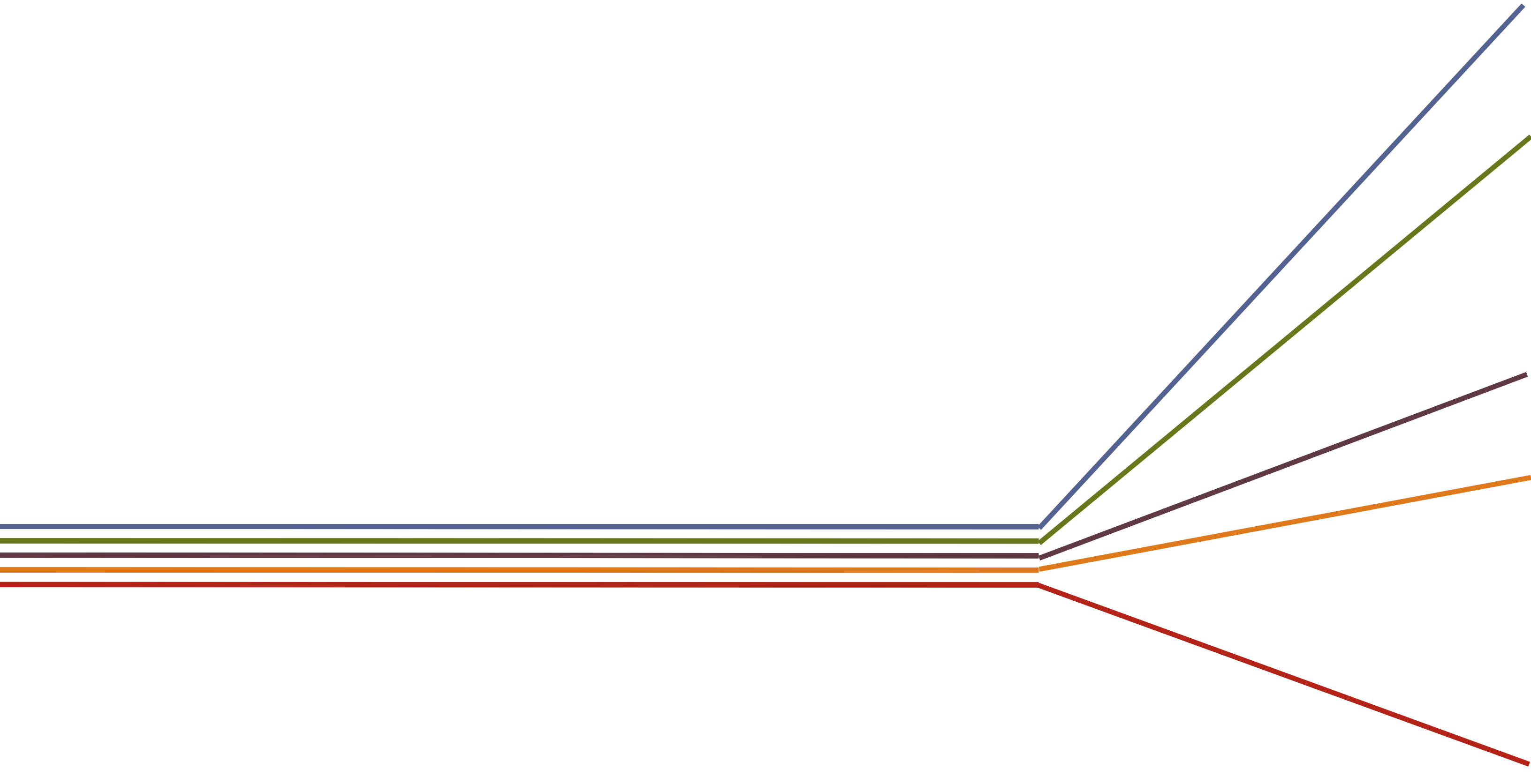
HEALTHCARE REIT

4Q08 SUPPLEMENTAL INFORMATION



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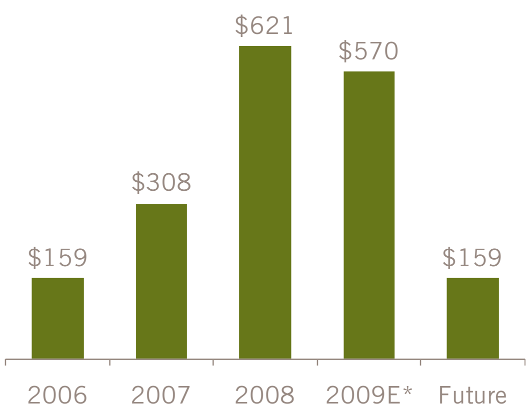
HEALTH CARE REIT, INC., a real estate investment trust ("REIT") with an enterprise value of $7.6 billion, invests in health care real estate, including independent living, assisted living and skilled nursing facilities, continuing care retirement communities, hospitals and medical office buildings. The company's full service platform also offers property management and development services to its customers.

Data as of:	December 31, 2008				
NYSE Symbol:	HCN	Enterprise Value:	$7.6 billion	Investment Concentration*	
Closing Price:	$42.20	Gross Real Estate Assets:	$6.5 billion	Owned Assets:	93%
52 Week Hi/Lo:	$53.98/$30.14	Debt to Market Capitalization:	38%	Top 5 Customers:	25%
Dividend/Yield:	$2.72/6.45%	Debt to Book Capitalization:	47%	Top 5 States:	45%
Shares Outstanding:	104.7 million	Senior Debt Ratings:	Baa2/BBB-/BBB	* % of total investments	

FULL SERVICE PLATFORM

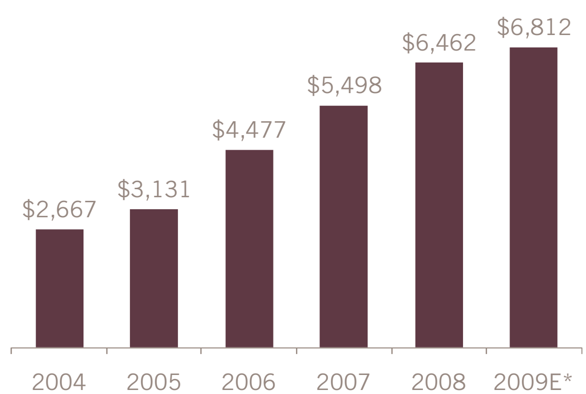
Health Care REIT provides senior housing operators and health care systems with a single source for facility planning, design and turn-key development, property management and monetization or expansion of existing real estate. By extending successful relationship investment programs to health care systems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

DEVELOPMENT FUNDING
$ millions



*represents projected future funding for projects underway as of December 31, 2008

GROSS REAL ESTATE ASSETS
$ millions

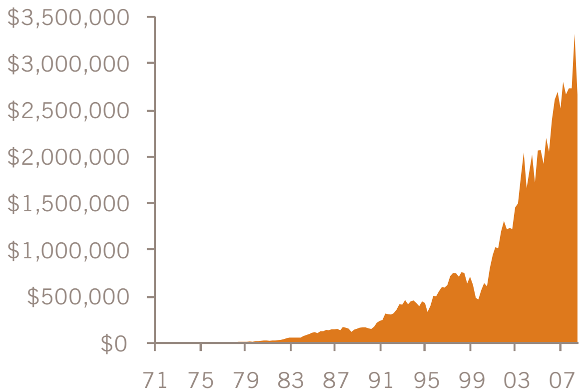


*based on mid-point of HCN 2009 net investment guidance of $300 million to $400 million

SECURE AND GROWING DIVIDEND

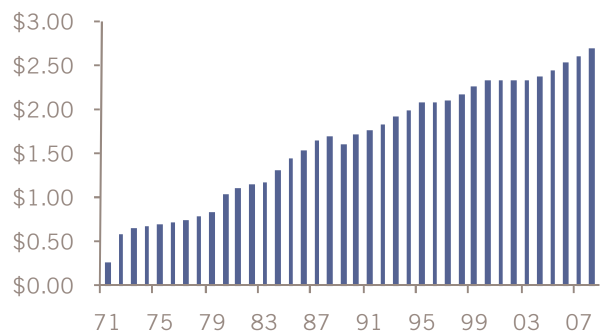
Health Care REIT maintains a commitment to investment grade ratings, conservative balance sheet management and underwriting, asset and property management protocols that ensure prudent investments and proactive management over the life of its long-term leases. The company has declared 151 consecutive quarterly dividends during its 39-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	-0.1%
3 years	14.3%
5 years	9.9%
10 years	14.0%
20 years	16.4%
Since inception	16.1%

*assumes reinvestment of dividends

RELATIONSHIP FOCUSED, LONG-TERM STRATEGY

With 68 operators and over 800 medical office tenants in 39 states, the company strives to provide each customer with the highest quality service and attention to detail. Throughout the company's 39-year history, it has been a 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 it to make investment decisions within days, rather than weeks or months. The company has accessed over $3.2 billion in capital in the last five years, including $894 million in 2007 and $814 million during the twelve months ended December 31, 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
Morgan Keegan & Co., Inc.
Raymond James & Associates, Inc.
Robert W. Baird & Co.
Stifel Nicolaus & Company, Inc.
UBS Securities

INVESTOR RELATIONS

ANALYST / INVESTOR CONTACT
Scott A. Estes
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GENERAL INQUIRIES
Erin C. Ibele
SVP-Administration & Corporate Secretary
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George L. Chapman

Chairman, CEO & President

Mr. Chapman is currently Chairman, Chief Executive Officer and President of the company. He has served as Chairman and Chief Executive Officer since October 1996, and previously 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.

Jeffrey H. Miller

EVP-Operations & General Counsel

Mr. Miller has served as Executive Vice President-Operations and General Counsel since January 2009, Executive Vice President and General Counsel from March 2006 to January 2009 and Vice President and General Counsel of the Company from July 2004 to March 2006. From 1996 to June 2004, Mr. Miller was a partner in the real estate practice group of the law firm of Shumaker, Loop & Kendrick, LLP.

