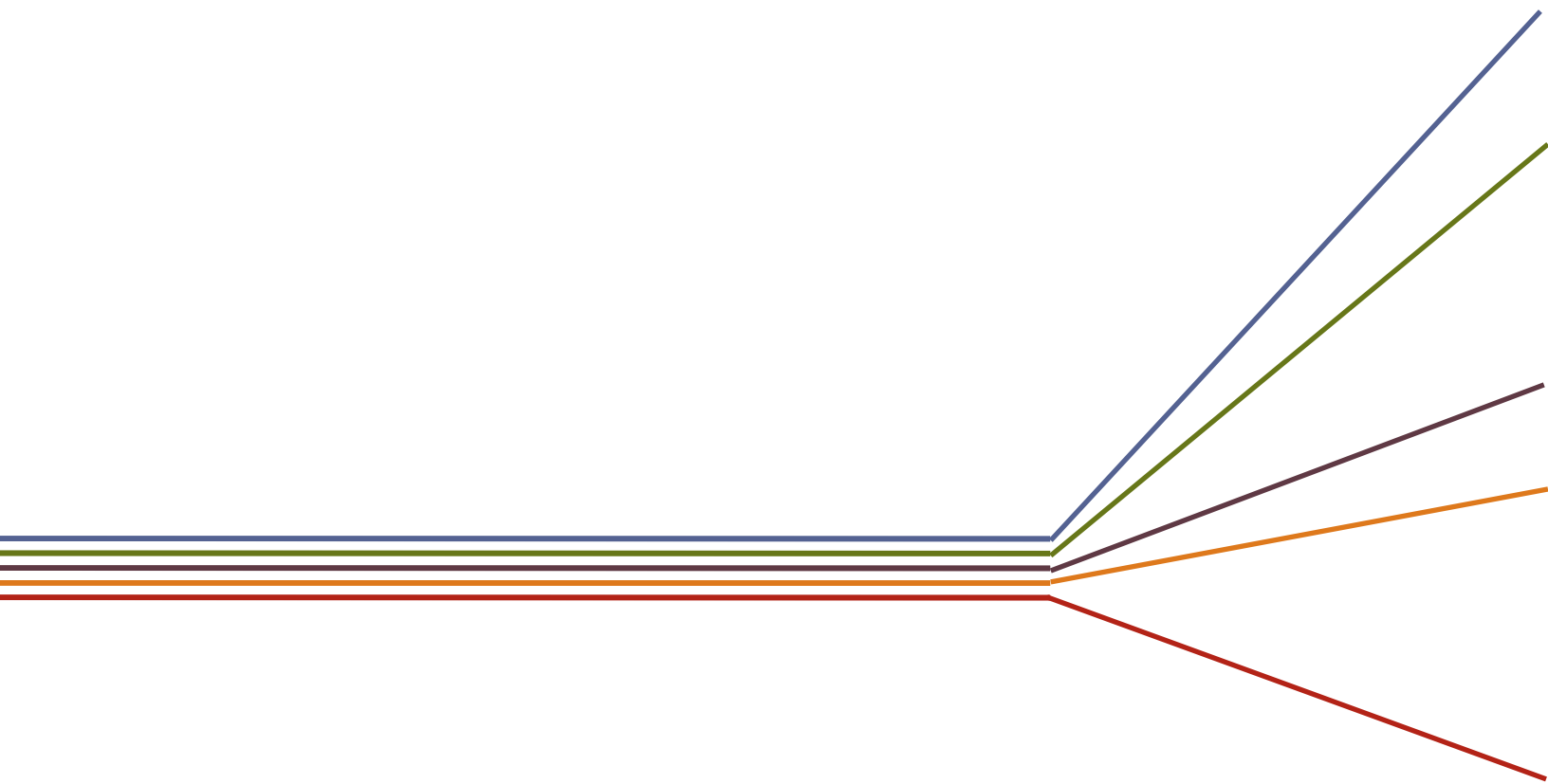


HEALTHCARE  REIT

4Q09 SUPPLEMENTAL INFORMATION



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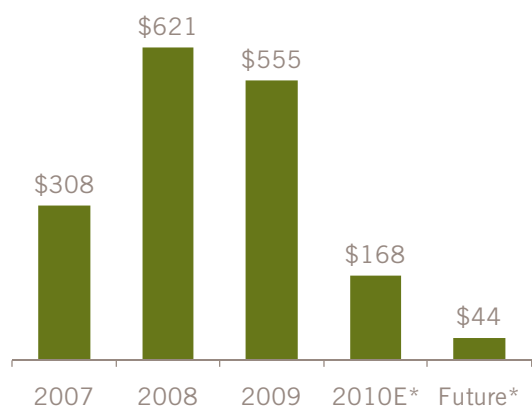
HEALTH CARE REIT, INC., a real estate investment trust ("REIT") with an enterprise value of \$8.2 billion, invests in health care real estate, including independent living, assisted living and skilled nursing facilities, continuing care retirement communities, hospitals and medical office buildings. The company's full service platform also offers property management and development services to its customers.

Data as of:	December 31, 2009		
NYSE Symbol:	HCN	Enterprise Value:	\$8.2 billion
Closing Price:	\$44.32	Gross Real Estate Assets:	\$6.8 billion
52 Week Hi/Low:	\$46.74/\$25.86	Debt to Market Capitalization:	30%
