08
Year-over-year increase				*6%*

Notes:

(1) Represents net of noncontrolling interests' share of normalized FFO adjustments and HCN's share of net FFO adjustments from unconsolidated entities.

(2) Represents net of noncontrolling interests' share of normalized FAD adjustments and HCN's share of net FAD adjustments from unconsolidated entities.

EBITDA and A-EBITDA

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 A-EBITDA 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 EBITDA and A-EBITDA to measure our interest coverage ratio, which represents EBITDA or A-EBITDA divided by total interest, and our fixed charge coverage ratio, which represents EBITDA or A-EBITDA divided by fixed charges. Fixed charges include total interest, secured debt principal amortization and preferred dividends.

TTM A-EBITDA Reconciliation

Dollars in thousands	Twelve Months Ended December 31, 2016
Net income	$ 1,082,070
Interest expense	521,345
Income tax expense (benefit)	(19,128)
Depreciation and amortization	901,242
Transaction costs	42,910
Stock-based compensation	28,869
Provision for loan losses	10,215
Loss (gain) on extinguishment of debt, net	17,214
Loss/impairment (gain) on sales of properties, net	(326,839)
Loss (gain) on derivatives, net	(2,448)
Other expenses	7,721
Additional other income	(16,664)
Adjusted EBITDA	$ 2,246,507
Interest Coverage Ratio:	
Interest expense	$ 521,345
Non-cash interest expense	(1,681)
Capitalized interest	16,943
Total interest	536,607
Adjusted EBITDA	$ 2,246,507
Interest coverage ratio	4.2x

Quarterly EBITDA/A-EBITDA Reconciliations

In thousands	Three Months Ended December 31, 2013	Three Months Ended December 31, 2016
Net income	$ 25,696	$ 351,108
Interest expense [1]	124,485	126,360
Income tax expense (benefit)	435	(16,585)
Depreciation and amortization [1]	243,380	227,916
EBITDA	393,996	688,799
Transaction costs	15,693	9,704
Stock-based compensation	3,527	8,251
Provision for loan losses	2,110	10,215
Loss (gain) on extinguishment of debt, net	3,467	17,204
Loss/impairment (gain) on properties, net	8,064	(186,978)
Loss (gain) on derivatives, net	6	68
Other expenses	-	5,983
Additional other income	-	(4,853)
Adjusted EBITDA	$ 426,863	$ 548,393
Interest Coverage Ratio:		
Interest expense [1]	$ 124,485	$ 126,360
Non-cash interest expense	(264)	(216)
Capitalized interest	2,003	4,834
Total interest	126,224	130,978
Adjusted EBITDA	$ 426,863	$ 548,393
Interest coverage ratio - adjusted	3.4x	4.2x
Fixed Charge Coverage Ratio:		
Total interest [1]	$ 126,224	$ 130,978
Secured debt principal amortization	16,312	18,577
Preferred dividends	16,531	16,352
Total fixed charges	159,067	165,907
Adjusted EBITDA	$ 426,863	$ 548,393
Fixed charge coverage ratio - adjusted	2.7x	3.3x
Net Debt to Adjusted EBITDA Ratio:		
Total debt	$ 10,652,014	$ 12,358,245
Less: cash and cash equivalents [2]	(158,780)	(557,659)
Net debt	10,493,234	11,800,586
Adjusted EBITDA annualized	$ 1,707,452	$ 2,193,572
Net debt to adjusted EBITDA ratio	6.1x	5.4x

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