Scott A. Estes

EVP & CFO

Mr. Estes is currently Executive Vice President and Chief Financial Officer. He 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/tenants and properties; its occupancy rates; its ability to acquire, develop and/or 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 to stockholders; 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, 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 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; 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)

	December 31, 2008	2007
Assets		
Real estate investments:		
Real property owned		
Land and land improvements	$ 504,907	$ 447,029
Buildings and improvements	4,653,871	4,224,955
Acquired lease intangibles	133,324	131,312
Real property held for sale, net of accumulated depreciation	48,054	-
Construction in progress	639,419	313,709
Gross real property owned	**5,979,575**	**5,117,005**
Less accumulated depreciation and amortization	(600,781)	(478,373)
Net real property owned	**5,378,794**	**4,638,632**
Real estate loans receivable	482,885	381,394
Less allowance for losses on loans receivable	(7,500)	(7,406)
Net real estate loans receivable	**475,385**	**373,988**
Net real estate investments	**5,854,179**	**5,012,620**
Other assets:		
Equity investments	1,030	1,408
Deferred loan expenses	23,579	30,499
Cash and cash equivalents	23,370	30,269
Restricted cash	154,070	17,575
Receivables and other assets (1)	136,890	121,485
Total other assets	**338,939**	**201,236**
Total assets	**$ 6,193,118**	**$ 5,213,856**
Liabilities and stockholders' equity		
Liabilities:		
Borrowings under unsecured lines of credit arrangements	$ 570,000	$ 307,000
Senior unsecured notes	1,847,247	1,890,192
Secured debt	446,525	507,476
Accrued expenses and other liabilities	107,157	95,145
Total liabilities	**2,970,929**	**2,799,813**
Minority interests	10,603	9,687
Stockholders' equity:		
Preferred stock	289,929	330,243
Common stock	104,635	85,412
Capital in excess of par value	3,180,628	2,370,037
Treasury stock	(5,145)	(3,952)
Cumulative net income	1,362,366	1,074,255
Cumulative dividends	(1,723,819)	(1,446,959)
Accumulated other comprehensive income	(1,113)	(7,381)
Other equity	4,105	2,701
Total stockholders' equity	**3,211,586**	**2,404,356**
Total liabilities and stockholders' equity	**$ 6,193,118**	**$ 5,213,856**

Notes:
(1) Includes straight-line receivable balance of $44,963,000 and $52,756,000 at December 31, 2008 and 2007, respectively.

Consolidated Statements of Income (unaudited)

(amounts in thousands except per share data)

	Three Months Ended December 31, 2008	Three Months Ended December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2007
Revenues:				
Rental income	$ 131,372	$ 111,036	$ 500,630	$ 417,673
Interest income	10,886	8,151	40,063	25,823
Other income	4,865	6,099	10,521	10,035
Total revenues	**147,123**	**125,286**	**551,214**	**453,531**
Expenses:				
Interest expense	30,426	35,340	130,813	131,893
Property operating expenses	11,389	10,286	43,990	34,707
Depreciation and amortization	41,500	36,774	156,154	135,224
General and administrative expenses	13,500	9,080	47,193	37,465
Realized loss on derivatives	21,880	-	23,393	-
Gain on extinguishment of debt	-	(1,081)	(2,094)	(1,081)
Provision for loan losses	94	-	94	-
Total expenses	**118,789**	**90,399**	**399,543**	**338,208**
Income from continuing operations before income taxes and minority interests	28,334	34,887	151,671	115,323
Income tax expense	(136)	(269)	(1,306)	(188)
Income from continuing operations before minority interests	**28,198**	**34,618**	**150,365**	**115,135**
Minority interests, net of tax	2	169	(126)	(238)
Income from continuing operations	**28,200**	**34,787**	**150,239**	**114,897**
Discontinued operations:				
Gain on sales of properties	33,120	11,662	163,933	14,437
Impairment of assets	(32,648)	-	(32,648)	-
Income (loss) from discontinued operations, net	(78)	2,498	6,587	12,068
Discontinued operations, net	**394**	**14,160**	**137,872**	**26,505**
Net income	**28,594**	**48,947**	**288,111**	**141,402**
Preferred stock dividends	5,541	6,179	23,201	25,130
Net income available to common stockholders	**$ 23,053**	**$ 42,768**	**$ 264,910**	**$ 116,272**
Average number of common shares outstanding:				
Basic	103,329	82,346	93,732	78,861
Diluted	103,840	82,784	94,309	79,409
Net income available to common stockholders per share:				
Basic	$ 0.22	$ 0.52	$ 2.83	$ 1.47
Diluted	$ 0.22	$ 0.52	$ 2.81	$ 1.46

Funds From Operations Reconciliation

(amounts in thousands except per share data)

	Three Months Ended December 31, 2008	Three Months Ended December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2007
Net income available to common stockholders	**$ 23,053**	**$ 42,768**	**$ 264,910**	**$ 116,272**
Depreciation and amortization (1)	42,150	40,081	163,045	149,626
Gain on sales of properties	(33,120)	(11,662)	(163,933)	(14,437)
Minority interests	(81)	(88)	(342)	(344)
Funds from operations	**32,002**	**71,099**	**263,680**	**251,117**
Impairment of assets	32,648	-	32,648	-
Realized loss on derivatives	21,880	-	23,393	-
Terminated transaction costs	2,291	-	2,291	-
One-time acquisition finder's fees	-	-	-	1,750
Gain on extinguishment of debt	-	(1,081)	(2,094)	(1,081)
Provision for loan losses	94	-	94	-
Additional other income	(2,500)	(3,900)	(2,500)	(3,900)
Non-recurring income tax expense	-	-	1,325	-
Funds from operations — normalized	**$ 86,415**	**$ 66,118**	**$ 318,837**	**$ 247,886**
Average common shares outstanding:				
Basic	103,329	82,346	93,732	78,861
Diluted	103,840	82,784	94,309	79,409
Per share data:				
Net income available to common stockholders				
Basic	$ 0.22	$ 0.52	$ 2.83	$ 1.47
Diluted	$ 0.22	$ 0.52	$ 2.81	$ 1.46
Funds from operations				
Basic	$ 0.31	$ 0.86	$ 2.81	$ 3.18
Diluted	$ 0.31	$ 0.86	$ 2.80	$ 3.16
Funds from operations — normalized				
Basic	$ 0.84	$ 0.80	$ 3.40	$ 3.14
Diluted	$ 0.83	$ 0.80	$ 3.38	$ 3.12
FFO Payout Ratio				
Dividends per share (2)	$ 0.68	$ 0.66	$ 2.70	$ 2.62
FFO per diluted share	$ 0.31	$ 0.86	$ 2.80	$ 3.16
FFO payout ratio	219%	77%	96%	83%
FFO Payout Ratio — Normalized				
Dividends per share (2)	$ 0.68	$ 0.66	$ 2.70	$ 2.62
FFO per diluted share — normalized	$ 0.83	$ 0.80	$ 3.38	$ 3.12
FFO payout ratio — normalized	82%	83%	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 twelve months ended December 31, 2007.

Funds Available for Distribution Reconciliation

(amounts in thousands except per share data)

	Three Months Ended December 31, 2008	Three Months Ended December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2007
Net income available to common stockholders	**$ 23,053**	**$ 42,768**	**$ 264,910**	**$ 116,272**
Depreciation and amortization (1)	42,150	40,081	163,045	149,626
Gain on sales of properties	(33,120)	(11,662)	(163,933)	(14,437)
Minority interests	(18)	(8)	(44)	(10)
Gross straight-line rental income	(4,682)	(4,365)	(20,489)	(17,029)
Prepaid/straight-line rent receipts	12,602	6,678	28,282	17,469
Amortization related to above/(below) market leases, net	(363)	(136)	(1,039)	(792)
Non-cash interest expense	1,696	1,790	6,419	5,366
Cap-ex, tenant improvements, lease commissions	(2,865)	(1,763)	(6,347)	(4,292)
Funds available for distribution	**38,453**	**73,383**	**270,804**	**252,173**
Impairment of assets	32,648	-	32,648	-
Realized loss on derivatives	21,880	-	23,393	-
Terminated transaction costs	2,291	-	2,291	-
One-time acquisition finder's fees	-	-	-	1,750
Gain on extinguishment of debt	-	(1,081)	(2,094)	(1,081)
Provision for loan losses	94	-	94	-
Additional other income	(2,500)	(3,900)	(2,500)	(3,900)
Non-recurring income tax expense	-	-	1,325	-
Prepaid/straight-line rent receipts	(12,602)	(6,678)	(28,282)	(17,469)
Funds available for distribution — normalized	**$ 80,264**	**$ 61,724**	**$ 297,679**	**$ 231,473**
Average common shares outstanding:				
Basic	103,329	82,346	93,732	78,861
Diluted	103,840	82,784	94,309	79,409
Per share data:				
Net income available to common stockholders				
Basic	$ 0.22	$ 0.52	$ 2.83	$ 1.47
Diluted	$ 0.22	$ 0.52	$ 2.81	$ 1.46
Funds available for distribution				
Basic	$ 0.37	$ 0.89	$ 2.89	$ 3.20
Diluted	$ 0.37	$ 0.89	$ 2.87	$ 3.18
Funds available for distribution — normalized				
Basic	$ 0.78	$ 0.75	$ 3.18	$ 2.94
Diluted	$ 0.77	$ 0.75	$ 3.16	$ 2.91
FAD Payout Ratio				
Dividends per share (2)	$ 0.68	$ 0.66	$ 2.70	$ 2.62
FAD per diluted share	$ 0.37	$ 0.89	$ 2.87	$ 3.18
FAD payout ratio	184%	74%	94%	82%
FAD Payout Ratio — Normalized				
Dividends per share (2)	$ 0.68	$ 0.66	$ 2.70	$ 2.62
FAD per diluted share — normalized	$ 0.77	$ 0.75	$ 3.16	$ 2.91
FAD payout ratio — normalized	88%	88%	85%	90%

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 twelve months ended December 31, 2007.

Adjusted EBITDA Reconciliation

(dollars in thousands)

	Twelve Months Ended				
	December 31, 2007	March 31, 2008	June 30, 2008	September 30, 2008	December 31, 2008
Net income	**$ 141,402**	**$ 148,329**	**$ 278,789**	**$ 308,465**	**$ 288,111**
Interest expense (3)	142,279	145,127	145,219	142,784	136,247
Income tax expense	188	1,456	1,569	1,439	1,306
Depreciation and amortization (3)	149,626	155,339	159,422	160,975	163,045
Stock-based compensation (4)	7,050	7,723	7,853	8,024	8,530
Provision for loan losses	-	-	-	-	94
Gain on extinguishment of debt	(1,081)	(2,407)	(2,407)	(3,175)	(2,094)
Adjusted EBITDA	**$ 439,464**	**$ 455,567**	**$ 590,445**	**$ 618,512**	**$ 595,239**
Interest Coverage Ratio (1)					
Interest expense (3)	$ 142,279	$ 145,127	$ 145,219	$ 142,784	$ 136,247
Non-cash interest expense	(5,366)	(5,823)	(6,235)	(6,513)	(6,419)
Capitalized interest (5)	12,526	15,367	17,860	21,062	25,029
Total interest	**$ 149,439**	**$ 154,671**	**$ 156,844**	**$ 157,333**	**$ 154,857**
Adjusted EBITDA	$ 439,464	$ 455,567	$ 590,445	$ 618,512	$ 595,239
Adjusted interest coverage ratio	**2.94x**	**2.95x**	**3.76x**	**3.93x**	**3.84x**
Fixed Charge Coverage Ratio (2)					
Total interest (3)	$ 149,439	$ 154,671	$ 156,844	$ 157,333	$ 154,857
Secured debt principal amortization	7,950	8,149	8,066	8,137	8,119
Preferred dividends	25,130	24,960	24,427	23,840	23,201
Total fixed charges	**$ 182,519**	**$ 187,780**	**$ 189,337**	**$ 189,310**	**$ 186,177**
Adjusted EBITDA	$ 439,464	$ 455,567	$ 590,445	$ 618,512	$ 595,239
Adjusted fixed charge coverage ratio	**2.41x**	**2.43x**	**3.12x**	**3.27x**	**3.20x**

Notes:
(1) A comparable covenant in our senior unsecured notes is a minimum of 1.50 times.
(2) A comparable covenant in our unsecured line of credit arrangement is a minimum of 1.75 times.
(3) Interest expense and depreciation and amortization include discontinued operations.
(4) Stock-based compensation expense was $1,804,000 and $8,530,000 for the three and twelve months ended December 31, 2008, respectively.
(5) Capitalized interest was $8,435,000 and $25,029,000 for the three and twelve months ended December 31, 2008, respectively.

