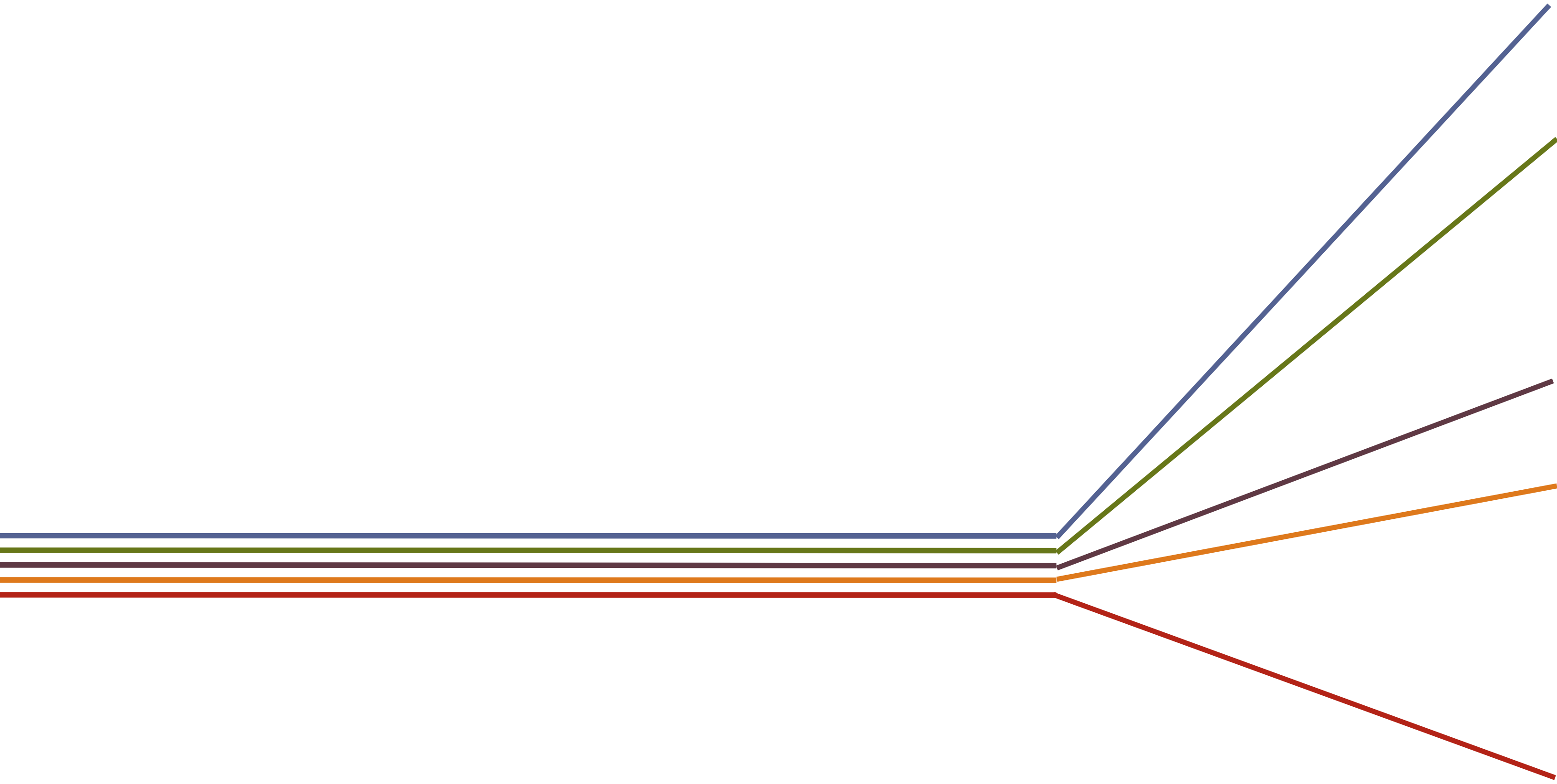
HEALTHCARE REIT

2Q08 SUPPLEMENTAL INFORMATION



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CORPORATE

HEALTH CARE REIT, INC. an equity real estate investment trust ("REIT") with an enterprise value of $7.4 billion, invests in health care real estate including independent living, assisted living and skilled nursing facilities, continuing care retirement communities, hospitals and medical office buildings. The company's full service platform also offers property management and development services to its customers. Founded in 1970, the company was the first REIT to invest exclusively in health care properties.

Data as of:	June 30, 2008				
NYSE Symbol:	HCN	Enterprise Value:	$7.4 billion	Investment Concentration*	
Closing Price:	$44.50	Gross Real Estate Assets:	$6.0 billion	Owned Assets:	92%
52 Week Hi/Lo:	$50.49/$35.08	Debt to Market Capitalization:	41%	Top 5 Customers:	27%
Dividend/Yield:	$2.72/6.11%	Debt to Book Capitalization:	54%	Top 5 States:	47%
Shares Outstanding:	90.1 million	Senior Debt Ratings:	Baa2/BBB-/BBB	* % of total investments	

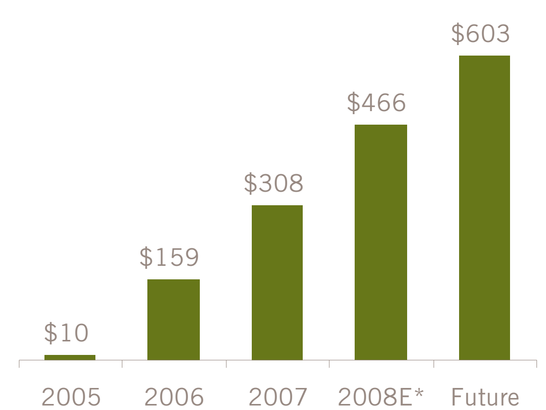
FULL SERVICE PLATFORM

Health Care REIT provides senior housing operators and health care systems with a single source for facility planning, design and turn-key development, property management and monetization or expansion of existing real estate. By extending successful relationship investment programs to health care systems across higher acuity asset classes, the company has significantly increased potential investment opportunities.

PIPELINE FOR GROWTH

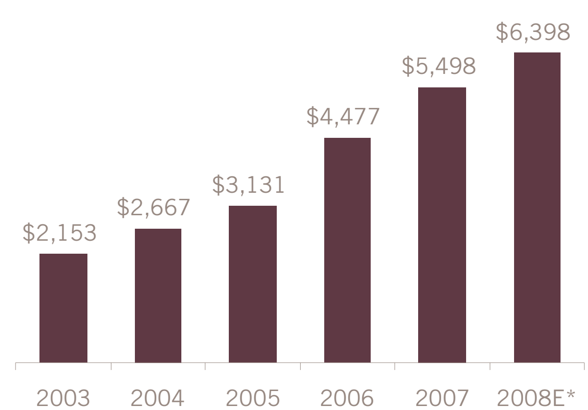
The company establishes relationships with growing operators and health care systems and invests in real estate to fuel the company's growth cycle. These relationship investment programs have generated a current pipeline of $3 billion in health care real estate development and acquisition opportunities. As the company replicates these programs across higher acuity asset classes, the investment pipeline should further increase.

DEVELOPMENT FUNDING
$ millions



*represents projected future funding for projects underway as of June 30, 2008

GROSS REAL ESTATE INVESTMENTS
$ millions

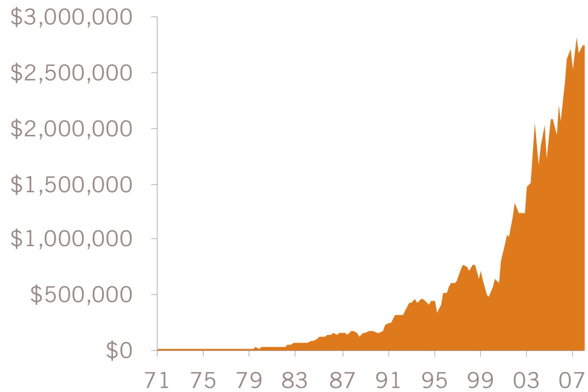


*based on mid-point of HCN 2008 net investment guidance of $700 million to $1.1 billion

SECURE AND GROWING DIVIDEND

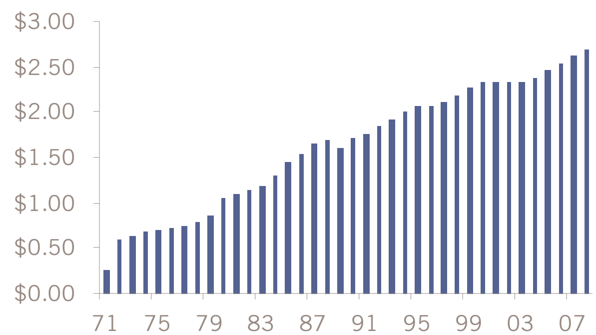
Health Care REIT maintains a commitment to investment grade ratings, conservative balance sheet management and underwriting, asset and property management protocols that ensure prudent investments and proactive management over the life of its long-term leases. The company has declared 149 consecutive quarterly dividends during its 38-year history and remains focused on delivering attractive stockholder returns.

GROWTH SINCE INCEPTION*



*value of $10,000 investment made 6/30/1971, assuming reinvestment of dividends

SOLID DIVIDEND PAYMENT RECORD*



*adjusted for stock splits

TOTAL RETURNS*

1 year	17.0%
3 years	12.5%
5 years	15.0%
10 years	14.9%
20 years	14.8%
Since inception	16.4%

*assumes reinvestment of dividends

RELATIONSHIP FOCUSED, LONG-TERM STRATEGY

With 69 operators and over 800 medical office tenants in 38 states, the company strives to provide each customer with the highest quality of service and attention to detail. Throughout the company's 38-year history, it has been a steady long-term capital provider to senior housing and health care systems throughout all market cycles. The relationship approach enables the company to partner with the best regionally focused operators and health systems and help them grow profitably while concentrating on what they do best – provide quality care to patients and residents.

SPEED AND CERTAINTY OF EXECUTION

Health Care REIT's experience and knowledge enable investment decisions within days, rather than weeks or months. The company has accessed over $3.1 billion in capital in the last five years, including $894 million in 2007 and $160 million during the six months ended June 30, 2008. The company's $1.15 billion line of credit ensures new investments will be funded on time.

ANALYST COVERAGE

Bank of America Securities LLC
BMO Capital Markets Corp.
Cantor Fitzgerald
Deutsche Bank Securities Inc.
Green Street Advisors, Inc.
KeyBanc Capital Markets
Merrill Lynch
Morgan Keegan & Co., Inc.
Raymond James & Associates, Inc.
Stifel Nicolaus & Company, Inc.
UBS Securities

INVESTOR RELATIONS

ANALYST / INVESTOR CONTACT
Scott A. Estes
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GENERAL INQUIRIES
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SVP-Administration & Corporate Secretary
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George L. Chapman
CEO & Chairman

Mr. Chapman is currently Chairman and Chief Executive Officer of the company, positions he has held since October 1996, and served as President of the company from September 1995 to May 2002. From January 1992 to September 1995, he served as Executive Vice President and General Counsel of the company.

Raymond W. Braun
President

Mr. Braun has served as President of the company since May 2002 and served as Chief Financial Officer of the company from July 2000 to March 2006. Since January 1993, Mr. Braun has served in various capacities, including Chief Operating Officer, Executive Vice President, Assistant Vice President and Assistant General Counsel of the company.