Dividend/Yield:	\$2.72/6.14%	Debt to Book Capitalization:	39%
Shares Outstanding:	123.4 million	Senior Debt Ratings:	Baa2/BBB-/BBB
		Investment Concentration*	
		Owned Assets:	93%
		Top 5 Customers:	24%
		Top 5 States:	45%
			* % of total investments

FULL SERVICE PLATFORM

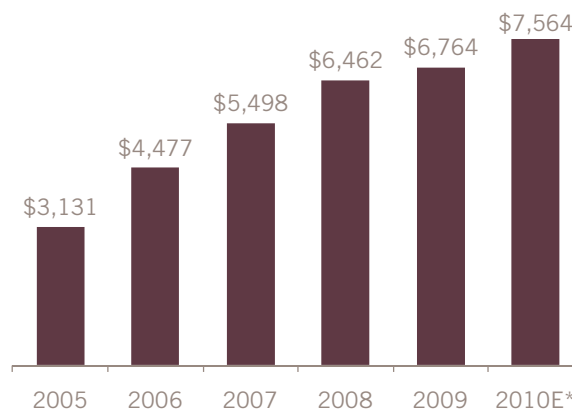
Health Care REIT provides senior housing operators and health care systems with a single source for facility planning, design and turn-key development, property management and monetization or expansion of existing real estate. By extending successful relationship investment programs to health care systems 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, 2009

GROSS REAL ESTATE ASSETS \$ millions

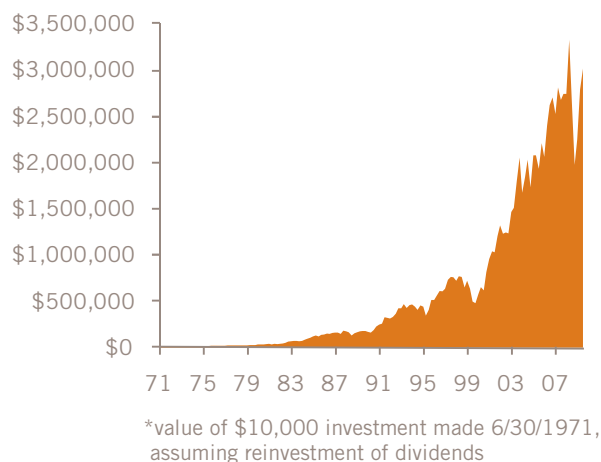


*based on mid-point of HCN 2010 net investment guidance of \$700 to \$900 million