Net Operating Income Reconciliation

(dollars in thousands)

	Three Months Ended December 31, 2008	Three Months Ended December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2007
Total revenues:				
Investment properties:				
Rental income: (1)				
Independent living/CCRCs	$ 19,562	$ 12,443	$ 66,402	$ 43,072
Assisted living facilities	27,521	28,646	117,009	108,475
Skilled nursing facilities	40,595	41,025	161,642	167,718
Specialty care facilities	12,359	7,012	43,796	26,418
Sub-total rental income	**100,037**	**89,126**	**388,849**	**345,683**
Interest income	10,886	8,151	40,063	25,823
Other income	3,850	5,218	7,899	8,010
Total investment property income	**114,773**	**102,495**	**436,811**	**379,516**
Medical office buildings:				
Rental income (1)	33,138	30,877	133,332	111,614
Other income	222	497	930	497
Total MOB income	**33,360**	**31,374**	**134,262**	**112,111**
Non-segment/corporate other income	793	384	1,692	1,528
Total revenues	**148,926**	**134,253**	**572,765**	**493,155**
Property operating expenses:				
Investment properties	-	-	-	-
Medical office buildings (1)	12,019	11,224	46,629	37,475
Non-segment/corporate	-	-	-	-
Total property operating expenses	**12,019**	**11,224**	**46,629**	**37,475**
Net operating income:				
Investment properties	114,773	102,495	436,811	379,516
Medical office buildings	21,341	20,150	87,633	74,636
Non-segment/corporate	793	384	1,692	1,528
Net operating income	**$ 136,907**	**$ 123,029**	**$ 526,136**	**$ 455,680**

Note:
(1) The three months ended December 31, 2008 includes the following amounts (in thousands):

Rental income from discontinued operations:	
Assisted living facilities	$ 206
Skilled nursing facilities	27
Specialty care facilities	989
Medical office buildings	581
Total	**$ 1,803**
Non-cash rental income from continuing operations:	
Independent living/CCRCs	$ 1,397
Assisted living facilities	1,254
Skilled nursing facilities	948
Specialty care facilities	392
Medical office buildings	1,411
Total	**$ 5,402**
Property operating expenses from discontinued operations:	
Medical office buildings	**$ 630**

Outlook Reconciliation

(amounts in thousands except per share data)

	Year Ended December 31, 2009 Low	
	Low	**High**
Investments:		
Acquisitions	$ -	$ -
Development	600,000	600,000
Gross new investments	600,000	600,000
Dispositions	(300,000)	(200,000)
Net new investments	300,000	400,000
FFO Reconciliation:		
Net income available to common stockholders	**$ 175,691**	**$ 186,741**
Depreciation and amortization (1)	174,000	174,000
Funds from operations	**$ 349,691**	**$ 360,741**
Non-recurring G&A expenses (2)	3,909	3,909
Funds from operations - normalized	**$ 353,600**	**$ 364,650**
Per share data (diluted):		
Net income available to common stockholders	$ 1.59	$ 1.69
Funds from operations	**3.16**	**3.26**
Funds from operations - normalized	**3.20**	**3.30**
FAD Reconciliation:		
Net income available to common stockholders	**$ 175,691**	**$ 186,741**
Depreciation and amortization (1)	174,000	174,000
Gross straight-line rental income	(13,800)	(13,800)
Amortization related to above (below) market leases, net	(1,300)	(1,300)
Non-cash interest expense	11,500	11,500
Cap-ex, tenant improvements, lease commissions	(10,000)	(10,000)
Funds available for distribution	**$ 336,091**	**$ 347,141**
Non-recurring G&A expenses (2)	3,909	3,909
Funds available for distribution - normalized	**$ 340,000**	**$ 351,050**
Per share data (diluted):		
Net income available to common stockholders	**$ 1.59**	**$ 1.69**
Funds available for distribution	**3.04**	**3.14**
Funds available for distribution - normalized	**3.08**	**3.18**

Notes:
(1) Depreciation and amortization includes depreciation and amortization from discontinued operations.
(2) Expenses to be recognized in connection with the departure of Raymond Braun.

Revenue and Lease Maturity

(amounts in thousands except per share data)

	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
2009	$ -	$ -	$ 332	$ -	$ 12,443	$ 12,775	$ 6,992	$ 19,767	3.6%
2010	-	-	-	-	9,181	9,181	2,889	12,070	2.2%
2011	9	1,681	5,295	-	10,526	17,511	10,122	27,633	5.0%
2012	5,056	3,754	6,904	-	11,468	27,182	1,980	29,162	5.3%
2013	7,909	567	-	-	8,368	16,844	12,645	29,489	5.4%
2014	-	2,872	8,356	-	8,029	19,257	1,090	20,347	3.7%
2015	-	-	1,927	-	7,852	9,779	262	10,041	1.8%
2016	-	582	6,435	-	13,319	20,336	6	20,342	3.7%
2017	-	14,780	3,627	2,106	5,455	25,968	2,340	28,308	5.2%
2018	3,594	35,877	16,241	6,330	2,080	64,122	2,009	66,131	12.1%
Thereafter	62,912	49,665	114,929	41,526	10,885	279,917	4,413	284,330	52.0%
	$ 79,480	**$ 109,778**	**$ 164,046**	**$ 49,962**	**$ 99,606**	**$ 502,872**	**$ 44,748**	**$ 547,620**	**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 collectability 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 collectability reserves if applicable.

Debt Maturities and Principal Payments

(dollars in thousands)

Year	Line of Credit (1)	Senior Notes (2,4)	Secured Debt (2,5)	Total	% of Total
2009	$ -	$ -	$ 39,657	$ 39,657	1.4%
2010	-	-	15,120	15,120	0.5%
2011	570,000	-	52,314	622,314	21.7%
2012	-	250,000	13,710	263,710	9.2%
2013	-	300,000	62,198	362,198	12.6%
2014	-	-	122,372	122,372	4.3%
2015	-	250,000	70,654	320,654	11.2%
Thereafter	-	1,045,000	72,353	1,117,353	39.1%
Totals	**$ 570,000**	**$ 1,845,000**	**$ 448,378**	**$ 2,863,378**	**100.0%**
Weighted Avg Interest Rate (3)	**1.2%**	**5.8%**	**6.1%**	**4.9%**	
Weighted Avg Maturity (4)	**2.8**	**10.7**	**5.7**	**8.4**	

Fixed and Floating Rate Debt

(dollars in thousands)

		Principal	% of Debt
Fixed Rate Debt			
Senior notes (2)	$	1,845,000	64.4%
Secured debt (2)	$	448,378	15.7%
Total fixed	**$**	**2,293,378**	**80.1%**
Floating Rate Debt			
Line of credit (1)	$	570,000	19.9%
Total floating	**$**	**570,000**	**19.9%**
Total debt	**$**	**2,863,378**	**100.0%**

Notes:

(1) Current line of credit capacity of $1.15 billion with remaining availability of $580 million at December 31, 2008. Line of credit currently matures on August 5, 2011 but can be extended for one year at our discretion.

(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 December 31, 2008. Senior notes and secured debt average interest rate represents the face value note rate.

(4) $345 million of convertible senior notes are puttable on December 1, 2011 and $400 million of convertible senior notes are puttable on July 15, 2012. Weighted average maturities would be 4.7 years and 4.5 years for senior notes and total debt, respectively, using the puttable dates.

(5) $6,308,000 of secured debt that matures in 2013 and $8,205,000 of secured debt that matures in 2015 relates to assets-held-for sale. Weighted-average maturities would be 5.5 years and 8.4 years for secured debt and total debt, respectively, if one used a 12/31/09 extinguishment date.

Current Capitalization

(amounts in thousands except per share data)

			Balance	% of Total
Book Capitalization (1)				
Line of credit			$ 570,000	9.3%
Long-term debt obligations			2,293,772	37.8%
Debt to total book capitalization			**2,863,772**	**47.1%**
Stockholders' equity			3,211,586	52.9%
Total book capitalization			**$ 6,075,358**	**100.0%**
Undepreciated Book Capitalization				
Line of credit			$ 570,000	8.5%
Long-term debt obligations			2,293,772	34.4%
Debt to undepreciated book capitalization			**2,863,772**	**42.9%**
Accumulated depreciation and amortization			600,781	9.0%
Stockholders' equity			3,211,586	48.1%
Total undepreciated book capitalization			**$ 6,676,139**	**100.0%**
Enterprise Value				
Line of credit			$ 570,000	7.5%
Long-term debt obligations			2,293,772	30.3%
Debt to total enterprise value			**2,863,772**	**37.8%**
Common shares outstanding		104,704		
Period end share price	$	42.20		
Common equity market capitalization			**4,418,509**	**58.4%**
Preferred stock			289,929	3.8%
Total enterprise value			**$ 7,572,210**	**100.0%**
Secured Debt as % of Total Assets (2)				
Secured debt			**$ 446,525**	**7.2%**
Total assets			$ 6,193,118	
Total Debt as % of Total Assets (3)				
Total debt			**$ 2,863,772**	**46.2%**
Total assets			$ 6,193,118	
Unencumbered Assets as % of Unsecured Debt (4)				
Unencumbered assets			**$ 5,635,678**	**233.1%**
Unsecured debt			$ 2,417,247	

Notes:
(1) A comparable covenant in our unsecured line of credit arrangement is a maximum of 60%.
(2) A comparable covenant in our senior unsecured notes is a maximum of 40%. A comparable covenant in our unsecured line of credit arrangement is a maximum of 30%.
(3) A comparable covenant in our senior unsecured notes is a maximum of 60%.
(4) A comparable covenant in our unsecured line of credit arrangement is a minimum of 167%. A comparable covenant in our senior unsecured notes is a minimum of 150%.