Scott A. Estes
SVP & CFO

Mr. Estes has served as Senior Vice President and Chief Financial Officer of the company since March 2006 and served as Vice President of Finance of the company from April 2003 to March 2006. From January 2000 to April 2003, Mr. Estes served as a Senior Equity Analyst and Vice President with Deutsche Bank Securities. From January 1998 to December 1999, Mr. Estes served as a Senior Equity Analyst and Vice President with Bank of America Securities.

Forward-Looking Statements and Risk Factors

This document may contain "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements concern and are based upon, among other things, the possible expansion of the company's portfolio; the sale of properties; the performance of its operators and properties; its occupancy rates; its ability to acquire or develop properties; its ability to manage properties; its ability to enter into agreements with viable new tenants for vacant space or for properties that the company takes back from financially troubled tenants, if any; its ability to make distributions; its policies and plans regarding investments, financings and other matters; its tax status as a real estate investment trust; its ability to appropriately balance the use of debt and equity; its ability to access capital markets or other sources of funds; its critical accounting policies; and its ability to meet its earnings guidance. When the company uses words such as "may," "will," "intend," "should," "believe," "expect," "anticipate," "project," "estimate" or similar expressions, it is making forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties. The company's expected results may not be achieved, and actual results may differ materially from expectations. 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; operators'/tenants' difficulty in cost-effectively obtaining and maintaining adequate liability and other insurance; changes in financing terms; competition within the health care and senior 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 facilities with profitable results; the failure to make new investments as and when anticipated; the failure of closings to occur as and when anticipated; 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 bankruptcies or insolvencies; 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 acquisitions; environmental laws affecting the company's properties; changes in rules or practices governing the company's financial reporting; and legal and operational matters, including real estate investment trust qualification and key management personnel recruitment and retention. Finally, the company assumes no obligation to update or revise any forward-looking statements or to update the reasons why actual results could differ from those projected in any forward-looking statements.

Consolidated Balance Sheets (unaudited)

(dollars in thousands)

	June 30, 2008	June 30, 2007
Assets		
Real estate investments:		
Real property owned		
Land and land improvements	$ 480,481	$ 403,460
Buildings and improvements	4,486,489	4,086,599
Acquired lease intangibles	134,636	136,589
Real property held for sale, net of accumulated depreciation	42,153	24,520
Construction in progress	369,833	173,408
Gross real property owned	**5,513,592**	**4,824,576**
Less accumulated depreciation and amortization	(535,381)	(414,628)
Net real property owned	**4,978,211**	**4,409,948**
Real estate loans receivable	497,133	250,238
Less allowance for losses on loans receivable	(7,406)	(7,406)
Net real estate loans receivable	**489,727**	**242,832**
Net real estate investments	**5,467,938**	**4,652,780**
Other assets:		
Equity investments	1,287	4,700
Deferred loan expenses	27,067	19,036
Cash and cash equivalents	25,078	38,472
Restricted cash	149,694	17,016
Receivables and other assets	133,950	92,800
Total other assets	**337,076**	**172,024**
Total assets	**$ 5,805,014**	**$ 4,824,804**
Liabilities and stockholders' equity		
Liabilities:		
Borrowings under unsecured lines of credit arrangements	$ 744,000	$ 364,400
Senior unsecured notes	1,847,555	1,539,155
Secured debt	465,399	500,811
Liability to subsidiary trust issuing preferred securities	-	52,195
Accrued expenses and other liabilities	107,267	98,545
Total liabilities	**3,164,221**	**2,555,106**
Minority interests	7,669	2,294
Stockholders' equity:		
Preferred stock	305,681	338,993
Common stock	89,981	80,752
Capital in excess of par value	2,551,620	2,181,830
Treasury stock	(5,110)	(3,941)
Cumulative net income	1,273,251	994,463
Cumulative dividends	(1,577,301)	(1,327,018)
Accumulated other comprehensive income	(8,546)	(135)
Other equity	3,548	2,460
Total stockholders' equity	**2,633,124**	**2,267,404**
Total liabilities and stockholders' equity	**$ 5,805,014**	**$ 4,824,804**

Consolidated Statements of Income (unaudited)

(dollars in thousands except per share data)

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Revenues:				
Rental income	$ 124,828	$ 105,023	$ 244,868	$ 203,641
Interest income	9,175	6,576	18,267	11,725
Other income	1,885	1,144	3,601	2,737
Total revenues	**135,888**	**112,743**	**266,736**	**218,103**
Expenses:				
Interest expense	31,948	31,692	65,043	61,601
Property operating expenses	11,375	8,657	22,742	15,825
Depreciation and amortization	38,475	33,278	76,874	64,805
General and administrative expenses	10,575	9,957	22,904	19,738
Loan expense	1,753	1,236	3,524	2,503
Loss (gain) on extinguishment of debt	-	-	(1,326)	-
Total expenses	**94,126**	**84,820**	**189,761**	**164,472**
Income from continuing operations before income taxes and minority interests	41,762	27,923	76,975	53,631
Income tax (expense) benefit	(44)	69	(1,323)	58
Income from continuing operations before minority interests	**41,718**	**27,992**	**75,652**	**53,689**
Minority interests, net of tax	(65)	(161)	(127)	(286)
Income from continuing operations	**41,653**	**27,831**	**75,525**	**53,403**
Discontinued operations:				
Net gain (loss) on sales of properties	118,168	1,033	118,194	2,010
Income (loss) from discontinued operations, net	2,576	3,073	5,277	6,197
Discontinued operations, net	**120,744**	**4,106**	**123,471**	**8,207**
Net income	**162,397**	**31,937**	**198,996**	**61,610**
Preferred stock dividends	5,784	6,317	11,931	12,634
Net income available to common stockholders	**$ 156,613**	**$ 25,620**	**$ 187,065**	**$ 48,976**
Average number of common shares outstanding:				
Basic	89,294	79,060	87,698	76,159
Diluted	89,853	79,546	88,223	76,714
Net income available to common stockholders per share:				
Basic	$ 1.75	$ 0.32	$ 2.13	$ 0.64
Diluted	$ 1.74	$ 0.32	$ 2.12	$ 0.64
Common dividends per share	$ 0.68	$ 0.66	$ 1.34	$ 0.9591

Funds From Operations Reconciliation

(dollars in thousands except per share data)

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Net income available to common stockholders	**$ 156,613**	**$ 25,620**	**$ 187,065**	**$ 48,976**
Depreciation and amortization (1)	39,630	35,547	79,203	69,408
Loss (gain) on sales of properties	(118,168)	(1,033)	(118,194)	(2,010)
Minority interests	(87)	(155)	(174)	(187)
Funds from operations	**77,988**	**59,979**	**147,900**	**116,187**
One-time acquisition finder's fees	-	1,750	-	1,750
Loss (gain) on extinguishment of debt	-	-	(1,326)	-
Non-recurring income tax expense	-	-	1,325	-
Funds from operations — normalized	**$ 77,988**	**$ 61,729**	**$ 147,899**	**$ 117,937**
Average common shares outstanding:				
Basic	89,294	79,060	87,698	76,159
Diluted	89,853	79,546	88,223	76,714
Per share data:				
Net income available to common stockholders				
Basic	$ 1.75	$ 0.32	$ 2.13	$ 0.64
Diluted	$ 1.74	$ 0.32	$ 2.12	$ 0.64
Funds from operations				
Basic	$ 0.87	$ 0.76	$ 1.69	$ 1.53
Diluted	$ 0.87	$ 0.75	$ 1.68	$ 1.51
Funds from operations — normalized				
Basic	$ 0.87	$ 0.78	$ 1.69	$ 1.55
Diluted	$ 0.87	$ 0.78	$ 1.68	$ 1.54
FFO Payout Ratio				
Dividends per share (2)	$ 0.68	$ 0.66	$ 1.34	$ 1.30
FFO per diluted share	$ 0.87	$ 0.75	$ 1.68	$ 1.51
FFO payout ratio	78%	88%	80%	86%
FFO Payout Ratio — Normalized				
Dividends per share (2)	$ 0.68	$ 0.66	$ 1.34	$ 1.30
FFO per diluted share — normalized	$ 0.87	$ 0.78	$ 1.68	$ 1.54
FFO payout ratio — normalized	78%	85%	80%	84%

Notes:
(1) Depreciation and amortization includes depreciation and amortization from discontinued operations.
(2) The $0.3409 prorated dividend paid on December 28, 2006 in connection with the Windrose merger has been included in the six months ended June 30, 2007.

Funds Available for Distribution Reconciliation

(dollars in thousands except per share data)

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Net income available to common stockholders	**$ 156,613**	**$ 25,620**	**$ 187,065**	**$ 48,976**
Depreciation and amortization (1)	39,630	35,547	79,203	69,408
Loss (gain) on sales of properties	(118,168)	(1,033)	(118,194)	(2,010)
Minority interests	(9)	(82)	(17)	(87)
Gross straight-line rental income	(5,034)	(3,878)	(10,370)	(8,109)
Prepaid/straight-line rent receipts	7,923	2,832	10,898	4,910
Amortization related to above (below) market leases, net	(199)	(464)	(462)	(924)
Amortization of deferred loan expenses	1,753	1,236	3,524	2,503
Cap-ex, tenant improvements, lease commissions	(1,162)	(762)	(1,927)	(1,825)
Funds available for distribution	**81,347**	**59,016**	**149,720**	**112,842**
One-time acquisition finder's fees	-	1,750	-	1,750
Loss (gain) on extinguishment of debt	-	-	(1,326)	-
Non-recurring income tax expense	-	-	1,325	-
Prepaid/straight-line rent receipts	(7,923)	(2,832)	(10,898)	(4,910)
Funds available for distribution — normalized	**$ 73,424**	**$ 57,934**	**$ 138,821**	**$ 109,682**
Average common shares outstanding:				
Basic	89,294	79,060	87,698	76,159
Diluted	89,853	79,546	88,223	76,714
Per share data:				
Net income available to common stockholders				
Basic	$ 1.75	$ 0.32	$ 2.13	$ 0.64
Diluted	$ 1.74	$ 0.32	$ 2.12	$ 0.64
Funds available for distribution				
Basic	$ 0.91	$ 0.75	$ 1.71	$ 1.48
Diluted	$ 0.91	$ 0.74	$ 1.70	$ 1.47
Funds available for distribution — normalized				
Basic	$ 0.82	$ 0.73	$ 1.58	$ 1.44
Diluted	$ 0.82	$ 0.73	$ 1.57	$ 1.43
FAD Payout Ratio				
Dividends per share (2)	$ 0.68	$ 0.66	$ 1.34	$ 1.30
FAD per diluted share	$ 0.91	$ 0.74	$ 1.70	$ 1.47
FAD payout ratio	75%	89%	79%	88%
FAD Payout Ratio — Normalized				
Dividends per share (2)	$ 0.68	$ 0.66	$ 1.34	$ 1.30
FAD per diluted share — normalized	$ 0.82	$ 0.73	$ 1.57	$ 1.43
FAD payout ratio — normalized	83%	90%	85%	91%

Notes:

(1) Depreciation and amortization includes depreciation and amortization from discontinued operations.