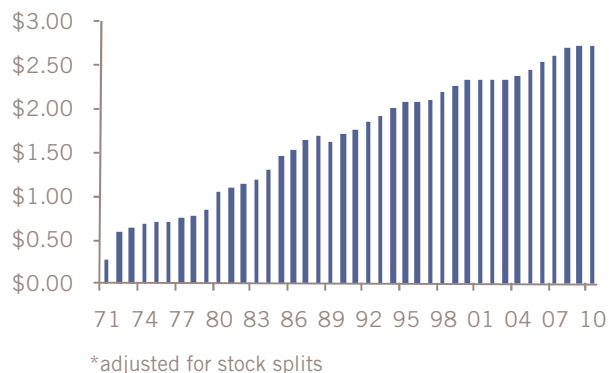
SECURE DIVIDEND

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 155 consecutive quarterly dividends during its 40-year history and remains focused on delivering attractive stockholder returns.

GROWTH SINCE INCEPTION*



SOLID DIVIDEND PAYMENT RECORD*



TOTAL RETURNS*

1 year	12.8%
3 years	7.3%
5 years	9.9%
10 years	20.4%
20 years	15.2%
Since inception	16.0%

*assumes reinvestment of dividends

RELATIONSHIP FOCUSED, LONG-TERM STRATEGY*

With 61 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 40-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 \$3.9 billion in capital in the last five years, including \$814 million in 2008 and \$998 million during the twelve months ended December 31, 2009. The company's \$1.15 billion line of credit ensures new investments will be funded on time.

ANALYST COVERAGE

Bank of America Merrill Lynch
BMO Capital Markets Corp.
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
Wells Fargo Securities



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.

INVESTOR RELATIONS

ANALYST / INVESTOR CONTACT

Scott A. Estes
EVP & CFO
sestes@hcreit.com

Michael A. Crabtree
SVP & Treasurer
mcrabtree@hcreit.com

GENERAL INQUIRIES

Erin C. Ibele
SVP-Administration & Corporate Secretary
info@hcreit.com



Jeffrey H. Miller
EVP-Operations & General Counsel

Mr. Miller is currently Executive Vice President-Operations and General Counsel. He served as 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,	
	2009	2008
Assets		
Real estate investments:		
Real property owned		
Land and land improvements	\$ 521,055	\$ 504,907
Buildings and improvements	5,185,328	4,653,871
Acquired lease intangibles	127,390	133,324
Real property held for sale, net of accumulated depreciation	45,686	48,054
Construction in progress	456,832	639,419
Gross real property owned	6,336,291	5,979,575
Less accumulated depreciation and amortization	(677,851)	(600,781)
Net real property owned	5,658,440	5,378,794
Real estate loans receivable (1)	427,363	482,885
Less allowance for losses on loans receivable	(5,183)	(7,500)
Net real estate loans receivable	422,180	475,385
Net real estate investments	6,080,620	5,854,179
Other assets:		
Equity investments	5,816	1,030
Deferred loan expenses	22,698	23,579
Cash and cash equivalents	35,476	23,370
Restricted cash	23,237	154,070
Receivables and other assets (2)	199,339	158,803
Total other assets	286,566	360,852
Total assets	\$ 6,367,186	\$ 6,215,031
Liabilities and equity		
Liabilities:		
Borrowings under unsecured lines of credit arrangements	\$ 140,000	\$ 570,000
Senior unsecured notes	1,653,027	1,831,151
Secured debt	620,995	446,525
Accrued expenses and other liabilities	145,713	129,070
Total liabilities	2,559,735	2,976,746
Equity:		
Preferred stock	288,683	289,929
Common stock	123,385	104,635
Capital in excess of par value	3,900,666	3,204,690
Treasury stock	(7,619)	(5,145)
Cumulative net income	1,547,669	1,354,400
Cumulative dividends	(2,057,658)	(1,723,819)
Accumulated other comprehensive income	(2,891)	(1,113)
Other equity	4,804	4,105
Total Health Care REIT, Inc. stockholders' equity	3,797,039	3,227,682
Noncontrolling interests	10,412	10,603
Total equity	3,807,451	3,238,285
Total liabilities and equity	\$ 6,367,186	\$ 6,215,031

Notes:

(1) Includes non-accrual loan balances of \$67,126,000 and \$72,770,000 at December 31, 2009 and 2008, respectively.