Restatement of Earnings due to Convertible Debt

(amounts in thousands except per share data)

	1Q	2Q	3Q	4Q	Full Year
Year ended December 31, 2007					
Additional interest expense					
November 2006 issuance	$ 320	$ 320	$ 320	$ 320	$ 1,280
July 2007 issuance	$ -	$ -	$ 883	$ 883	$ 1,766
Total	$ 320	$ 320	$ 1,203	$ 1,203	$ 3,046
Fully diluted weighted-average shares	73,791	79,546	81,163	82,784	79,409
Amount per share	$ -	$ -	$ 0.01	$ 0.01	$ 0.04
Summary of per share impacts:					
Net income available to common stockholders					
As reported	$ 0.32	$ 0.32	$ 0.30	$ 0.52	$ 1.46
Convertible debt adjustment	$ -	$ -	$ (0.01)	$ (0.01)	$ (0.04)
Restated	$ 0.32	$ 0.32	$ 0.29	$ 0.51	$ 1.42
Funds from operations — normalized					
As reported	$ 0.76	$ 0.78	$ 0.79	$ 0.80	$ 3.12
Convertible debt adjustment	$ -	$ -	$ (0.01)	$ (0.01)	$ (0.04)
Restated	$ 0.76	$ 0.78	$ 0.78	$ 0.79	$ 3.08
Year ended December 31, 2008					
Additional interest expense					
November 2006 issuance	$ 320	$ 320	$ 320	$ 320	$ 1,280
July 2007 issuance	$ 883	$ 883	$ 883	$ 883	$ 3,532
Total	$ 1,203	$ 1,203	$ 1,203	$ 1,203	$ 4,812
Fully diluted weighted-average shares	86,610	89,853	96,849	103,840	94,309
Amount per share	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.05
Summary of per share impacts:					
Net income available to common stockholders					
As reported	$ 0.35	$ 1.74	$ 0.57	$ 0.22	$ 2.81
Convertible debt adjustment	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.05)
Restated	$ 0.34	$ 1.73	$ 0.56	$ 0.21	$ 2.76
Funds from operations — normalized					
As reported	$ 0.81	$ 0.87	$ 0.86	$ 0.83	$ 3.38
Convertible debt adjustment	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.05)
Restated	$ 0.80	$ 0.86	$ 0.85	$ 0.82	$ 3.33

In May, 2008 the Financial Accounting Standards Board issued FASB Staff Position 14-1 (“FSP”) which provides guidance on accounting for debt that may be settled in cash upon conversion. This applies to the company’s convertible senior unsecured note issuances in November 2006 and July 2007. The FSP is effective for fiscal year 2009 and requires that prior years be restated to reflect this accounting treatment in all applicable prior periods.

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Gross Investment Activity

	Fourth Quarter 2008						
	Properties	Beds / Units / Square Feet			Amount ($000)	Investment Per Bed / Unit / Square Foot	Initial Cash Yield
Real Property Acquisitions							
Specialty care facilities	1	42	beds	$	14,000	333,333	11.0%
Total acquisitions	**1**			**$**	**14,000**		**11.0%**
Construction in Progress							
Development projects:							
CCRC - entrance fee	3	757	units	$	43,947		
CCRC - rental	1	24	units		231		
Combination - entrance fee	4	618	units		23,482		
Combination - rental	16	1,871	units		62,872		
Freestanding dementia care	3	161	units		3,883		
Freestanding skilled nursing	2	240	beds		3,511		
Specialty care	3	212	beds		17,082		
Medical office	4	688,081	sf		31,777		
Total development projects	**36**				**186,785**		
Expansion projects:							
CCRC - entrance fee	3	41	units		1,791		
Combination - entrance fee	3	30	units		847		
Total expansion projects	**6**				**2,638**		
Total construction in progress	**42**				**189,423**		
Capital improvements to existing properties					2,928		10.0%
Loan advances					8,756		10.7%
Gross investments				**$**	**215,107**		

Gross Investment Activity

	Year Ended 2008					
	Properties	Beds / Units / Square Feet		Amount ($000)	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%
Freestanding skilled nursing	1	164	beds	11,360	69,268	8.5%
Specialty care facilities	7	450	beds	196,303	436,229	9.6%
Medical office building	7	414,793	sf	121,809	294	7.7%
Land parcels	1			10,000		8.0%
Total acquisitions	**21**			**$ 453,262**		**8.6%**
Construction in Progress						
Development projects:						
CCRC - entrance fee	3	757	units	$ 123,448		
CCRC - rental	3	275	units	4,573		
Combination - entrance fee	5	832	units	101,208		
Combination - rental	21	2,201	units	165,254		
Freestanding dementia care	4	203	units	14,422		
Freestanding skilled nursing	2	240	beds	16,327		
Specialty care	5	312	beds	77,642		
Medical office	5	688,081	sf	93,907		
Total development projects	**48**			**596,781**		
Expansion projects:						
CCRC - entrance fee	3	91	units	6,498		
Combination - entrance fee	5	129	units	17,321		
Total expansion projects	**8**			**23,819**		
Total construction in progress	**56**			**620,600**		
Capital improvements to existing properties				17,468		9.8%
Loan advances				142,758		8.8%
Gross investments				**$1,234,088**		

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%	980	11.5%	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%	114,647	8.4%	24,619	9.5%	125,306	6.2%
July	65,647	8.9%	2,003	10.9%	-	0.0%	-	0.0%
August	-	0.0%	1,057	11.6%	551	10.0%	2,313	9.5%
September	59,672	7.4%	3,941	10.3%	70,237	9.2%	15,516	5.8%
October	-	0.0%	1,461	11.6%	614	9.5%	43,136	7.4%
November	-	0.0%	3,031	9.4%	6,510	8.5%	-	0.0%
December	14,000	11.0%	4,264	11.4%	40,554	8.6%	-	0.0%
Total	**$ 453,262**	**8.6%**	**$ 142,758**	**8.8%**	**$ 283,068**	**9.4%**	**$ 194,243**	**6.6%**

Disposition Activity

(dollars in thousands)

	Fourth Quarter 2008 Amount	Fourth Quarter 2008 % of Total	Year Ended 2008 Amount	Year Ended 2008 % of Total
Dispositions by Investment Type				
Real property	$ 43,136	100.0%	$ 185,428	95.5%
Real estate loans receivable	-	0.0%	8,815	4.5%
Total	**$ 43,136**	**100.0%**	**$ 194,243**	**100.0%**
Dispositions by Property Type				
Combination - rental	$ 7,960	18.4%	$ 16,586	8.5%
Freestanding independent living	-		17,478	9.0%
Freestanding assisted living	33,376	77.4%	133,011	68.5%
Freestanding skilled nursing	1,800	4.2%	4,768	2.5%
Specialty care facility	-		8,735	4.5%
Medical office building	-		6,781	3.5%
Real estate loans receivable	-		6,884	3.5%
Total	**$ 43,136**	**100.0%**	**$ 194,243**	**100.0%**

Discontinued Operations

(dollars in thousands)

	Fourth Quarter 2008	Fourth Quarter 2007	Year Ended 2008	Year Ended 2007
Revenues				
Rental income	$ 1,803	$ 8,967	$ 21,551	$ 39,624
Expenses				
Interest expense	601	2,224	5,434	10,386
Property operating expenses	630	938	2,639	2,768
Depreciation and amortization	650	3,307	6,891	14,402
Income / (loss) from discontinued operations, net	**$ (78)**	**$ 2,498**	**$ 6,587**	**$ 12,068**

Portfolio Composition

(dollars in thousands)

	Properties	Investment Balance	% of Total	Committed Balance	% of Total
Balance Sheet Data					
Real property	600	$ 5,378,794	91.8%	$ 6,108,071	92.7%
Loans	33	482,885	8.2%	482,886	7.3%
Total	**633**	**$ 5,861,679**	**100.0%**	**$ 6,590,957**	**100.0%**
Investment Concentration - By Predominant Service Type					
Independent living / CCRC	63	$ 1,105,460	18.9%	$ 1,288,973	19.5%
Assisted living	186	1,173,748	20.0%	1,317,516	20.0%
Skilled nursing	225	1,583,084	27.0%	1,607,676	24.4%
Specialty care	31	619,670	10.6%	884,867	13.5%
Medical office	128	1,379,717	23.5%	1,491,925	22.6%
Total	**633**	**$ 5,861,679**	**100.0%**	**$ 6,590,957**	**100.0%**
Investment Concentration - Senior Housing & Care and Medical Facilities					
Senior housing & care portfolio					
CCRC - entrance fee	6	$ 286,742	4.9%	$ 382,165	5.8%
CCRC - rental	12	186,372	3.2%	189,741	2.9%
Combination - entrance fee	9	303,953	5.2%	388,675	5.9%
Combination - rental	128	1,063,729	18.1%	1,213,338	18.4%
Subtotal combination / CCRC	**155**	**1,840,796**	**31.4%**	**2,173,919**	**33.0%**
Freestanding independent living	22	157,396	2.7%	157,396	2.4%
Freestanding assisted living	67	230,015	3.9%	230,015	3.5%
Freestanding dementia care	33	159,573	2.7%	172,529	2.6%
Freestanding skilled nursing	192	1,184,885	20.2%	1,190,679	18.1%
Subtotal freestanding	**314**	**1,731,869**	**29.5%**	**1,750,619**	**26.6%**
Land	5	16,510	0.3%	16,510	0.3%
Other Loans	-	273,117	4.7%	273,117	4.0%
Senior housing & care total	**474**	**3,862,292**	**65.9%**	**4,214,165**	**63.9%**
Medical facilities portfolio					
Specialty care	31	619,670	10.6%	884,867	13.5%
Medical office	128	1,379,717	23.5%	1,491,925	22.6%
Medical facilities total	**159**	**1,999,387**	**34.1%**	**2,376,792**	**36.1%**
Total portfolio	**633**	**$ 5,861,679**	**100.0%**	**$ 6,590,957**	**100.0%**

Investment Metrics	Bed / Unit / Square Foot		Committed Balance ($000)	Per Bed / Unit / Square Foot
Independent living / CCRC	7,544	units	$ 1,288,973	$ 170,861
Assisted living	11,297	units	1,317,516	116,625
Skilled nursing	30,669	beds	1,607,676	52,420
Specialty care	1,911	beds	884,867	463,039
Medical office	5,604,802	sf	1,491,925	266
Total			**$ 6,590,957**	