(2) The $0.3409 prorated dividend paid on December 28, 2006 in connection with the Windrose merger has been included in the six months ended June 30, 2007.

Adjusted EBITDA Reconciliation

(dollars in thousands except per share data)

	Twelve Months Ended				
	June 30, 2007	September 30, 2007	December 31, 2007	March 31, 2008	June 30, 2008
Net income	**$ 111,381**	**$ 115,414**	**$ 141,402**	**$ 148,329**	**$ 278,789**
Interest expense (1)	115,132	125,940	136,302	138,644	138,219
Income tax expense (benefit)	12	(81)	188	1,456	1,569
Depreciation and amortization (1)	119,578	135,189	149,626	155,339	159,422
Amortization of deferred loan expenses	4,341	5,063	5,977	6,483	7,000
Stock-based compensation (2)	8,081	8,543	7,050	7,723	7,853
Provision for loan losses	500	250	-	-	-
Gain on extinguishment of debt	-	-	(1,081)	(2,407)	(2,407)
Adjusted EBITDA	**$ 359,025**	**$ 390,318**	**$ 439,464**	**$ 455,567**	**$ 590,445**
Interest Coverage Ratio					
Interest expense (1)	$ 115,132	$ 125,940	$ 136,302	$ 138,644	$ 138,219
Capitalized interest (3)	8,257	10,035	12,526	15,367	17,860
Total interest	**$ 123,389**	**$ 135,975**	**$ 148,828**	**$ 154,011**	**$ 156,079**
Adjusted EBITDA	$ 359,025	$ 390,318	$ 439,464	$ 455,567	$ 590,445
Adjusted interest coverage ratio	**2.91x**	**2.87x**	**2.95x**	**2.96x**	**3.78x**
Fixed Charge Coverage Ratio					
Total interest (1)	$ 123,389	$ 135,975	$ 148,828	$ 154,011	$ 156,079
Secured debt principal amortization	5,416	6,665	7,961	8,162	8,079
Preferred dividends	23,431	24,415	25,130	24,960	24,427
Total fixed charges	**$ 152,236**	**$ 167,055**	**$ 181,919**	**$ 187,133**	**$ 188,585**
Adjusted EBITDA	$ 359,025	$ 390,318	$ 439,464	$ 455,567	$ 590,445
Adjusted fixed charge coverage ratio	**2.36x**	**2.34x**	**2.42x**	**2.43x**	**3.13x**

Notes:

(1) Depreciation and amortization includes depreciation and amortization from discontinued operations.

(2) Stock-based compensation expense was $1,406,000 and $5,254,000 for the three and six months ended June 30, 2008, respectively.

(3) Capitalized interest was $5,063,000 and $10,230,000 for the three and six months ended June 30, 2008, respectively.

Net Operating Income Reconciliation

(dollars in thousands)

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Total revenues:				
Investment properties:				
Rental income:				
Independent living/CCRCs	$ 14,881	$ 9,477	$ 28,295	$ 18,864
Assisted living facilities	31,071	25,345	61,299	51,095
Skilled nursing facilities	40,260	44,713	80,360	85,724
Specialty care facilities	10,595	6,581	18,786	12,920
Sub-total rental income	**96,807**	**86,116**	**188,740**	**168,603**
Interest income	9,175	6,576	18,267	11,725
Other income	1,533	812	2,829	2,155
Total investment property income	**107,515**	**93,504**	**209,836**	**182,483**
Medical office buildings:				
Rental income	33,003	26,181	66,236	49,861
Other income	237	-	447	-
Total MOB income	**33,240**	**26,181**	**66,683**	**49,861**
Non-segment/corporate other income	115	332	325	582
Total revenues	**140,870**	**120,017**	**276,844**	**232,926**
Property operating expenses:				
Investment properties	-	-	-	-
Medical office buildings	11,375	8,657	22,742	15,825
Non-segment/corporate	-	-	-	-
Total property operating expenses	**11,375**	**8,657**	**22,742**	**15,825**
Net operating income:				
Investment properties	107,515	93,504	209,836	182,483
Medical office buildings	21,865	17,524	43,941	34,036
Non-segment/corporate	115	332	325	582
Net operating income	**$ 129,495**	**$ 111,360**	**$ 254,102**	**$ 217,101**

Note: All amounts include amounts from discontinued operations, if applicable.

Outlook Reconciliation

(dollars in thousands except per share data)

	Year Ended December 31, 2008 Low	High
Investments:		
Acquisitions	$ 700,000	$ 900,000
Development	400,000	500,000
Gross new investments	1,100,000	1,400,000
Dispositions	(400,000)	(300,000)
Net new investments	700,000	1,100,000
FFO Reconciliation:		
Net income available to common stockholders	**$ 256,494**	**$ 261,994**
Loss (gain) on sales of properties	(118,194)	(118,194)
Depreciation and amortization (1)	163,000	163,000
Funds from operations	**301,300**	**306,800**
Loss (gain) on extinguishment of debt	(1,326)	(1,326)
Non-recurring income tax expense	1,325	1,325
Funds from operations - normalized	**$ 301,299**	**$ 306,799**
Per share data (diluted):		
Net income available to common stockholders	$ 2.83	$ 2.89
Funds from operations	3.33	3.39
Funds from operations - normalized	**3.33**	**3.39**
FAD Reconciliation:		
Net income available to common stockholders	**$ 256,494**	**$ 261,994**
Loss (gain) on sales of properties	(118,194)	(118,194)
Depreciation and amortization (1)	163,000	163,000
Gross straight-line rental income	(22,500)	(22,500)
Prepaid/straight-line rent receipts	10,898	10,898
Amortization related to above (below) market leases, net	(1,000)	(1,000)
Amortization of deferred loan expenses	7,250	7,250
Cap-ex, tenant improvements, lease commissions	(6,000)	(6,000)
Funds available for distribution	**289,948**	**295,448**
Loss (gain) on extinguishment of debt	(1,326)	(1,326)
Non-recurring income tax expense	1,325	1,325
Prepaid/straight-line rent receipts	(10,898)	(10,898)
Funds available for distribution - normalized	**$ 279,049**	**$ 284,549**
Per share data (diluted):		
Net income available to common stockholders	$ 2.83	$ 2.89
Funds available for distribution	3.20	3.26
Funds available for distribution - normalized	**3.08**	**3.14**

Notes:
(1) Depreciation and amortization includes depreciation and amortization from discontinued operations.

Revenue and Lease Maturity

(dollars in thousands)

	Rental Income (1)								
Year	Independent Living / CCRC	Assisted Living	Skilled Nursing	Specialty Care	Medical Office	Total Rental Income	Interest Income (2)	Total Revenues	% of Total
2008	$ -	$ 5,396	$ 108	$ -	$ 8,487	$ 13,991	$ 3,464	$ 17,455	3.3%
2009	-	-	443	-	8,717	9,160	2,977	12,137	2.3%
2010	-	-	-	-	9,238	9,238	2,655	11,893	2.3%
2011	-	1,665	5,295	-	10,536	17,496	7,406	24,902	4.7%
2012	5,065	3,673	6,904	-	11,927	27,569	2,340	29,909	5.7%
2013	7,840	555	-	-	7,452	15,847	11,864	27,711	5.3%
2014	-	2,872	8,356	-	7,845	19,073	-	19,073	3.6%
2015	-	-	1,892	-	7,134	9,026	253	9,279	1.8%
2016	-	582	6,435	-	12,940	19,957	5	19,962	3.8%
2017	-	14,421	3,548	4,475	4,992	27,436	1,624	29,060	5.5%
Thereafter	54,625	81,060	126,623	41,631	6,205	310,144	14,595	324,739	61.7%
	$ 67,530	**$ 110,224**	**$ 159,604**	**$ 46,106**	**$ 95,473**	**$ 478,937**	**$ 47,183**	**$ 526,120**	**100.0%**

Notes:

(1) Rental income represents annualized base rent for active lease agreements. The amounts are derived from the current contracted monthly base rent including straight-line for leases with fixed escalators or annual cash rent for leases with contingent escalators, net of collectibility reserves, if applicable. Rental income does not include common area maintenance charges or the amortization of above/below market lease intangibles.

(2) Reflects contract rate of interest for loans, net of collectibility reserves if applicable.

Debt Maturities and Principal Payments

(dollars in thousands)

Year	Line of Credit (1)	Senior Notes (2)	Secured Debt (2)	Total	% of Total
2008	$ -	$ -	$ 7,611	$ 7,611	0.2%
2009	-	-	39,801	39,801	1.3%
2010	-	-	15,407	15,407	0.5%
2011	744,000	-	52,620	796,620	26.1%
2012	-	250,000	14,039	264,039	8.6%
2013	-	300,000	62,550	362,550	11.9%
2014	-	-	122,749	122,749	4.0%
Thereafter	-	1,295,000	151,584	1,446,584	47.4%
Totals	**$ 744,000**	**$ 1,845,000**	**$ 466,361**	**$ 3,055,361**	**100.0%**
Weighted Avg Interest Rate (3)	**3.1%**	**5.8%**	**6.1%**	**5.2%**	
Weighted Avg Maturity	**3.3**	**11.2**	**6.5**	**8.6**	

Fixed and Floating Rate Debt

(dollars in thousands)

		Principal	% of Debt
Fixed Rate Debt			
Senior notes (2)	$	1,845,000	60.4%
Secured debt (2)	$	466,361	15.3%
Total fixed	**$**	**2,311,361**	**75.7%**
Floating Rate Debt			
Line of credit (1)	$	744,000	24.3%
Total floating	**$**	**744,000**	**24.3%**
Total debt	**$**	**3,055,361**	**100.0%**

Notes:

(1) Current line of credit capacity of $1.15 billion with remaining availability of $406 million at June 30, 2008.

(2) Amounts above represent principal amounts due and do not include unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet.

(3) Line of credit interest rate represents 1-month LIBOR + 60 bps at June 30, 2008. Senior notes and secured debt average interest rate represents the face value note rate.