(2) Includes net straight-line receivable balances of \$79,760,000 and \$66,875,000 at December 31, 2009 and 2008, respectively.

Consolidated Statements of Income (unaudited)

(amounts in thousands except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Revenues:				
Rental income	\$ 133,037	\$ 125,350	\$ 520,300	\$ 475,822
Interest income	10,246	10,886	40,885	40,063
Other income	1,578	4,865	5,388	10,521
Prepayment fees	2,400	-	2,400	-
Total revenues	147,261	141,101	568,973	526,406
Expenses:				
Interest expense	25,154	30,353	106,231	130,153
Property operating expenses	11,454	10,989	45,896	42,634
Depreciation and amortization	40,576	38,387	157,049	144,361
General and administrative expenses	10,908	13,501	49,691	47,193
Realized loss on derivatives	-	21,880	-	23,393
Loss (gain) on extinguishment of debt	410	-	25,107	(2,094)
Provision for loan losses	23,121	94	23,261	94
Total expenses	111,623	115,204	407,235	385,734
Income from continuing operations before income taxes	35,638	25,897	161,738	140,672
Income tax expense	(151)	(136)	(168)	(1,306)
Income from continuing operations	35,487	25,761	161,570	139,366
Discontinued operations:				
Gain (loss) on sales of properties	16,487	33,120	43,394	163,933
Impairment of assets	(23,350)	(32,648)	(25,223)	(32,648)
Income from discontinued operations, net	8,214	1,155	13,186	12,774
Discontinued operations, net	1,351	1,627	31,357	144,059
Net income	36,838	27,388	192,927	283,425
Less: Preferred stock dividends	5,520	5,541	22,079	23,201
Net income attributable to noncontrolling interests	(382)	(2)	(342)	126
Net income attributable to common stockholders	\$ 31,700	\$ 21,849	\$ 171,190	\$ 260,098
Average number of common shares outstanding:				
Basic	122,700	103,329	114,207	93,732
Diluted	123,105	103,840	114,612	94,309
Net income attributable to common stockholders per share:				
Basic	\$ 0.26	\$ 0.21	\$ 1.50	\$ 2.77
Diluted	\$ 0.26	\$ 0.21	\$ 1.49	\$ 2.76
Common dividends per share	\$ 0.68	\$ 0.68	\$ 2.72	\$ 2.70

Funds From Operations Reconciliation

(amounts in thousands except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Net income attributable to common stockholders	\$ 31,700	\$ 21,849	\$ 171,190	\$ 260,098
Depreciation and amortization (1)	41,780	42,150	164,923	163,045
Loss (gain) on sales of properties	(16,487)	(33,120)	(43,394)	(163,933)
Noncontrolling interests	(564)	(81)	(798)	(342)
Prepayment fees	(2,400)	-	(2,400)	-
Funds from operations	54,029	30,798	289,521	258,868
Impairment of assets	23,350	32,648	25,223	32,648
Realized loss on derivatives	-	21,880	-	23,393
Terminated transaction costs	-	2,291	-	2,291
Non-recurring G&A expenses	-	-	3,909	-
Loss (gain) on extinguishment of debt	410	-	25,107	(2,094)
Provision for loan losses	23,121	94	23,261	94
Additional other income	(8,059)	(2,500)	(8,059)	(2,500)
Non-recurring income tax expense	-	-	-	1,325
Funds from operations — normalized	\$ 92,851	\$ 85,211	\$ 358,962	\$ 314,025
Average common shares outstanding:				
Basic	122,700	103,329	114,207	93,732
Diluted	123,105	103,840	114,612	94,309
Per share data:				
Net income attributable to common stockholders				
Basic	\$ 0.26	\$ 0.21	\$ 1.50	\$ 2.77
Diluted	\$ 0.26	\$ 0.21	\$ 1.49	\$ 2.76
Funds from operations				
Basic	\$ 0.44	\$ 0.30	\$ 2.54	\$ 2.76
Diluted	\$ 0.44	\$ 0.30	\$ 2.53	\$ 2.74
Funds from operations — normalized				
Basic	\$ 0.76	\$ 0.82	\$ 3.14	\$ 3.35
Diluted	\$ 0.75	\$ 0.82	\$ 3.13	\$ 3.33
FFO Payout Ratio				
Dividends per share	\$ 0.68	\$ 0.68	\$ 2.72	\$ 2.70
FFO per diluted share	\$ 0.44	\$ 0.30	\$ 2.53	\$ 2.74
FFO payout ratio	155%	227%	108%	99%
FFO Payout Ratio — Normalized				
Dividends per share	\$ 0.68	\$ 0.68	\$ 2.72	\$ 2.70
FFO per diluted share — normalized	\$ 0.75	\$ 0.82	\$ 3.13	\$ 3.33
FFO payout ratio — normalized	91%	83%	87%	81%