Portfolio Concentration

(dollars in thousands)

By Operator / Tenant	Total Properties	Investment Balance	% of Balances	Total Revenues (1)	% of Revenues
Senior Living Communities, LLC	10	$ 345,974	5.9%	$ 5,459	3.8%
Signature Healthcare LLC	34	317,284	5.4%	10,121	7.0%
Brookdale Senior Living, Inc.	86	298,143	5.1%	9,894	6.9%
Life Care Centers of America, Inc.	25	264,578	4.5%	7,644	5.3%
Emeritus Corporation	21	245,741	4.2%	7,806	5.4%
Merrill Gardens LLC	13	170,832	2.9%	5,401	3.7%
Gulf Coast Health Care	25	157,558	2.7%	4,478	3.1%
Tara Cares, LLC	33	147,988	2.5%	4,515	3.1%
Lyric Health Care, LLC	27	147,667	2.5%	4,607	3.2%
Vibra Healthcare, LLC	5	145,250	2.5%	3,602	2.5%
Remaining portfolio	354	3,620,664	61.8%	80,534	56.0%
Total	**633**	**$5,861,679**	**100.0%**	**$ 144,061**	**100.0%**

Balances By State	Independent Living / CCRC	Assisted Living	Skilled Nursing	Specialty Care	Medical Office	Total Properties	Investment Balance	% of Total
Florida	$ 193,981	$ 44,173	$ 286,706	$ -	$ 268,852	91	$ 793,712	13.5%
Texas	18,116	93,284	169,533	167,219	203,670	77	651,822	11.1%
California	166,988	56,879	-	119,597	122,366	29	465,830	7.9%
Massachusetts	59,551	94,008	209,156	43,450	-	37	406,165	6.9%
Tennessee	-	45,393	214,289	-	67,171	34	326,853	5.6%
Ohio	49,117	38,562	180,131	40,211	7,352	31	315,373	5.4%
South Carolina	210,800	6,638	-	-	16,987	13	234,425	4.0%
North Carolina	46,352	162,796	-	-	23,854	53	233,002	4.0%
Illinois	-	96,592	28,425	51,012	16,981	15	193,010	3.3%
Indiana	101,077	4,585	31,052	30,147	21,953	14	188,814	3.2%
Remaining portfolio	259,478	530,838	463,792	168,034	630,531	239	2,052,673	35.1%
Total	**$1,105,460**	**$1,173,748**	**$1,583,084**	**$619,670**	**$1,379,717**	**633**	**$5,861,679**	**100.0%**

Revenues By State	Independent Living / CCRC	Assisted Living	Skilled Nursing	Specialty Care	Medical Office	Total Properties	Total Revenues (1)	% of Total
Florida	$ 3,633	$ 1,105	$ 8,937	$ -	$ 6,421	91	$ 20,096	13.9%
Texas	598	2,708	4,516	4,254	4,834	77	16,910	11.7%
California	4,603	1,934	-	1,988	3,524	29	12,049	8.4%
Tennessee	-	1,064	6,937	65	2,090	34	10,156	7.0%
Massachusetts	22	2,661	5,912	1,125	-	37	9,720	6.7%
North Carolina	1,186	5,633	-	-	513	53	7,332	5.1%
Ohio	-	638	4,942	1,055	213	31	6,848	4.8%
Indiana	1,889	140	499	-	1,839	14	4,367	3.0%
Georgia	2,828	180	989	768	531	24	5,296	3.7%
Illinois	235	403	427	-	2,371	15	3,436	2.4%
Remaining portfolio	5,686	13,539	13,147	4,677	10,802	228	47,851	33.3%
Total	**$ 20,680**	**$ 30,005**	**$ 46,306**	**$ 13,932**	**$ 33,138**	**633**	**$ 144,061**	**100.0%**

Notes:

(1) Revenues represent rent and interest income including rent from discontinued operations for the three months ended December 31, 2008. Revenues exclude other income totaling $4,865,000 for the three months ended December 31, 2008.

Top Ten Operator Descriptions

Senior Living Communities, LLC, located in Charlotte, NC, operates premier continuing care retirement communities (CCRCs) throughout the southeastern United States. The company operates ten campuses in four states. As of December 31, 2008, the HCN portfolio consisted of ten properties in four states with an investment balance of $346.0 million.

Signature Healthcare LLC, located in Palm Beach Gardens, FL, is a private operator of skilled nursing facilities spread among seven states. The company operates 65 skilled nursing facilities with 7,646 beds. As of December 31, 2008, the HCN portfolio consisted of 34 properties in four states with an investment balance of $317.3 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 December 31, 2008, the HCN portfolio consisted of 86 properties in 16 states with an investment balance of $298.1 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 December 31, 2008, the HCN portfolio consisted of 25 properties in 12 states with an investment balance of $264.6 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 December 31, 2008, the HCN portfolio consisted of 21 properties in 16 states with an investment balance of $245.7 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 55 IL/AL facilities with 6,455 units in eight states. As of December 31, 2008, the HCN portfolio consisted of 13 properties in seven states with an investment balance of $170.8 million.

Gulf Coast Health Care, 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 December 31, 2008, the HCN portfolio consisted of 25 properties in three states with an investment balance of $157.6 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 December 31, 2008, the HCN portfolio consisted of 33 properties in seven states with an investment balance of $148.0 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 3,800 beds/units in 10 states and has a management agreement with Encore Healthcare LLC to operate the facilities. As of December 31, 2008, the HCN portfolio consisted of 27 properties in nine states with an investment balance of $147.7 million.

Vibra Healthcare, LLC, located in Mechanicsburg, PA, is a private operator of inpatient rehabilitation facilities and long term acute care hospitals in nine states. The company operates 15 properties with 998 beds. As of September 30, 2008, the HCN portfolio consisted of five properties in three states with an investment balance of $145.25 million.

Metropolitan Statistical Area Concentration *

(dollars in thousands)

	Top 31	Top 75	Top 100
Independent living / CCRC	$ 308,703	$ 532,521	$ 696,739
% of independent living / CCRC	27.9%	48.2%	63.0%
Assisted living	423,380	661,366	703,475
% of assisted living	36.1%	56.3%	59.9%
Skilled nursing	462,161	831,492	921,047
% of skilled nursing	29.2%	52.5%	58.2%
Specialty care	269,317	472,406	510,335
% of specialty care	43.5%	76.2%	82.4%
Medical office	984,258	1,262,414	1,264,279
% of medical office	71.3%	91.5%	91.6%
Total portfolio	**$ 2,447,819**	**$ 3,760,199**	**$ 4,095,875**
% of total portfolio	**41.8%**	**64.1%**	**69.9%**

* 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.

Region Concentration

(dollars in thousands)

	Total Properties	Investment Balance	% of Total
By Region*			
South Atlantic	200	$1,565,650	26.7%
East North Central	73	876,703	15.0%
West South Central	109	775,884	13.2%
Pacific	39	603,500	10.3%
East South Central	70	561,307	9.6%
Mountain	48	528,310	9.0%
New England	49	469,551	8.0%
Middle Atlantic	34	345,861	5.9%
West North Central	11	134,913	2.3%
Total	**633**	**$5,861,679**	**100.0%**

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

Portfolio Performance

	Age	Occupancy	TTM CBMF (1)	TTM CAMF (1)	Facility Revenue Mix: Private Pay	Medicaid	Medicare
Stable Portfolio*							
Independent living / CCRC	11	90.6%	1.31x	1.11x	92.5%	2.0%	5.5%
Assisted living	10	88.8%	1.55x	1.32x	88.0%	11.8%	0.2%
Skilled nursing	23	83.9%	2.26x	1.66x	19.0%	51.4%	29.6%
Specialty care	11	49.5%	2.26x	1.83x	31.9%	9.2%	58.9%
Medical office	12	90.4%	n/a	n/a	100.0%	0.0%	0.0%
Total	**14**		**1.96x**	**1.52x**			

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

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

Same Store Revenue Growth

(dollars in thousands)

	Properties (1)	4Q07 Same Store Revenue*	4Q08 Same Store Revenue*	% Change
Same Store Portfolio				
Independent living / CCRC	50	$ 12,272	$ 12,703	3.5%
Assisted living	163	23,020	23,794	3.4%
Skilled nursing	221	39,808	40,825	2.6%
Specialty care	16	6,320	6,459	2.2%
Total	**450**	**$ 81,420**	**$ 83,781**	**2.9%**

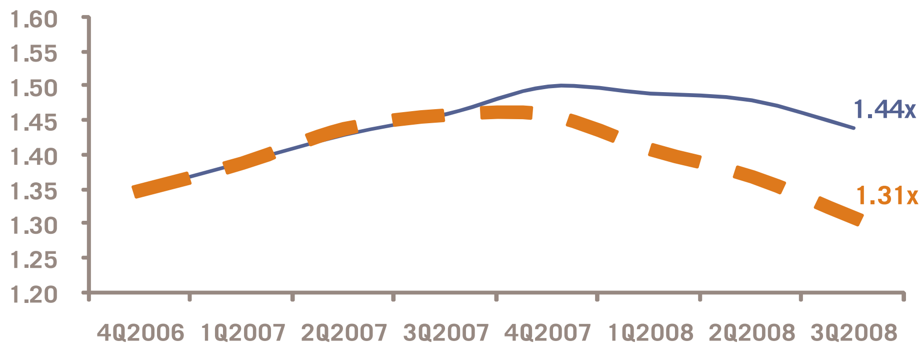
* Same store revenue represents cash-only rent or interest income excluding the impact of lease or loan basis changes (e.g., rent-producing capital improvement additions for leases and principal draws or paydowns for loans).