Current Capitalization

(dollars in thousands)

					Balance	% of Total
Book Capitalization						
Line of credit			$		744,000	13.1%
Long-term debt obligations					2,312,954	40.6%
Debt to total book capitalization					**3,056,954**	**53.7%**
Stockholders' equity					2,633,124	46.3%
Total book capitalization			**$**		**5,690,078**	**100.0%**
Undepreciated Book Capitalization						
Line of credit			$		744,000	11.9%
Long-term debt obligations					2,312,954	37.2%
Debt to undepreciated book capitalization					**3,056,954**	**49.1%**
Accumulated depreciation and amortization					535,381	8.6%
Stockholders' equity					2,633,124	42.3%
Total undepreciated book capitalization			**$**		**6,225,459**	**100.0%**
Enterprise Value						
Line of credit			$		744,000	10.1%
Long-term debt obligations					2,312,954	31.4%
Debt to total enterprise value					**3,056,954**	**41.5%**
Common shares outstanding		90,131				
Period end share price	$	44.50				
Common equity market capitalization					**4,010,830**	**54.4%**
Preferred stock					305,681	4.1%
Total enterprise value			**$**		**7,373,465**	**100.0%**
Secured Debt as % of Total Assets						
Secured debt			**$**		**465,399**	**8.0%**
Total assets			$		5,805,014	

Gross Investment Activity

(dollars in thousands)

	Second Quarter 2008					
	Properties	Beds / Units / Square Feet		Amount	Investment Per Bed / Unit / Square Foot	Initial Cash Yield
Real Property Acquisitions						
CCRC - entrance fee	1	192	units	$ 56,500	$ 294,271	8.0%
Combination - rental	1	110	units	34,500	313,636	7.5%
Freestanding dementia care	1	44	units	6,390	145,227	9.0%
Specialty care facilities	3	198	beds	107,100	540,909	9.3%
Medical office building	1	27,448	sf	6,225	227	8.8%
Land parcels	1			10,000		8.0%
Total acquisitions	**8**			**$ 220,715**		**8.6%**
Construction in Progress						
Development projects:						
CCRC - entrance fee	3	860	units	$ 29,056		
CCRC - rental	2	251	units	1,698		
Combination - entrance fee	4	739	units	20,896		
Combination - rental	15	1,644	units	35,851		
Freestanding dementia care	3	221	units	2,369		
Freestanding skilled nursing	2	240	beds	5,054		
Specialty care	4	252	beds	31,139		
Medical office	3	571,898	sf	9,675		
Total development projects	**36**			**135,738**		
Expansion projects:						
CCRC - entrance fee	2	157	units	2,154		
Combination - entrance fee	3	155	units	5,526		
Total expansion projects	**5**			**7,680**		
Total construction in progress	**41**			**143,418**		
Capital improvements to existing properties				4,830		8.5%
Loan advances				119,249		8.4%
Gross investments				**$ 488,212**		

Gross Investment Activity

(dollars in thousands)

	Year-to-date 2008					
	Properties	Beds / Units / Square Feet		Amount	Investment Per Bed / Unit / Square Foot	Initial Cash Yield
Real Property Acquisitions						
CCRC - entrance fee	1	192	units	$ 56,500	$ 294,271	8.0%
CCRC - rental	1	181	units	11,800	65,193	8.1%
Combination - rental	1	110	units	34,500	313,636	7.5%
Freestanding assisted living	1	45	units	4,600	102,222	8.5%
Freestanding dementia care	1	44	units	6,390	145,227	9.0%
Specialty care facilities	4	238	beds	142,300	597,899	9.5%
Medical office building	4	200,023	sf	47,853	239	8.0%
Land parcels	1			10,000		8.0%
Total acquisitions	**14**			**$ 313,943**		**8.7%**
Construction in Progress						
Development projects:						
CCRC - entrance fee	3	860	units	$ 43,413		
CCRC - rental	2	251	units	2,577		
Combination - entrance fee	4	739	units	41,057		
Combination - rental	16	1,744	units	53,225		
Freestanding dementia care	3	221	units	4,957		
Freestanding skilled nursing	2	240	beds	8,736		
Specialty care	4	252	beds	35,726		
Medical office	3	571,898	sf	13,628		
Total development projects	**37**			**203,319**		
Expansion projects:						
CCRC - entrance fee	2	157	units	3,504		
Combination - entrance fee	3	155	units	13,902		
Total expansion projects	**5**			**17,406**		
Total construction in progress	**42**			**220,725**		
Capital improvements to existing properties				7,828		9.1%
Loan advances				127,001		8.6%
Gross investments				**$ 669,497**		

Investment Timing

(dollars in thousands)

	Acquisitions	Initial Cash Yield	Loan Advances	Initial Cash Yield	Construction Conversions	Initial Cash Yield	Dispositions	Yield on Sale
January	$ 42,500	10.3%	$ 814	11.4%	$ 687	9.1%	$ -	0.0%
February	38,928	7.5%	5,957	10.4%	-	0.0%	-	0.0%
March	11,800	8.1%	981	11.6%	20,748	8.5%	-	0.0%
April	-	0.0%	3,024	10.6%	22,753	9.8%	6,041	10.4%
May	123,490	9.1%	1,579	11.1%	95,795	9.9%	1,931	11.6%
June	97,225	7.9%	114,646	8.4%	24,619	9.5%	125,306	6.2%
Total	**$ 313,943**	**8.7%**	**$ 127,001**	**8.6%**	**$ 164,602**	**9.6%**	**$ 133,278**	**6.4%**

Disposition Activity

(dollars in thousands)

	Second Quarter 2008		Year-to-date 2008	
	Amount	% of Total	Amount	% of Total
Dispositions by Investment Type				
Real property	$ 124,463	93.4%	$ 124,463	93.4%
Real estate loans receivable	8,815	6.6%	8,815	6.6%
Total	**$ 133,278**	**100.0%**	**$ 133,278**	**100.0%**
Dispositions by Property Type				
Combination - rental	$ 8,626	6.5%	$ 8,626	6.5%
Freestanding independent living	17,478	13.1%	17,478	13.1%
Freestanding assisted living	98,140	73.6%	98,140	73.6%
Freestanding skilled nursing	2,150	1.6%	2,150	1.6%
Other real estate loans receivable	6,884	5.2%	6,884	5.2%
Total	**$ 133,278**	**100.0%**	**$ 133,278**	**100.0%**

Discontinued Operations

(dollars in thousands)

	Second Quarter		Year-to-date	
	2008	2007	2008	2007
Revenues				
Rental income	$ 4,982	$ 7,274	$ 10,108	$ 14,823
Expenses				
Interest expense	1,251	1,932	2,502	4,023
Depreciation and amortization	1,155	2,269	2,329	4,603
Income / (loss) from discontinued operations, net	**$ 2,576**	**$ 3,073**	**$ 5,277**	**$ 6,197**

Portfolio Composition

(dollars in thousands)

	Properties		Investment Balance	% of Total		Committed Balance	% of Total
Balance Sheet Data							
Real property	597	$	4,978,211	90.9%	$	5,826,411	92.1%
Loans	38		497,133	9.1%		497,133	7.9%
Total	**635**	**$**	**5,475,344**	**100.0%**	**$**	**6,323,544**	**100.0%**
Investment Concentration - By Predominant Service Type							
Independent living / CCRC	62	$	950,059	17.4%	$	1,239,162	19.6%
Assisted living	194		1,128,597	20.6%		1,318,578	20.9%
Skilled nursing	225		1,579,183	28.8%		1,595,100	25.2%
Specialty care	28		533,178	9.7%		731,754	11.5%
Medical office	126		1,284,327	23.5%		1,438,950	22.8%
Total	**635**	**$**	**5,475,344**	**100.0%**	**$**	**6,323,544**	**100.0%**
Investment Concentration - Senior Housing & Care and Medical Facilities							
Senior housing & care portfolio							
CCRC - entrance fee	6	$	205,101	3.7%	$	388,706	6.1%
CCRC - rental	12		186,547	3.4%		188,699	3.0%
Combination - entrance fee	8		242,441	4.4%		334,000	5.3%
Combination - rental	125		971,699	17.8%		1,157,050	18.3%
Subtotal combination / CCRC	**151**		**1,605,788**	**29.3%**		**2,068,455**	**32.7%**
Freestanding independent living	22		156,844	2.9%		156,844	2.5%
Freestanding assisted living	77		270,930	4.9%		270,930	4.3%
Freestanding dementia care	33		152,093	2.8%		168,511	2.7%
Freestanding skilled nursing	193		1,186,699	21.7%		1,202,615	18.9%
Subtotal freestanding	**325**		**1,766,566**	**32.3%**		**1,798,900**	**28.4%**
Land	5		16,510	0.3%		16,510	0.3%
Other Loans	-		268,975	4.9%		268,975	4.3%
Senior housing & care total	**481**		**3,657,839**	**66.8%**		**4,152,840**	**65.7%**
Medical facilities portfolio							
Specialty care	28		533,178	9.7%		731,754	11.5%
Medical office	126		1,284,327	23.5%		1,438,950	22.8%
Medical facilities total	**154**		**1,817,505**	**33.2%**		**2,170,704**	**34.3%**
Total portfolio	**635**	**$**	**5,475,344**	**100.0%**	**$**	**6,323,544**	**100.0%**

Investment Metrics	Bed / Unit / Square Foot			Committed Balance ($000)		Per Bed / Unit / Square Foot
Independent living / CCRC	7,684	units	$	1,239,162	$	161,265
Assisted living	11,810	units		1,318,578		111,649
Skilled nursing	30,464	beds		1,595,100		52,360
Specialty care	1,885	beds		731,754		388,198
Medical office	5,342,072	sf		1,438,950		269
Total			**$**	**6,323,544**		

Portfolio Concentration

(dollars in thousands)

By Operator / Tenant	Total Properties	Investment Balance	% of Total
Signature Healthcare LLC	34	$ 322,205	5.9%
Emeritus Corporation	31	290,054	5.3%
Brookdale Senior Living, Inc.	85	289,321	5.3%
Senior Living Communities, LLC	9	284,168	5.2%
Life Care Centers of America, Inc.	25	261,777	4.8%
Merrill Gardens LLC	13	174,051	3.2%
Delta Health Group, Inc.	25	160,141	2.9%
Tara Cares, LLC	33	153,629	2.8%
Lyric Health Care, LLC	27	146,869	2.7%
Kindred Healthcare, Inc.	13	146,806	2.7%
Remaining portfolio	340	3,246,323	59.2%
Total	**635**	**$5,475,344**	**100.0%**

By Region*	Total Properties	Investment Balance	% of Total
South Atlantic	196	$1,494,308	27.3%
West South Central	118	786,069	14.4%
East North Central	70	719,248	13.1%
East South Central	71	574,808	10.5%
Pacific	40	560,091	10.2%
Mountain	49	504,079	9.2%
New England	49	453,702	8.3%
Middle Atlantic	33	295,658	5.4%
West North Central	9	87,381	1.6%
Total	**635**	**$5,475,344**	**100.0%**

*Region definitions are derived from census bureau definitions and are itemized in the glossary.

By State	Independent Living / CCRC	Assisted Living	Skilled Nursing	Specialty Care	Medical Office	Total Properties	Investment Balance	% of Total
Florida	$ 157,374	$ 37,972	$ 291,588	$ -	$ 285,973	88	$ 772,907	14.1%
Texas	18,391	123,334	167,591	163,297	190,461	86	663,074	12.1%
California	169,054	55,569	-	71,581	124,257	28	420,461	7.7%
Massachusetts	40,944	94,667	197,195	53,886	-	37	386,692	7.1%
Tennessee	-	45,959	217,930	-	74,189	34	338,078	6.2%
Ohio	27,800	38,912	182,913	26,543	7,529	30	283,697	5.2%
North Carolina	46,805	165,526	-	-	23,796	53	236,127	4.3%
Georgia	73,925	4,153	15,496	-	87,039	24	180,613	3.3%
South Carolina	148,732	6,745	-	-	17,379	13	172,856	3.2%
Illinois	-	64,580	30,295	52,623	17,271	15	164,769	3.0%
Remaining portfolio	267,034	491,180	476,175	165,248	456,433	227	1,856,070	33.8%
Total	**$ 950,059**	**$1,128,597**	**$1,579,183**	**$533,178**	**$1,284,327**	**635**	**$5,475,344**	**100.0%**

Top Ten Operator Descriptions

Signature Healthcare LLC, located in Palm Beach Gardens, FL, is a private operator of skilled nursing facilities spread among seven states. The company operates 64 skilled nursing facilities with 7,827 beds. As of June 30, 2008, the HCN portfolio consisted of 34 properties in four states with an investment balance of $322.2 million.