Notes:

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

Funds Available for Distribution Reconciliation

(amounts in thousands except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Net income attributable to common stockholders	\$ 31,700	\$ 21,849	\$ 171,190	\$ 260,098
Depreciation and amortization (1)	41,780	42,150	164,923	163,045
Loss (gain) on sales of properties	(16,487)	(33,120)	(43,394)	(163,933)
Noncontrolling interests	(472)	(18)	(530)	(44)
Prepayment fees	(2,400)	-	(2,400)	-
Gross straight-line rental income	(4,917)	(4,682)	(19,415)	(20,489)
Prepaid/straight-line rent receipts	7,211	12,602	30,674	28,282
Amortization related to above/(below) market leases, net	(369)	(363)	(1,713)	(1,039)
Non-cash interest expense	3,387	2,899	11,897	11,232
Cap-ex, tenant improvements, lease commissions	(5,025)	(2,865)	(13,819)	(6,347)
Funds available for distribution	54,408	38,452	297,413	270,805
Impairment of assets	23,350	32,648	25,223	32,648
Realized loss on derivatives	-	21,880	-	23,393
Terminated transaction costs	-	2,291	-	2,291
Non-recurring G&A expenses	-	-	3,909	-
Loss (gain) on extinguishment of debt	410	-	25,107	(2,094)
Provision for loan losses	23,121	94	23,261	94
Additional other income	(8,059)	(2,500)	(8,059)	(2,500)
Non-recurring income tax expense	-	-	-	1,325
Prepaid/straight-line rent receipts	(7,211)	(12,602)	(30,674)	(28,282)
Funds available for distribution — normalized	\$ 86,019	\$ 80,263	\$ 336,180	\$ 297,680
Average common shares outstanding:				
Basic	122,700	103,329	114,207	93,732
Diluted	123,105	103,840	114,612	94,309
Per share data:				
Net income attributable to common stockholders				
Basic	\$ 0.26	\$ 0.21	\$ 1.50	\$ 2.77
Diluted	\$ 0.26	\$ 0.21	\$ 1.49	\$ 2.76
Funds available for distribution				
Basic	\$ 0.44	\$ 0.37	\$ 2.60	\$ 2.89
Diluted	\$ 0.44	\$ 0.37	\$ 2.59	\$ 2.87
Funds available for distribution — normalized				
Basic	\$ 0.70	\$ 0.78	\$ 2.94	\$ 3.18
Diluted	\$ 0.70	\$ 0.77	\$ 2.93	\$ 3.16
FAD Payout Ratio				
Dividends per share	\$ 0.68	\$ 0.68	\$ 2.72	\$ 2.70
FAD per diluted share	\$ 0.44	\$ 0.37	\$ 2.59	\$ 2.87
FAD payout ratio	155%	184%	105%	94%
FAD Payout Ratio — Normalized				
Dividends per share	\$ 0.68	\$ 0.68	\$ 2.72	\$ 2.70
FAD per diluted share — normalized	\$ 0.70	\$ 0.77	\$ 2.93	\$ 3.16
FAD payout ratio — normalized	97%	88%	93%	85%