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

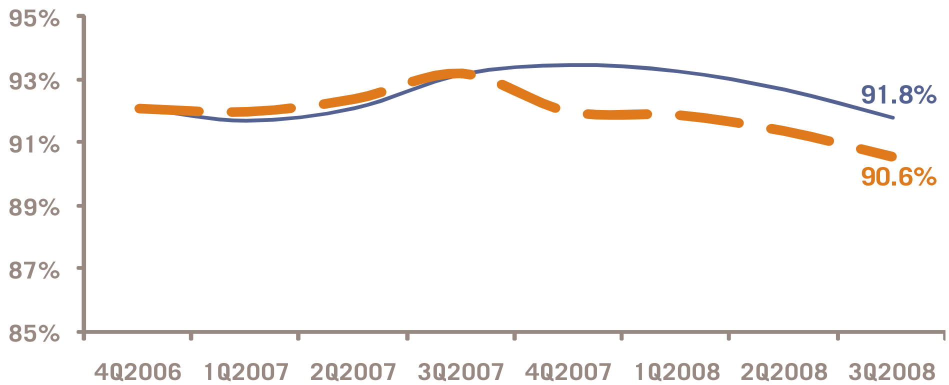
Same Store (19 properties)
Stable

Trailing Twelve Month Payment Coverage Before Management Fees



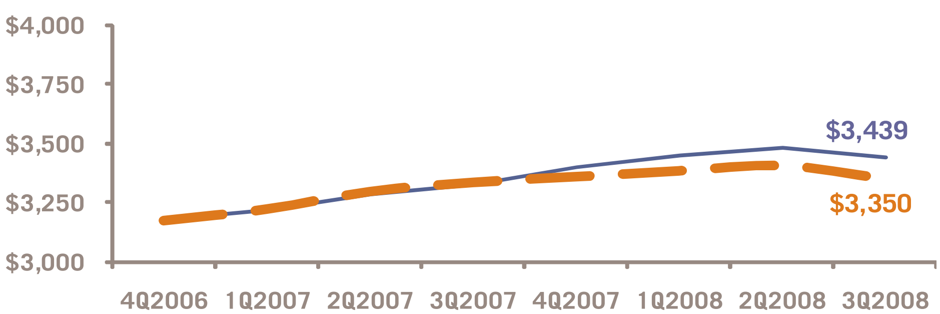
basis points	3Q08 / 3Q07	3Q08 / 2Q08
Same Store	(2)	(4)
Stable	(15)	(6)

Occupancy



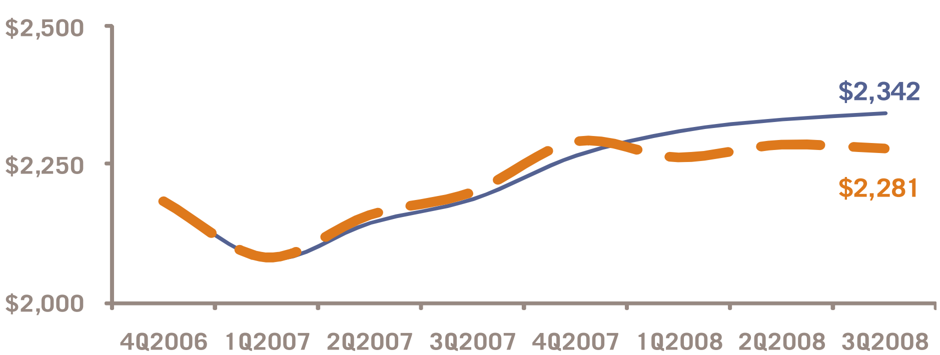
basis points	3Q08 / 3Q07	3Q08 / 2Q08
Same Store	(140)	(90)
Stable	(260)	(80)

Revenue per Occupied Unit



(% chg)	3Q08 / 3Q07	3Q08 / 2Q08
Same Store	3.4%	-1.2%
Stable	0.4%	-1.6%

Expense per Occupied Unit

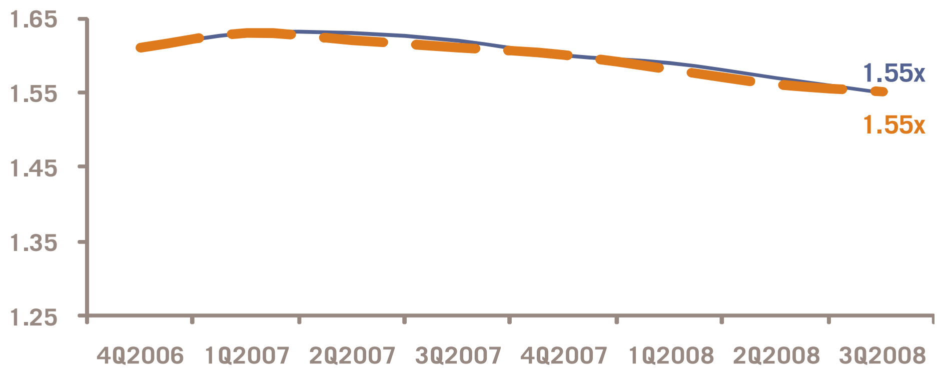


(% chg)	3Q08 / 3Q07	3Q08 / 2Q08
Same Store	7.0%	0.5%
Stable	3.6%	-0.3%

Same Store (146 properties)
Stable

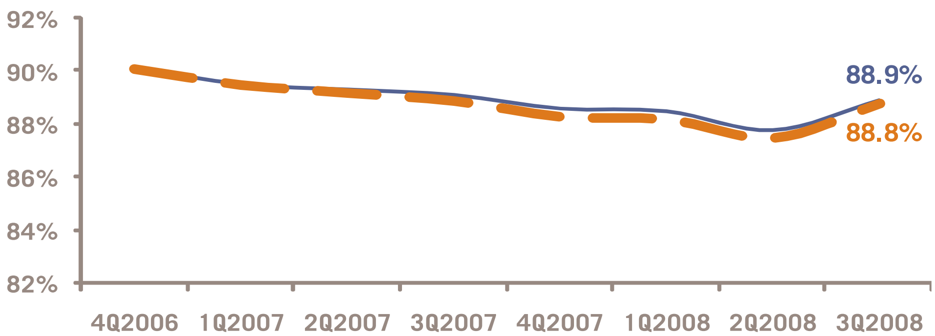
Portfolio Performance - Assisted Living

Trailing Twelve Month Payment Coverage Before Management Fees



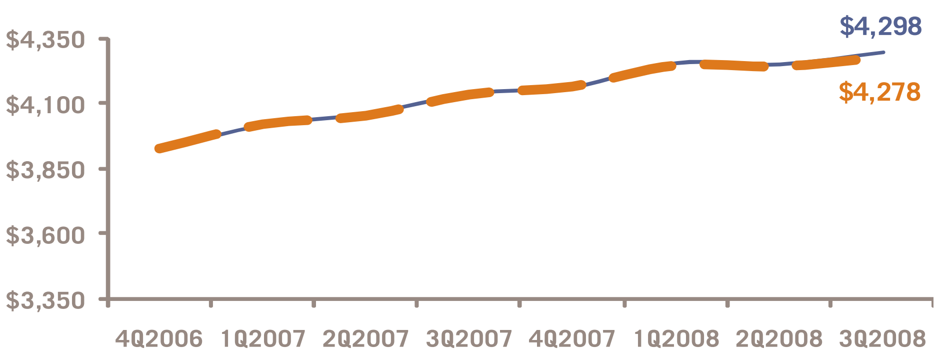
basis points	3Q08 / 3Q07	3Q08 / 2Q08
Same Store	(7)	(2)
Stable	(6)	(1)

Occupancy



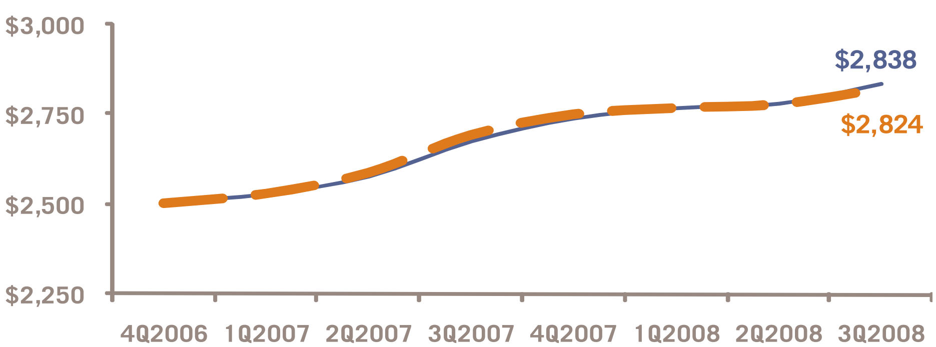
basis points	3Q08 / 3Q07	3Q08 / 2Q08
Same Store	(20)	110
Stable	(10)	130

Revenue per Occupied Unit



(% chg)	3Q08 / 3Q07	3Q08 / 2Q08
Same Store	3.8%	1.1%
Stable	3.5%	0.8%

Expense per Occupied Unit

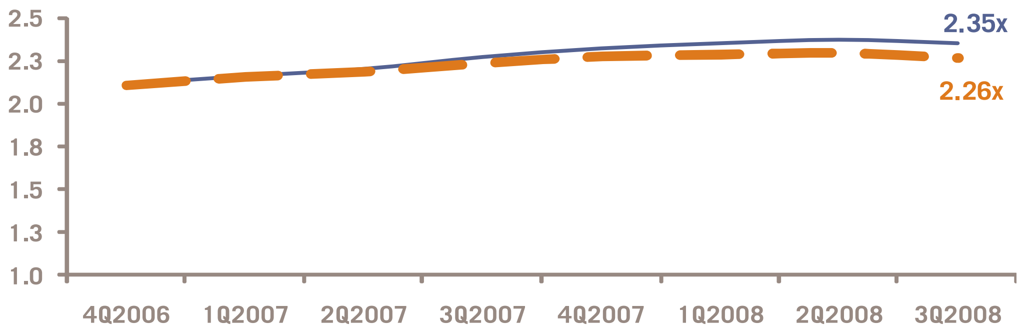


(% chg)	3Q08 / 3Q07	3Q08 / 2Q08
Same Store	6.0%	2.0%
Stable	4.7%	1.5%

Portfolio Performance - Skilled Nursing

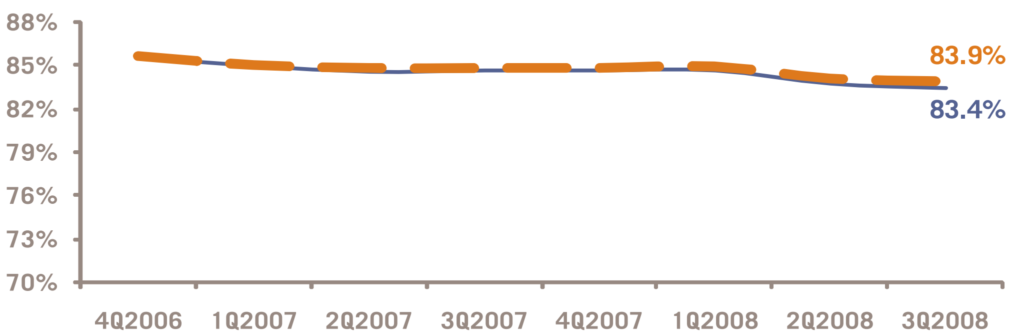
Same Store (199 properties)
Stable

Trailing Twelve Month Payment Coverage Before Management Fees



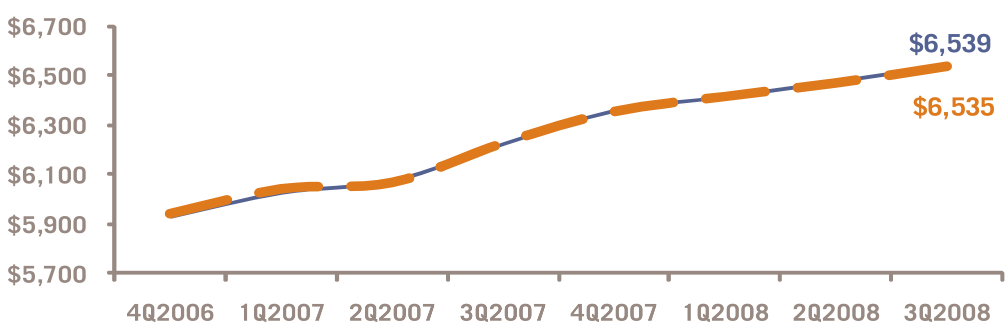
basis points	3Q08 / 3Q07	3Q08 / 2Q08
Same Store	8	(2)
Stable	3	(3)