Emeritus Corporation (AMEX:ESC), located in Seattle, WA, is a national public provider of independent living, assisted living and Alzheimer's services. The company operates 289 communities representing capacity for approximately 25,000 residents in 34 states. As of June 30, 2008, the HCN portfolio consisted of 31 properties in 18 states with an investment balance of $290.1 million.

Brookdale Senior Living, Inc. (NYSE:BKD), located in Chicago, IL, is a national public provider of independent living and assisted living services. The company operates 550 facilities in 35 states with the ability to serve over 52,000 residents. As of June 30, 2008, the HCN portfolio consisted of 85 properties in 15 states with an investment balance of $289.3 million.

Senior Living Communities, LLC, located in Charlotte, NC, operates premier continuing care retirement communities (CCRCs) throughout the southeastern United States. The company operates nine campuses in four states. As of June 30, 2008, the HCN portfolio consisted of nine properties in four states with an investment balance of $284.2 million.

Life Care Centers of America, Inc., located in Cleveland, TN, is one of the largest private owners and operators of skilled nursing facilities in the country. The company has grown to more than 260 skilled nursing, assisted living, retirement, home care and Alzheimer's centers in 28 states. As of June 30, 2008, the HCN portfolio consisted of 25 properties in 12 states with an investment balance of $261.8 million.

Merrill Gardens LLC, located in Seattle, WA, is a privately held corporation organized under the laws of Washington State. The company owns, operates and/or manages 54 IL/AL facilities with 6,211 units in eight states. As of June 30, 2008, the HCN portfolio consisted of 13 properties in seven states with an investment balance of $174.1 million.

Delta Health Group, Inc., located in Pensacola, FL, is a private operator of skilled nursing facilities. The company operates 43 skilled nursing facilities with 5,480 beds/units located in Florida, Alabama, and Mississippi. As of June 30, 2008, the HCN portfolio consisted of 25 properties in three states with an investment balance of $160.1 million.

Tara Cares, LLC, located in Orchard Park, NY, is a private operator of skilled nursing and assisted living facilities in seven states. Currently, the company operates 36 facilities with 5,006 beds. As of June 30, 2008, the HCN portfolio consisted of 33 properties in seven states with an investment balance of $153.6 million.

Lyric Health Care, LLC, located in Columbia, MD, is a private operator of 31 skilled nursing facilities and long term acute care hospitals with 3,538 beds/units in 10 states and has a management agreement with Encore Healthcare LLC to operate the facilities. As of June 30, 2008, the HCN portfolio consisted of 27 properties in nine states with an investment balance of $146.9 million.

Kindred Healthcare, Inc. (NYSE:KND), located in Louisville, KY, is a public operator of skilled nursing facilities and long term acute care hospitals in 38 states. The company operates 84 LTACHs and 228 nursing centers. As of June 30, 2008, the HCN portfolio consisted of 13 properties in one state with an investment balance of $146.8 million.

Metropolitan Statistical Area Concentration *

(Investment balance in thousands)

	Top 31	Top 75	Top 100
Independent living / CCRC	$ 281,976	$ 486,110	$ 592,502
% of independent living / CCRC	29.7%	51.2%	62.4%
Assisted living	374,251	614,145	657,014
% of assisted living	33.2%	54.4%	58.2%
Skilled nursing	453,274	819,031	910,532
% of skilled nursing	28.7%	51.9%	57.7%
Specialty care	232,507	406,086	428,724
% of specialty care	43.6%	76.2%	80.4%
Medical office	921,368	1,156,904	1,160,566
% of medical office	71.7%	90.1%	90.4%
Total portfolio	**$ 2,263,376**	**$ 3,482,276**	**$ 3,749,338**
% of total portfolio	**41.3%**	**63.6%**	**68.5%**

* Metropolitan statistical areas are as defined by the U.S. Census Bureau. Top 31, 75 and 100 classifications are reported per the National Investment Center Market Area Profiles Subscription Service.

Portfolio Performance

	Age	Occupancy	TTM CBMF (1)	TTM CAMF (1)	Facility Revenue Mix: Private Pay	Medicaid	Medicare
Stable Portfolio*							
Independent living / CCRC	11	91.3%	1.39x	1.18x	93.0%	1.6%	5.4%
Assisted living	10	88.3%	1.58x	1.35x	86.0%	13.8%	0.2%
Skilled nursing	23	84.7%	2.28x	1.67x	19.3%	50.4%	30.3%
Specialty care	15	56.7%	2.52x	1.96x	28.6%	13.0%	58.4%
Medical office	13	89.1%	n/a	n/a	100.0%	0.0%	0.0%
Total	**15**		**1.98x**	**1.54x**	**65.7%**		

* Data as of June 30, 2008 for medical office and March 31, 2008 for remaining asset types.

Notes:
(1) Represents trailing twelve month coverage metrics.

Same Store Revenue Growth

(dollars in thousands)

	Properties (1)	2Q07 Same Store Revenue*	2Q08 Same Store Revenue*	% Change
Same Store Portfolio				
Independent living / CCRC	45	$ 11,418	$ 11,830	3.6%
Assisted living	164	22,492	23,176	3.0%
Skilled nursing	221	38,757	39,692	2.4%
Specialty care	15	6,040	6,215	2.9%
Total	**445**	**$ 78,707**	**$ 80,913**	**2.8%**

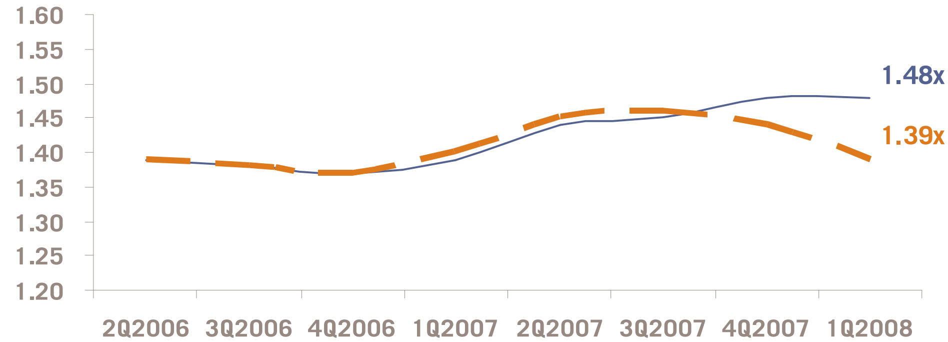
* Same store revenue represents cash-only rent or interest income excluding the impact of lease or loan basis changes (e.g., rent-producing capital improvement additions for leases and principal draws or paydowns for loans).

Notes:
(1) Represents those properties in the portfolio (both stable and unstable) for the 15 months preceding the end of the portfolio performance period.

Portfolio Performance - Independent Living / CCRC

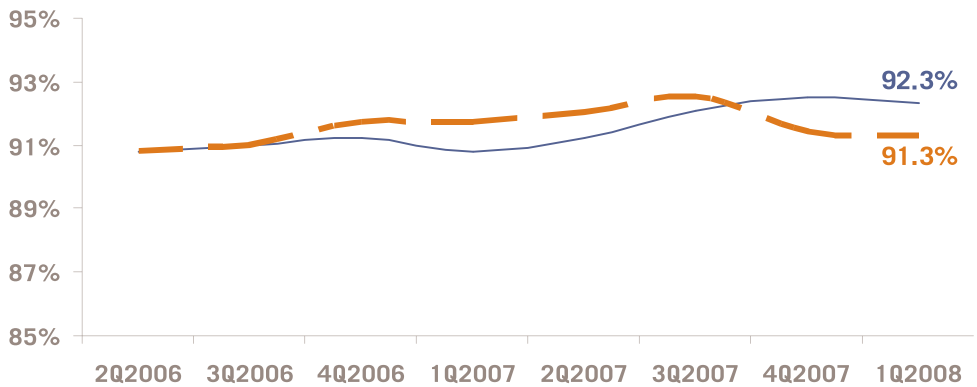
Same Store (20 properties)
Stable

Trailing Twelve Month Payment Coverage Before Management Fees



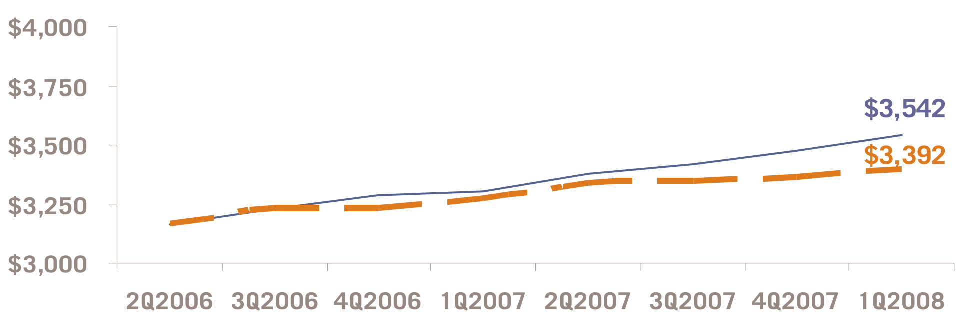
basis points	1Q08 / 1Q07	1Q08 / 4Q07
Same Store	9	-
Stable	(1)	(5)

Occupancy



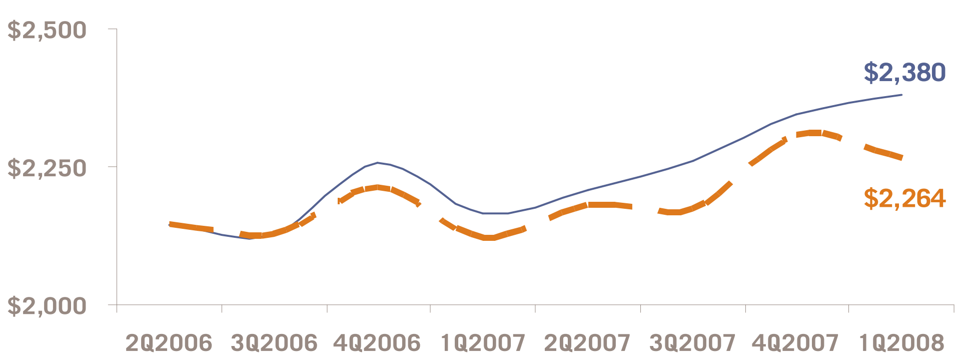
basis points	1Q08 / 1Q07	1Q08 / 4Q07
Same Store	150	(20)
Stable	(40)	(10)