Notes:

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

Adjusted EBITDA Reconciliation

(dollars in thousands)

	Twelve Months Ended				
	December 31, 2008	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009
Net income	\$ 283,425	\$ 314,613	\$ 218,112	\$ 183,478	\$ 192,927
Interest expense (3)	141,059	131,750	122,927	116,406	109,772
Income tax expense	1,306	77	54	152	168
Depreciation and amortization (3)	163,045	164,797	165,898	165,292	164,923
Stock-based compensation (4)	8,530	11,248	10,922	10,525	9,633
Provision for loan losses	94	234	234	234	23,261
Loss (gain) on extinguishment of debt	(2,094)	(2,446)	(2,446)	24,696	25,107
Adjusted EBITDA	\$ 595,365	\$ 620,273	\$ 515,701	\$ 500,783	\$ 525,791
Interest Coverage Ratio (1)					
Interest expense (3)	\$ 141,059	\$ 131,750	\$ 122,927	\$ 116,406	\$ 109,772
Capitalized interest (5)	25,029	29,727	35,690	39,301	41,170
Non-cash interest expense	(11,231)	(11,214)	(11,289)	(11,410)	(11,898)
Total interest	\$ 154,857	\$ 150,263	\$ 147,328	\$ 144,297	\$ 139,044
Adjusted EBITDA	\$ 595,365	\$ 620,273	\$ 515,701	\$ 500,783	\$ 525,791
Adjusted interest coverage ratio	3.84x	4.13x	3.50x	3.47x	3.78x
Fixed Charge Coverage Ratio (2)					
Total interest (3)	\$ 154,857	\$ 150,263	\$ 147,328	\$ 144,297	\$ 139,044
Secured debt principal amortization	8,119	8,232	8,592	8,810	9,292
Preferred dividends	23,201	22,579	22,311	22,101	22,079
Total fixed charges	\$ 186,177	\$ 181,074	\$ 178,231	\$ 175,208	\$ 170,415
Adjusted EBITDA	\$ 595,365	\$ 620,273	\$ 515,701	\$ 500,783	\$ 525,791
Adjusted fixed charge coverage ratio	3.20x	3.43x	2.89x	2.86x	3.09x
Net Debt to EBITDA Ratio					
Total debt	\$ 2,847,676	\$ 2,589,873	\$ 2,697,432	\$ 2,420,487	\$ 2,414,022
Less: cash and cash equivalents	(23,370)	(19,180)	(79,505)	(102,353)	(35,476)
Net debt	\$ 2,824,306	\$ 2,570,693	\$ 2,617,927	\$ 2,318,134	\$ 2,378,546
Adjusted EBITDA	595,365	620,273	515,701	500,783	525,791
Net debt to adjusted EBITDA ratio	4.74x	4.14x	5.08x	4.63x	4.52x

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 \$912,000 and \$9,633,000 for the three and twelve months ended December 31, 2009.
- (5) Capitalized interest was \$10,305,000 and \$41,170,000 for the three and twelve months ended December 31, 2009.

Net Operating Income Reconciliation

(dollars in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Total revenues:				
Investment properties:				
Rental income: (1)				
Independent living/CCRCs	\$ 19,085	\$ 19,562	\$ 77,673	\$ 66,402
Assisted living facilities	28,771	27,521	113,011	117,009
Skilled nursing facilities	40,733	40,595	167,425	161,642
Hospitals	10,779	12,359	44,968	43,796
Sub-total rental income	99,368	100,037	403,077	388,849
Interest income	10,246	10,886	40,885	40,063
Other income *	11,551	3,850	13,728	7,899
Total investment property income	121,165	114,773	457,690	436,811
Medical office buildings:				
Rental income (1)	35,980	33,138	136,834	133,332
Other income	254	222	949	930
Total MOB income	36,234	33,360	137,783	134,262
Non-segment/corporate other income	232	793	1,170	1,692
Total revenues	157,631	148,926	596,643	572,765
Property operating expenses:				
Investment properties	-	-	-	-
Medical office buildings (1)	11,964	12,019	48,965	46,629
Non-segment/corporate	-	-	-	-
Total property operating expenses	11,964	12,019	48,965	46,629
Net operating income:				
Investment properties	121,165	114,773	457,690	436,811
Medical office buildings	24,270	21,341	88,818	87,633
Non-segment/corporate	232	793	1,170	1,692
Net operating income	\$ 145,667	\$ 136,907	\$ 547,678	\$ 526,136