Occupancy



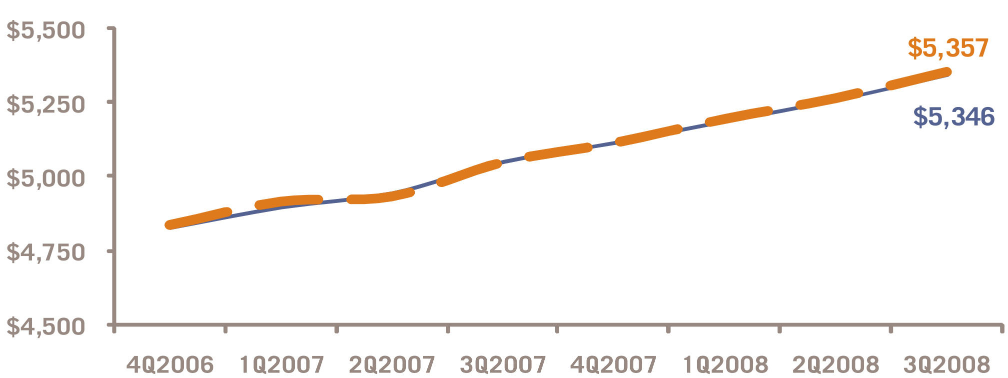
basis points	3Q08 / 3Q07	3Q08 / 2Q08
Same Store	(120)	(30)
Stable	(90)	(20)

Revenue per Occupied Bed



(% chg)	3Q08 / 3Q07	3Q08 / 2Q08
Same Store	5.1%	1.0%
Stable	5.0%	1.0%

Expense per Occupied Bed

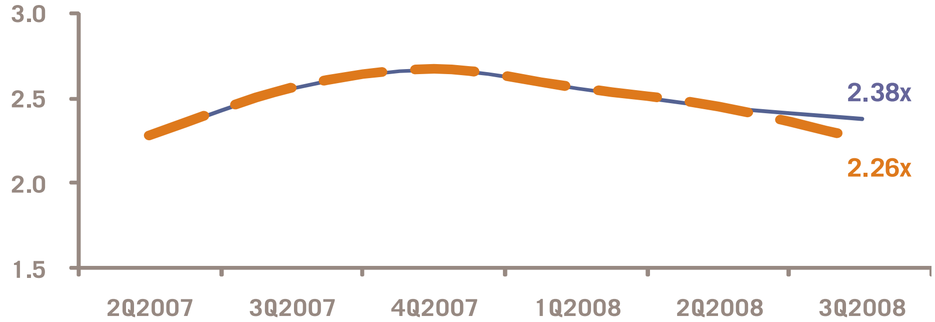


(% chg)	3Q08 / 3Q07	3Q08 / 2Q08
Same Store	5.8%	1.6%
Stable	6.1%	1.7%

Same Store (10 properties)
Stable

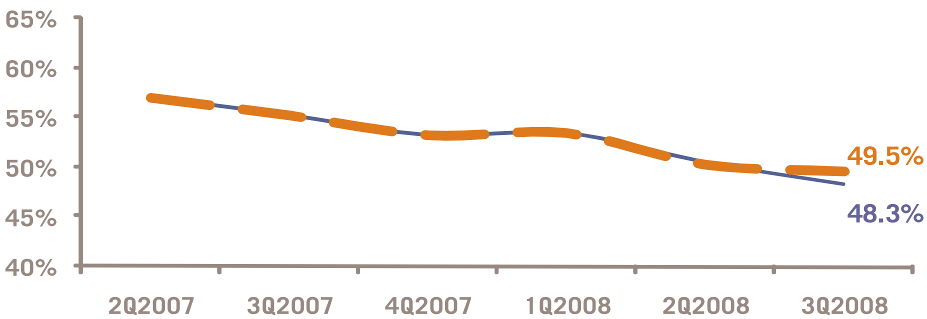
Portfolio Performance - Specialty Care*

Trailing Twelve Month Payment Coverage Before Management Fees



basis points	3Q08 / 3Q07	3Q08 / 2Q08
Same Store	(18)	(7)
Stable	(30)	(19)

Occupancy



basis points	3Q08 / 3Q07	3Q08 / 2Q08
Same Store	(690)	(220)
Stable	(570)	(70)

*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	2,471,964	$ 677,652	$ 18,152	$ 6,109	$ 12,043	11	93.1%
Off Campus-Affiliated	21	839,637	191,513	5,744	2,317	3,427	13	91.8%
Off Campus	43	1,330,765	380,065	8,883	2,963	5,920	13	84.6%
Subtotal	**109**	**4,642,366**	**1,249,230**	**32,779**	**11,389**	**21,390**	**12**	**90.4%**
Held-for-sale	14	274,355	21,843	581	630	(49)		
Development	4	688,081	96,772					
Land	1		11,872					
Total	**128**	**5,604,802**	**$ 1,379,717**	**$ 33,360**	**$ 12,019**	**$ 21,341**		

Portfolio Performance - Medical Office Buildings

(dollars in thousands)

Total MOB Performance	4Q07A	1Q08A	2Q08A	3Q08A	4Q08A
Properties*	102	105	106	109	109
Square feet*	4,228,791	4,400,079	4,427,527	4,642,366	4,642,366
Investment balance*	$ 1,178,032	$ 1,207,203	$ 1,195,375	$ 1,257,993	$ 1,249,230
Occupancy*	91.3%	90.9%	91.9%	91.5%	90.4%
Total revenue*	$ 29,556	$ 31,906	$ 31,979	$ 33,226	$ 32,779
Operating expenses*	$ 10,274	$ 10,701	$ 10,691	$ 11,178	$ 11,389
NOI from continuing operations*	$ 19,282	$ 21,205	$ 21,288	$ 22,048	$ 21,390
NOI from discontinued operations	$ 868	$ 871	$ 577	$ 304	$ (49)
Total cap-ex / TI / LC	$ 1,763	$ 765	$ 1,162	$ 1,555	$ 2,865
Expired (square feet)*	113,683	222,820	172,618	121,354	188,367
Retained (square feet)*	98,236	197,055	143,814	83,111	145,349
Retention rate*	86.4%	88.4%	83.3%	68.5%	77.2%

Same Store Performance*	4Q07	1Q08	2Q08	3Q08	4Q08
Properties	99	99	99	99	99
Square feet	4,104,558	4,104,558	4,104,558	4,104,558	4,104,558
Investment balance	$ 1,147,205	$ 1,135,330	$ 1,118,120	$ 1,107,916	$ 1,100,471
Occupancy	91.1%	90.3%	91.3%	90.5%	89.3%
Total revenue	$ 29,302	$ 30,167	$ 29,861	$ 30,190	$ 28,828
Operating expenses	$ 10,245	$ 10,193	$ 10,015	$ 10,352	$ 10,195
NOI	$ 19,057	$ 19,974	$ 19,846	$ 19,838	$ 18,633

Remaining Lease Expirations*	2009	2010	2011	2012	2013
Square feet	426,785	428,847	474,240	537,695	371,111
% of total portfolio	8.7%	8.7%	9.6%	10.9%	7.5%

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

Portfolio Concentration - Medical Office Buildings

	Square Feet	% of Total
By Tenant*		
Tenet Health Systems	306,834	6.6%
Baptist Health System Inc	161,933	3.5%
Southwest Medical Associates	160,855	3.5%
Community Health	155,365	3.3%
Orange Regional Medical Center	100,496	2.2%
Remaining Portfolio	3,756,883	80.9%
Total	**4,642,366**	**100.0%**

*Excludes development and held-for-sale properties.

	Properties	Square Feet	% of Total	Investment Balance ($000)	Balance per Square Foot
By Region*					
South Atlantic	54	1,554,649	27.7%	$ 389,260	$ 250
West South Central	17	884,514	15.8%	216,043	244
Middle Atlantic	13	780,690	13.9%	161,125	206
East South Central	13	710,971	12.7%	125,962	177
Mountain	16	700,436	12.5%	220,328	315
East North Central	6	475,483	8.5%	99,553	209
Pacific	8	447,903	8.0%	151,040	337
West North Central	1	50,156	0.9%	16,406	327
Total	**128**	**5,604,802**	**100.0%**	**$ 1,379,717**	**$ 246**

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

	Properties	Square Feet	% of Total	Investment Balance ($000)	Balance per Square Foot
By State					
Florida	27	935,943	16.7%	$ 268,852	$ 287
Texas	16	839,711	15.0%	203,670	243
New Jersey	5	406,454	7.3%	79,183	195
California	7	384,520	6.9%	122,366	318
Georgia	15	358,566	6.4%	75,982	212
Arizona	6	339,205	6.1%	100,567	296
Nevada	9	324,845	5.8%	112,540	346
Alabama	5	303,316	5.4%	43,715	144
Tennessee	7	295,017	5.3%	67,171	228
Wisconsin	1	293,629	5.2%	53,266	181
Remaining portfolio	30	1,123,596	19.9%	252,405	225
Total	**128**	**5,604,802**	**100.0%**	**$ 1,379,717**	**$ 246**

Development Activity

(dollars in thousands)

	Projects	Beds / Units / Square Feet	CIP Balance at 12/31/07	2008 YTD Funding	2008 YTD Conversions (1)	CIP Balance at 12/31/08
Development Properties						
CCRC - entrance fee	3	757	$ 44,477	$ 123,448	$ -	$ 167,925
CCRC - rental	3	275	37,014	4,573	(41,356)	231
Combination - entrance fee	5	832	64,956	101,208	(59,206)	106,958
Combination - rental	21	2,201	78,589	165,254	(81,629)	162,214
Freestanding dementia care	4	203	7,425	14,422	(7,853)	13,994
Freestanding skilled nursing	2	240	9,593	16,327	(16,918)	9,002
Specialty care	5	312	33,019	77,642	(35,151)	75,510
Medical office	5	688,081	14,688	93,907	(11,823)	96,772
Total	**48**		**$ 289,761**	**$ 596,781**	**$ (253,936)**	**$ 632,606**
Expansion Projects						
CCRC - entrance fee	3	91	$ 5,315	$ 6,498	$ (7,999)	$ 3,814
Combination - entrance fee	5	129	18,633	17,321	(32,955)	2,999
Total	**8**		**23,948**	**23,819**	**(40,954)**	**6,813**
Development Total	**56**		**$ 313,709**	**$ 620,600**	**$ (294,890)**	**$ 639,419**

Notes:
(1) Includes one parcel of land relating to a potential future MOB development that was reclassified to land and land improvements.