Revenue per Occupied Unit



(% chg)	1Q08 / 1Q07	1Q08 / 4Q07
Same Store	7.1%	1.9%
Stable	3.8%	1.0%

Expense per Occupied Unit

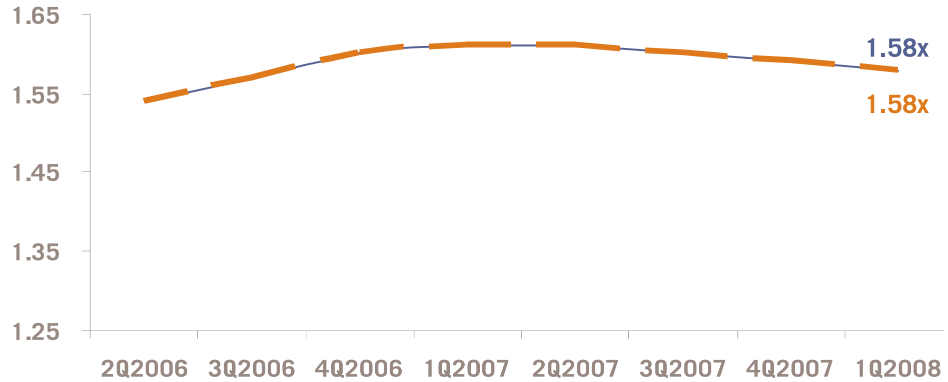


(% chg)	1Q08 / 1Q07	1Q08 / 4Q07
Same Store	9.9%	1.4%
Stable	6.8%	-1.9%

Same Store (165 properties)
Stable

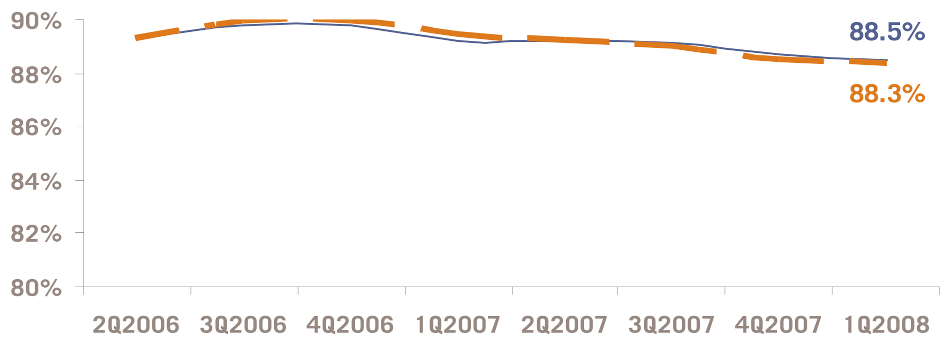
Portfolio Performance - Assisted Living

Trailing Twelve Month Payment Coverage Before Management Fees



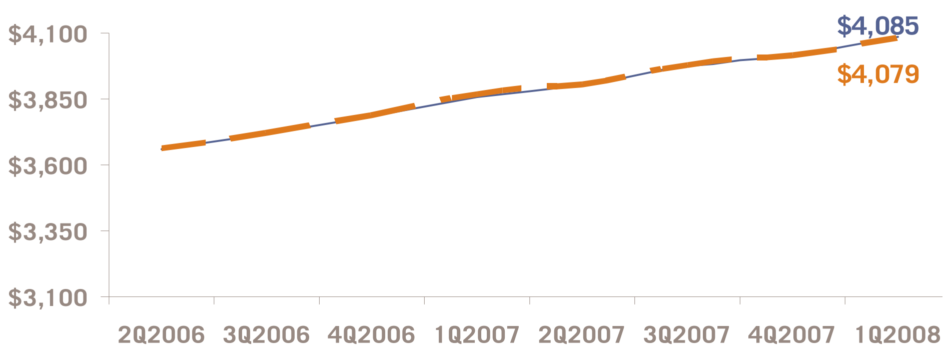
basis points	1Q08 / 1Q07	1Q08 / 4Q07
Same Store	(3)	(1)
Stable	(3)	(1)

Occupancy



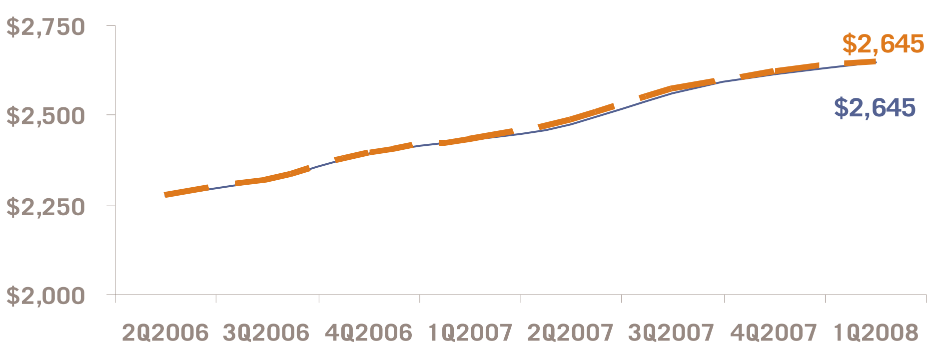
basis points	1Q08 / 1Q07	1Q08 / 4Q07
Same Store	(70)	(20)
Stable	(110)	(20)

Revenue per Occupied Unit



(% chg)	1Q08 / 1Q07	1Q08 / 4Q07
Same Store	5.8%	1.9%
Stable	5.6%	1.7%

Expense per Occupied Unit

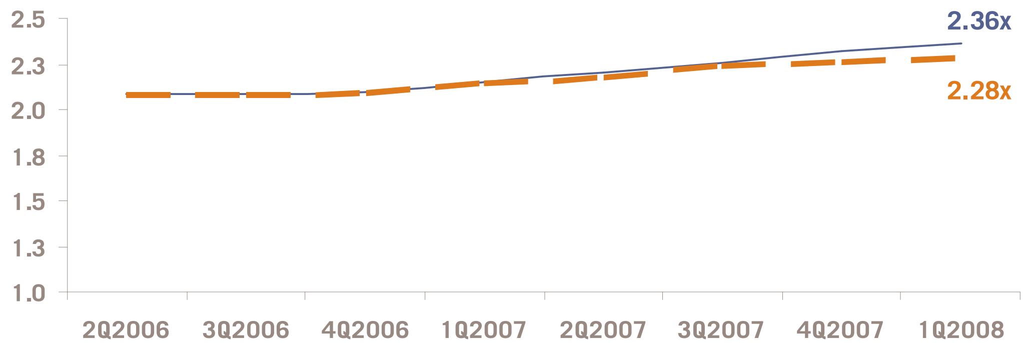


(% chg)	1Q08 / 1Q07	1Q08 / 4Q07
Same Store	8.8%	1.2%
Stable	8.7%	1.0%

Portfolio Performance - Skilled Nursing

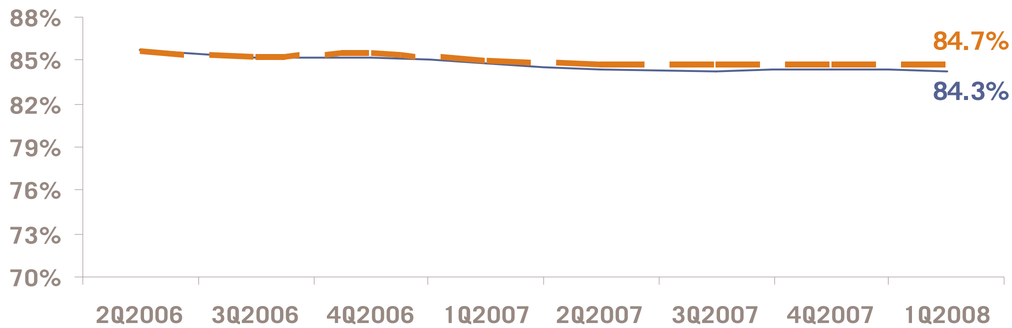
Same Store (193 properties)
Stable

Trailing Twelve Month Payment Coverage Before Management Fees



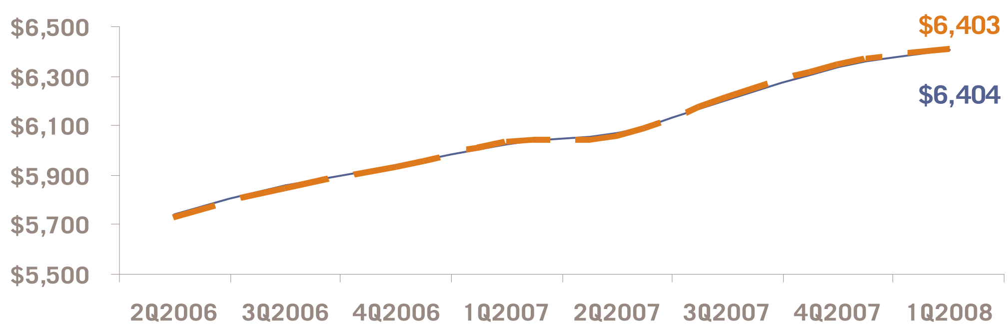
basis points	1Q08 / 1Q07	1Q08 / 4Q07
Same Store	21	4
Stable	14	2

Occupancy



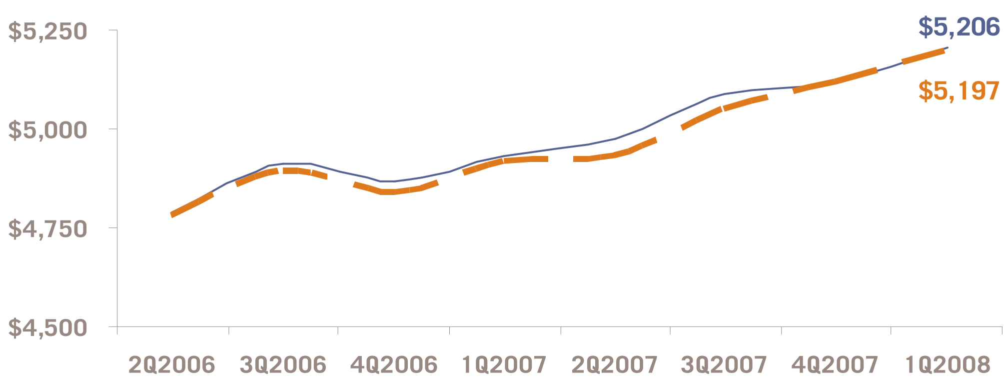
basis points	1Q08 / 1Q07	1Q08 / 4Q07
Same Store	(50)	(10)
Stable	(20)	-

Revenue per Occupied Bed



(% chg)	1Q08 / 1Q07	1Q08 / 4Q07
Same Store	6.3%	1.1%
Stable	6.2%	1.0%

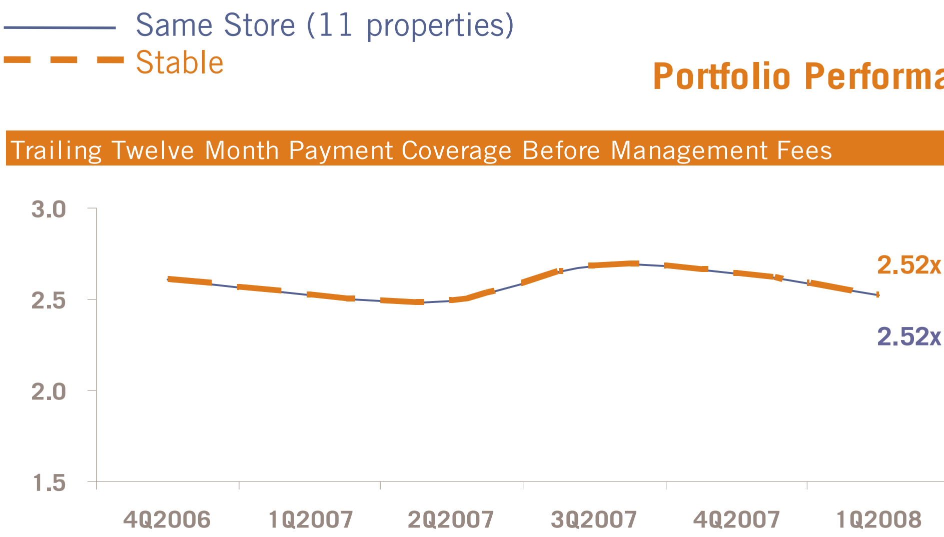
Expense per Occupied Bed



(% chg)	1Q08 / 1Q07	1Q08 / 4Q07
Same Store	5.6%	1.7%
Stable	5.7%	1.6%

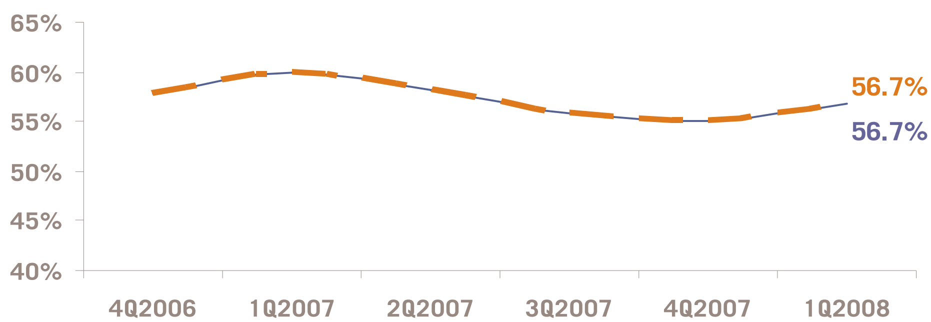
Portfolio Performance - Specialty Care*

Trailing Twelve Month Payment Coverage Before Management Fees



basis points	1Q08 / 1Q07	1Q08 / 4Q07
Same Store	-	(12)
Stable	-	(12)

Occupancy



basis points	1Q08 / 1Q07	1Q08 / 4Q07
Same Store	(330)	170
Stable	(330)	170

*Per occupied unit metrics not applicable for specialty care.

Portfolio Composition - Medical Office Buildings

(dollars in thousands)

	Properties	Square Feet	Investment Balance	Total Revenues	Operating Expenses	NOI	Age	Occupancy
On Campus	45	2,415,661	$ 661,934	$ 17,642	$ 6,491	$ 11,151	12	90.5%
Off Campus-Affiliated	34	1,347,999	338,818	9,217	2,831	6,386	13	88.4%
Off Campus	44	1,006,514	255,259	6,381	2,053	4,328	14	86.4%
Subtotal	**123**	**4,770,174**	**1,256,011**	**33,240**	**11,375**	**21,865**	**13**	**89.1%**
Development	3	571,898	28,316	-	-	-		
Total	**126**	**5,342,072**	**$ 1,284,327**	**$ 33,240**	**$ 11,375**	**$ 21,865**		

Portfolio Performance - Medical Office Buildings

(dollars in thousands)

	4Q07A	1Q08A	2Q08A	3Q08E	4Q08E
Total MOB Performance					
Properties	119	122	123		
Square feet	4,573,073	4,745,126	4,770,174		
Investment balance	$ 1,233,576	$ 1,262,003	$ 1,256,011		
Occupancy	90.1%	88.9%	89.1%		
Total revenue	$ 31,374	$ 33,443	$ 33,240		
Operating expenses	$ 11,224	$ 11,367	$ 11,375		
NOI	$ 20,150	$ 22,076	$ 21,865		
Total cap-ex / TI / LC	$ 1,763	$ 765	$ 1,162	$ 1,750	$ 2,287
Expired (square feet)*	169,367	258,599	226,172	179,297	156,388
Retained (square feet)	138,340	205,195	157,228		
Retention rate	81.7%	79.3%	69.5%		

	4Q07	1Q08	2Q08	3Q08	4Q08
Same Store Performance					
Properties	116	116	116		
Square feet	4,448,771	4,448,771	4,448,771		
Investment balance	$ 1,202,750	$ 1,190,123	$ 1,178,750		
Occupancy	89.9%	88.3%	88.4%		
Total revenue	$ 31,120	$ 31,704	$ 31,122		
Operating expenses	$ 11,105	$ 10,858	$ 10,699		
NOI	$ 20,015	$ 20,846	$ 20,423		

	2008	2009	2010	2011	2012
Remaining Lease Expirations*					
Square feet	335,685	365,829	458,784	468,018	562,370
% of total portfolio	7.1%	7.7%	9.7%	9.9%	11.9%

* Results and forecasts include month-to-month and holdover leases and exclude terminations.

Portfolio Concentration - Medical Office Buildings

(dollars in thousands)

	Square Feet	% of Total
By Tenant*		
Tenet Healthcare	343,314	7.2%
Baptist Health System	182,928	3.8%
Southwest Medical Associates	160,855	3.4%
Community Health	149,517	3.1%
Orange Regional Medical Center	100,496	2.1%
Remaining portfolio	3,833,064	80.4%
Total	**4,770,174**	**100.0%**

*Excludes development properties.

	Properties	Square Feet	% of Total	Investment Balance	Balance per Square Foot
By Region*					
South Atlantic	53	1,497,875	28.0%	$ 414,187	$ 277
Mountain	16	934,657	17.5%	224,125	240
West South Central	19	892,568	16.7%	202,896	227
Middle Atlantic	12	716,491	13.4%	124,031	173
East South Central	13	710,971	13.3%	124,044	174
Pacific	8	447,903	8.4%	153,467	343
East North Central	4	91,451	1.7%	24,800	271
West North Central	1	50,156	1.0%	16,777	334
Total	**126**	**5,342,072**	**100.0%**	**$ 1,284,327**	**$ 240**

*Region definitions are derived from U.S. Census Bureau definitions and are itemized in the glossary.

	Properties	Square Feet	% of Total	Investment Balance	Balance per Square Foot
By State					
Florida	27	935,944	17.5%	$ 285,973	$ 306
Texas	18	847,765	15.9%	190,461	225
Arizona	6	573,426	10.7%	102,363	179
California	7	384,520	7.2%	124,257	323
Georgia	15	358,566	6.7%	87,039	243
New Jersey	4	341,490	6.4%	40,463	118
Nevada	9	324,845	6.1%	114,374	352
Alabama	5	303,316	5.7%	44,414	146
Tennessee	7	295,017	5.5%	74,189	251
New York	7	276,104	5.2%	60,827	220
Remaining portfolio	21	701,079	13.1%	159,967	228
Total	**126**	**5,342,072**	**100.0%**	**$ 1,284,327**	**$ 240**

Development Activity

(dollars in thousands)

	Projects	Beds / Units / Square Feet	CIP Balance at 12/31/07	2008 YTD Funding	2008 YTD Conversions	CIP Balance at 6/30/08
Development Properties						
CCRC - entrance fee	3	860	$ 44,477	$ 43,413	$ -	$ 87,890
CCRC - rental	2	251	37,014	2,577	(12,123)	27,468
Combination - entrance fee	4	739	64,956	41,057	(59,206)	46,807
Combination - rental	16	1,744	78,589	53,225	(34,405)	97,409
Freestanding dementia care	3	221	7,425	4,957	-	12,382
Freestanding skilled nursing	2	240	9,593	8,736	-	18,329
Specialty care	4	252	33,019	35,726	(35,151)	33,594
Medical office	3	571,898	14,688	13,628	-	28,316
Total	**37**		**$ 289,761**	**$ 203,319**	**$ (140,885)**	**$ 352,195**
Expansion Projects						
CCRC - entrance fee	2	157	$ 5,316	$ 3,504	$ (7,474)	$ 1,346
Combination - entrance fee	3	155	18,634	13,902	(16,244)	16,292
Total	**5**		**23,950**	**17,406**	**(23,718)**	**17,638**
Development Total	**42**		**$ 313,711**	**$ 220,725**	**$ (164,603)**	**$ 369,833**

Development Funding Projections

(dollars in thousands)

	Projects	Beds / Units / Square Feet	Initial Yield	Projected Future Funding: 2008 Funding	Projected Future Funding: Funding Thereafter	Projected Future Funding: Unfunded Commitments	Committed Balances
Development Properties							
CCRC - entrance fee	3	860	9.7%	$ 53,311	$ 117,825	$ 171,136	$ 259,026
CCRC - rental	1	178	8.9%	1,062	1,091	2,153	29,621
Combination - entrance fee	3	525	8.5%	21,707	63,761	85,468	132,275
Combination - rental	13	1,526	8.7%	75,340	110,010	185,350	282,759
Freestanding dementia care	3	221	9.1%	6,706	9,712	16,418	28,800
Freestanding skilled nursing	2	240	9.3%	12,765	3,151	15,916	34,245
Specialty care	2	152	9.5%	43,845	154,731	198,576	232,170
Medical office	3	571,898	8.3%	28,691	125,934	154,625	182,941
Total	**30**		**9.0%**	**$ 243,427**	**$ 586,215**	**$ 829,642**	**$ 1,181,837**
Expansion Projects							
CCRC - entrance fee	2	107	9.7%	$ 872	$ 11,596	$ 12,468	$ 13,814
Combination - entrance fee	3	93	8.9%	1,312	4,779	6,091	22,383
Total	**5**		**9.2%**	**2,184**	**16,375**	**18,559**	**36,197**
Development Total	**35**		**9.0%**	**$ 245,611**	**$ 602,590**	**$ 848,201**	**$ 1,218,034**

Development Project Conversion Estimates*

(dollars in thousands)

Quarterly Conversions	Amount	Projected Initial Cash Yields (1)
1Q08 actual	$ 19,889	8.5%
2Q08 actual	120,996	10.0%
3Q08 estimate	54,646	9.1%
4Q08 estimate	50,177	8.8%
1Q09 estimate	44,872	10.0%
2Q09 estimate	83,650	8.8%
3Q09 estimate	172,053	7.8%
4Q09 estimate	202,800	9.1%
Total	**$ 749,083**	**8.9%**

Annual Conversions	Amount	Projected Initial Cash Yields (1)
2008 estimate	$ 245,708	9.4%
2009 estimate	503,375	8.7%
2010 estimate	363,139	9.3%
2011 estimate	210,500	9.3%
2012+ estimate	-	0.0%
Total	**$ 1,322,722**	**9.1%**

* Excludes expansion projects

Notes:
(1) Actual initial yields may be higher if the underlying market rates increase.

Unstabilized Properties

(dollars in thousands)

Property Type	Properties	Beds / Units	Investment Balance	% of Total Investment
CCRC - entrance fee	2	392	$ 93,190	1.7%
CCRC - rental	4	730	70,495	1.3%
Combination - entrance fee	4	825	161,194	2.9%
Combination - rental	16	1,428	237,252	4.3%
Freestanding assisted living	4	193	21,472	0.4%
Freestanding dementia care	7	280	57,196	1.0%
Freestanding skilled nursing	3	443	35,962	0.7%
Specialty care	4	212	68,248	1.3%
Total	**44**	**4,503**	**$ 745,009**	**13.6%**

Occupancy	Properties	Months In Operation	Revenues (1)	% of Total Revenues (1)
0 - 50%	13	6	$ 19,834	3.8%
50% - 70%	7	9	9,254	1.8%
70% +	24	19	32,817	6.2%
Total	**44**	**14**	**$ 61,905**	**11.8%**

Notes:
(1) Includes annualized revenues as presented on page 13.