Development Funding Projections

(dollars in thousands)

				Projected Future Funding				
	Projects	Beds / Units / Square Feet	Initial Yield	2009 Funding	2010 Funding	Funding Thereafter	Unfunded Commitments	Committed Balances
Development Properties								
CCRC - entrance fee	3	757	9.7%	$ 75,413	$ 15,688	$ -	$ 91,101	$ 259,026
CCRC - rental	1	24	10.5%	3,369	-	-	3,369	3,600
Combination - entrance fee	4	618	8.7%	74,013	7,504	-	81,517	188,475
Combination - rental	14	1,693	8.4%	143,444	6,165	-	149,609	311,823
Freestanding dementia care	3	161	9.1%	12,956	-	-	12,956	26,950
Freestanding skilled nursing	1	120	9.2%	5,794	-	-	5,794	14,796
Specialty care	3	212	9.4%	139,219	88,028	37,950	265,197	340,707
Medical office	4	688,081	7.5%	109,024	3,184	-	112,208	208,980
Total	**33**		**8.8%**	**$563,232**	**$120,569**	**$ 37,950**	**$ 721,751**	**$1,354,357**
Expansion Projects								
CCRC - entrance fee	3	41	9.1%	$ 3,755	$ 456	$ 111	$ 4,322	$ 8,136
Combination - entrance fee	4	31	8.7%	3,205	-	-	3,205	6,204
Total	**7**		**8.9%**	**6,960**	**456**	**111**	**7,527**	**14,340**
Development Total	**40**		**8.8%**	**$570,192**	**$121,025**	**$ 38,061**	**$ 729,278**	**$1,368,697**

Development Project Conversion Estimates*

(dollars in thousands)

Quarterly Conversions	Amount	Projected Initial Cash Yields (1)
1Q09 estimate	$ 19,757	9.1%
2Q09 estimate	86,062	8.8%
3Q09 estimate	162,745	7.7%
4Q09 estimate	268,400	9.0%
1Q10 estimate	263,410	8.3%
2Q10 estimate	235,027	9.3%
3Q10 estimate	108,456	9.2%
4Q10 estimate	-	0.0%
Total	**$1,143,857**	**8.7%**

Annual Conversions	Amount	Projected Initial Cash Yields (1)
2009 estimate	$ 536,964	8.6%
2010 estimate	606,893	8.9%
2011 estimate	210,500	9.3%
2012 estimate	-	0.0%
2013+ estimate	-	0.0%
Total	**$ 1,354,357**	**8.8%**

* Excludes expansion projects

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

Unstabilized Properties

(dollars in thousands)

Property Type	9/30/2008 Properties	Stabilized	Construction Conversions	Acquisitions/ Expansions	12/31/08 Properties
CCRC - entrance fee	3	0	0	0	3
CCRC - rental	5	0	0	0	5
Combination - entrance fee	4	0	0	0	4
Combination - rental	13	0	1	0	14
Freestanding assisted living	4	(1)	0	0	3
Freestanding dementia care	7	(2)	0	0	5
Freestanding skilled nursing	2	0	1	0	3
Specialty care	5	0	0	1	6
Total	**43**	**(3)**	**2**	**1**	**43**

Property Type	12/31/08 Properties	Beds / Units	Investment Balance	% of Total Investment
CCRC - entrance fee	3	579	$ 115,004	2.0%
CCRC - rental	5	908	100,022	1.7%
Combination - entrance fee	4	862	176,048	3.0%
Combination - rental	14	1,384	246,226	4.2%
Freestanding assisted living	3	141	17,232	0.3%
Freestanding dementia care	5	215	48,771	0.8%
Freestanding skilled nursing	3	482	40,983	0.7%
Specialty care	6	314	100,729	1.7%
Total	**43**	**4,885**	**$ 845,015**	**14.4%**

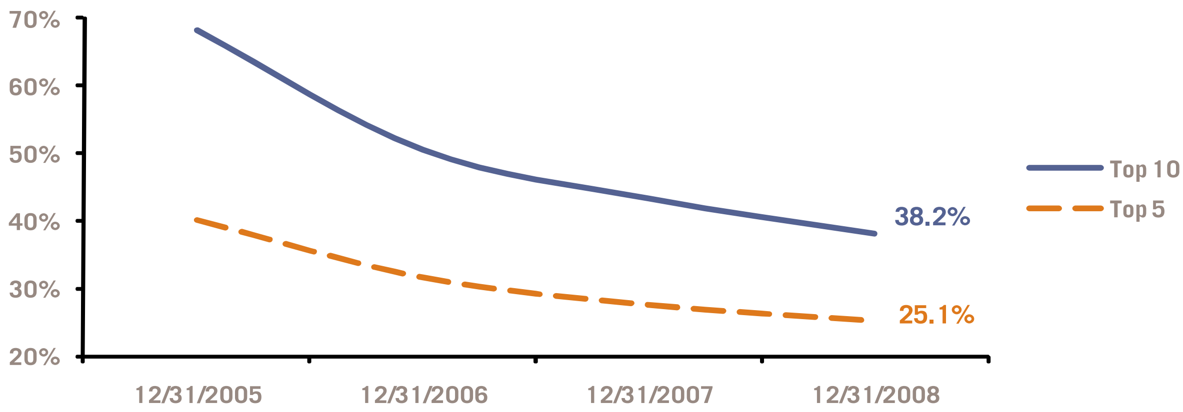
Occupancy	9/30/2008 Properties	Stabilized	Construction Conversions	Acquisitions/ Expansions	Progressions	12/31/08 Properties
0 - 50%	16	0	2	0	(2)	16
50% - 70%	9	0	0	1	(1)	9
70% +	18	(3)	0	0	3	18
Total	**43**	**(3)**	**2**	**1**	**0**	**43**

Occupancy	12/31/08 Properties	Months In Operation	Revenues	% of Total Revenues (1)	Investment Balance	% of Total Investment
0 - 50%	16	10	$ 8,450	1.5%	$ 369,295	6.3%
50% - 70%	9	15	3,013	0.6%	141,912	2.4%
70% +	18	21	7,806	1.4%	333,808	5.7%
Total	**43**	**15**	**$ 19,269**	**3.5%**	**$ 845,015**	**14.4%**

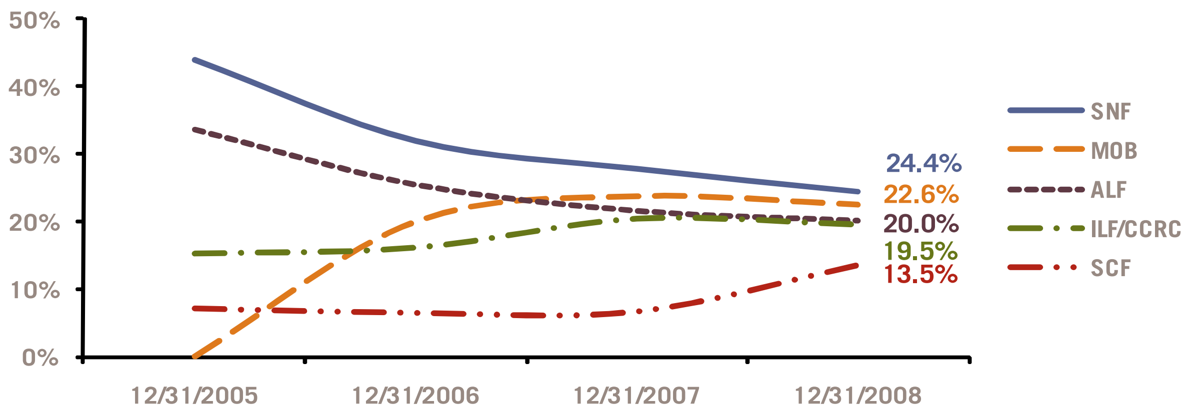
Notes:
(1) Includes annualized revenues as presented on page 13.

Portfolio Trends

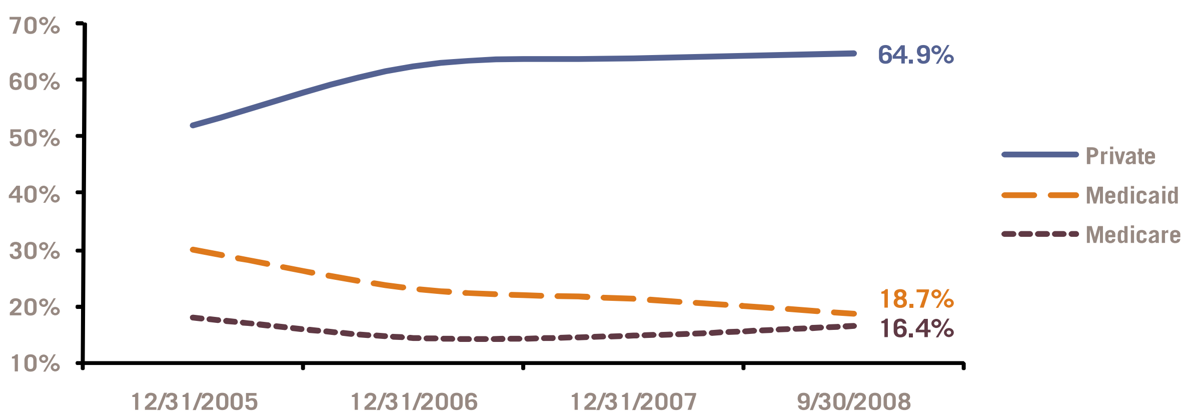
Operator Concentration Trend (1)



Property Type Trend (2)



Payor Mix Trend (3)



Notes:
(1) Operator concentration trend based on investment balances for the dates presented
(2) Property type trend based on committed investment balances for the dates presented.
(3) Payor mix is weighted by investment balance including stable and unstabilized properties.

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; or 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 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 of our properties.

Other than Adjusted EBITDA, the company's supplemental reporting measures and similarly entitled 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, these measures 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. The supplemental reporting measures do not 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. Multi-period amounts may not equal the sum of the individual quarterly amounts due to rounding.

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