Age: Current year, less the year built, adjusted for major renovations.

Assisted Living: Assisted living facilities are state regulated rental properties that provide the same services as independent living facilities, but also provide supportive care from trained employees to residents who require assistance with activities of daily living, including management of medications, bathing, dressing, toileting, ambulating and eating.

CAMF: Coverage after management fees represents the ratio of EBITDAR to contractual rent for leases or interest and principal payments for loans. CAMF is a measure of a property's ability to generate sufficient cash flows for the operator/borrower to pay rent and meet other obligations. The coverage shown excludes properties that are unstabilized, closed or for which data is not available or meaningful.

Cap-ex, Tenant Improvements, Leasing Commissions: Represents amounts paid in cash for: 1) recurring and non-recurring capital expenditures required to maintain and re-tenant our properties, 2) second generation tenant improvements and 3) leasing commissions paid to third party leasing agents to secure new tenants.

CBMF: Coverage before management fees represents the ratio of EBITDARM to contractual rent for leases or interest and principal payments for loans. CBMF is a measure of a property's ability to generate sufficient cash flows for the operator/borrower to pay rent and meet other obligations, assuming that management fees are not paid. The coverage shown excludes properties that are unstabilized, closed or for which data is not available or meaningful.

CCRC: Continuing care retirement communities include a combination of detached homes, an independent living facility, an assisted living facility and/or a skilled nursing facility on one campus. Resident payment plans vary, but can include entrance fees, condominium fees and rental fees. Many of these communities also charge monthly maintenance fees in exchange for a living unit, meals and some health services.

Combination: A property that offers two or more levels of care (i.e. independent living, assisted living, dementia and skilled nursing), but does not meet the definition of a CCRC.

Committed Balance: Represents investment balance plus unfunded construction commitments for which initial funding has commenced.

Construction Conversion: Represents completed construction projects that were placed into service and began earning rent.

Dementia Care: Certain assisted living facilities may include state licensed settings that specialize in caring for those afflicted with Alzheimer's disease and/or similar forms of dementia.

EBITDAR: Earnings before interest, taxes, depreciation, amortization and rent. Management fees are imputed at 5% of revenues for independent living, assisted living, skilled nursing and CCRCs and at 3% for specialty care which the company believes represent typical management fees. The company uses unaudited, periodic financial information provided solely by tenants/borrowers to calculate EBITDAR and has not independently verified the information. EBITDAR is used to calculate CAMF.

EBITDARM: Earnings before interest, taxes, depreciation, amortization, rent and management fees. The company uses unaudited, periodic financial information provided solely by tenants/borrowers to calculate EBITDARM and has not independently verified the information. EBITDARM is used to calculate CBMF.

Entrance Fee: A property where the resident pays a substantial upfront fee and an ongoing monthly service fee for the right to occupy a unit. Typically, a portion of the upfront fee is refundable.

Expense per Occupied Unit: Represents the ratio of revenue less EBITDARM to occupied units based on the most recent quarter of available data and excludes properties that are unstabilized, closed, or for which data is not available or meaningful. The company uses unaudited, periodic financial information provided solely by tenants/borrowers to calculate expense per occupied unit and has not independently verified the information.

Freestanding: A property that offers one level of service.

Independent Living: Independent living facilities are age-restricted multi-family properties with central dining facilities that provide residents access to meals and other services such as housekeeping, linen service, transportation and social and recreational activities.

Initial Cash Yield: Represents annualized contractual income to be received in cash at date of investment divided by investment amount.

Investment Amount:
Acquisitions – Represents purchase price.
New loans – Represents face amount of new loan.
Construction conversion – Represents book balance converted from CIP to real property upon completion.
Capital improvements to existing properties – Represents cash funded to tenants under an existing lease agreement.
Loan advances – Represents cash funded to operators under an existing loan agreement.

Investment Balance: Represents net book value of real estate investments as reflected on the company's balance sheet.

Medical Office: Medical office buildings are office and clinic facilities, often located near hospitals or on hospital campuses, specifically constructed and designed for use by physicians and other health care personnel to provide services to their patients. They may also include ambulatory surgery centers that are used for general or specialty surgical procedures not requiring an overnight stay in a hospital. Medical office buildings typically contain sole and group physician practices and may provide laboratory and other patient services.

Metropolitan Statistical Area: Metropolitan statistical areas are geographic entities defined by the U.S. Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating and publishing Federal statistics. The NIC MAP™ Data and Analysis Service provides revenue, supply and demographic information for the IL/CCRC, assisted living, and skilled nursing service types and commonly aggregates the information for the top 31, top 75 and top 100 MSAs. The company provides investment balance information in the same categories as another measure of geographic concentration.

Occupancy: Medical office occupancy represents the percentage of total rentable square feet leased and occupied, including month-to-month leases, as of the date reported. Occupancy for all other property types represents average quarterly operating occupancy based on the most recent quarter of available data and excludes properties that are unstabilized, closed or for which data is not available or meaningful. The company uses unaudited, periodic financial information provided solely by tenants/borrowers to calculate occupancy and has not independently verified the information.

Off Campus: Properties that are neither on campus nor off campus affiliated.

Off Campus-Affiliated: Properties not on campus are considered affiliated with a hospital or health system if one or more of the following conditions are met: 1) a ground lease is maintained with a hospital or system entity; 2) a master lease is maintained with a hospital or system entity; 3) significant square footage is leased to a hospital or system entity; 4) the property includes an ambulatory surgery center with a hospital partnership interest.

On Campus: Properties are considered on campus if one or more of the following criteria are met: 1) the land parcel is contained within the physical boundaries of a hospital campus; 2) the land parcel is located adjacent to the campus; or 3) the building is physically connected to the hospital regardless of the land ownership structure.

Region Definitions: Eight divisions as established by the Census Bureau.
New England – Connecticut , Maine , Massachusetts, New Hampshire, Rhode Island, Vermont.
Middle Atlantic – New Jersey, New York, Pennsylvania.
East North Central – Indiana, Illinois, Michigan, Ohio, Wisconsin.
West North Central – Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota.
South Atlantic – Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia.
East South Central – Alabama, Kentucky, Mississippi, Tennessee.
West South Central – Arkansas, Louisiana, Oklahoma, Texas.
Mountain – Arizona, Colorado, Idaho, New Mexico, Montana, Utah, Nevada, Wyoming.
Pacific – Alaska, California, Hawaii, Oregon, Washington.

Renewal Rate: The ratio of total square feet expiring and available for lease to total renewed square feet.

Renewed Square Feet: Square feet expiring during the reporting period upon which a lease is executed by the current occupant.

Rental: A property where the resident pays a monthly market rate for the level of care provided, but is not required to pay a substantial upfront fee.

Revenue per Occupied Unit: Represents the ratio of total revenue to occupied units based on the most recent quarter of available data and excludes properties that are unstabilized, closed, or for which data is not available or meaningful. The company uses unaudited, periodic financial information provided solely by tenants/borrowers to calculate revenue per occupied unit and has not independently verified the information.

Same Store: For the medical office building portfolio, same store is defined as those properties in the portfolio as of October 1, 2007. For all other property types, same store is defined as those properties in the stable portfolio for the 24 months preceding the end of the portfolio performance reporting period, unless otherwise noted.

Skilled Nursing: Skilled nursing facilities are licensed daily rate or rental properties where the majority of individuals require 24-hour nursing and/or medical care. Generally, these properties are licensed for Medicaid and/or Medicare reimbursement.

Specialty Care: Specialty care facilities generally include acute care hospitals, long-term acute care hospitals and other specialty care facilities. Acute care hospitals provide a wide range of inpatient and outpatient services, including, but not limited to, surgery, rehabilitation, therapy and clinical laboratories. Long-term acute care hospitals provide inpatient services for patients with complex medical conditions who require more intensive care, monitoring or emergency support than that available in most skilled nursing facilities. Other specialty care facilities typically provide specialized inpatient and outpatient care for specific illnesses or diseases, including, among others, orthopedic and neurologic care.

Square Feet: Net rentable square feet calculated utilizing Building Owners and Managers Association measurement standards.

Stable: A facility will enter the stable portfolio after it has generated CAMF of 1.10x or greater for three consecutive months. Additionally, a facility will enter the stable portfolio if a facility fails to meet the above criteria in the 12 months following the budgeted stabilization date.

Unstabilized: An acquisition that does not meet the stable criteria upon closing or a construction property that has opened but not yet reached stabilization.

Yield on Sale: Represents annualized contractual income that was being received in cash at date of disposition divided by disposition cash proceeds.

The company believes that net income available 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 funds from operations (FFO) and funds available for distribution (FAD) to be useful supplemental measures of its operating performance. 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, as defined by NAREIT, means net income, computed in accordance with U.S. GAAP, excluding gains (or losses) from sales of real estate, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Normalized FFO represents FFO adjusted for unusual and non-recurring items. FAD represents FFO excluding the net straight-line rental adjustments, rental income related to above/below market leases and amortization of deferred loan expenses and less cash used to fund capital expenditures, tenant improvements and lease commissions. Normalized FAD represents FAD excluding prepaid/straight-line rent cash receipts and adjusted for unusual and non-recurring items.

EBITDA stands for earnings before interest, taxes, depreciation and amortization. A covenant in our line of credit arrangement contains a financial ratio based on a definition of EBITDA that is specific to that agreement. Failure to satisfy this covenant 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 this debt agreement and the financial covenant, we have disclosed Adjusted EBITDA, which represents EBITDA as defined above and adjusted for stock-based compensation expense, provision for loan losses and gain/loss on extinguishment of debt. We use Adjusted EBITDA to measure our adjusted fixed charge coverage ratio, which represents Adjusted EBITDA divided by fixed charges on a trailing twelve months basis. Fixed charges include total interest (excluding capitalized interest), secured debt principal amortization and preferred dividends. Our covenant requires an adjusted fixed charge ratio of at least 1.75 times.

Net operating income (NOI) is used to evaluate the operating performance of the company's properties. The company defines NOI as total revenues, including tenant reimbursements and discontinued operations, less property operating expenses, which exclude depreciation and amortization, general and administrative expenses, impairments and interest expense. The company believes NOI provides investors relevant and useful information because it measures the operating performance of the company's properties at the property level on an unleveraged basis. The company uses NOI to make decisions about resource allocations and to assess the property level performance.

Other than Adjusted EBITDA, the company's supplemental reporting measures are financial measures that are widely used by investors, equity and debt analysts and rating agencies in the valuation, comparison, rating and investment recommendations of companies. The company's management uses these financial measures to facilitate internal and external comparisons to historical operating results and in making operating decisions. Additionally, they are utilized by the Board of Directors to evaluate management. Adjusted EBITDA is used solely to determine our compliance with a financial covenant of our line of credit arrangement and is not being presented for use by investors for any other purpose. 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 the company, may not be comparable to similarly entitled items reported by other real estate investment trusts or other companies.

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