* Includes \$8,059,000 of other income from discontinued operations and \$2,400,000 of prepayment fees

Note:

(1) The three months ended December 31, 2009 includes the following amounts (in thousands):

Rental income from discontinued operations:	
Assisted living facilities	\$ 178
Skilled nursing facilities	900
Hospitals	363
Medical office buildings	870
Total	\$ 2,311
Non-cash rental income from continuing operations:	
Independent living/CCRCs	\$ 1,365
Assisted living facilities	946
Skilled nursing facilities	949
Hospitals	339
Medical office buildings	1,913
Total	\$ 5,512
Property operating expenses from discontinued operations:	
Medical office buildings	\$ 510

Outlook Reconciliation

(amounts in thousands except per share data)

	Year Ended	
	December 31, 2010	
	Low	High
Investments:		
Acquisitions	\$ 700,000	\$ 800,000
Development	300,000	400,000
Gross new investments	1,000,000	1,200,000
Dispositions	(300,000)	(300,000)
Net new investments	700,000	900,000

FFO Reconciliation:

Net income attributable to common stockholders	\$ 178,420	\$ 197,170
Depreciation and amortization (1)	206,500	206,500
Funds from operations	\$ 384,920	\$ 403,670
Non-recurring G&A expenses (2)	2,580	2,580
Funds from operations - normalized	\$ 387,500	\$ 406,250

Per share data (diluted):

Net income attributable to common stockholders	\$ 1.43	\$ 1.58
Funds from operations	3.08	3.23
Funds from operations - normalized	3.10	3.25

FAD Reconciliation:

Net income attributable to common stockholders	\$ 178,420	\$ 197,170
Depreciation and amortization (1)	206,500	206,500
Gross straight-line rental income	(18,000)	(18,000)
Amortization related to above (below) market leases, net	(6,500)	(6,500)
Non-cash interest expense	13,000	13,000
Cap-ex, tenant improvements, lease commissions	(17,000)	(17,000)
Funds available for distribution	\$ 356,420	\$ 375,170
Non-recurring G&A expenses (2)	2,580	2,580
Funds available for distribution - normalized	\$ 359,000	\$ 377,750

Per share data (diluted):

Net income attributable to common stockholders	\$ 1.43	\$ 1.58
Funds available for distribution	2.85	3.00
Funds available for distribution - normalized	2.87	3.02

Notes:

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

(2) Expenses recognized in connection with performance-based stock award.

Revenue and Lease Maturity

(amounts in thousands except per share data)

Year	Rental Income (1)					Total Rental Income	Interest Income (2)	Total Revenues	% of Total
	Independent Living / CCRC	Assisted Living	Skilled Nursing	Hospitals	Medical Office				
2010	\$ -	\$ -	\$ 2,937	\$ -	\$ 6,756	\$ 9,693	\$ 1,715	\$ 11,408	2.0%
2011	-	988	-	-	10,137	11,125	11,387	22,512	4.0%
2012	1,760	3,741	6,887	-	10,655	23,043	104	23,147	4.1%
2013	6,932	1,516	-	-	8,465	16,913	13,755	30,668	5.5%
2014	-	2,859	6,230	-	10,928	20,017	1,812	21,829	3.9%
2015	-	-	1,934	-	8,822	10,756	1,275	12,031	2.2%
2016	-	-	6,374	-	13,497	19,871	273	20,144	3.6%
2017	-	14,742	3,632	2,350	5,860	26,584	2,697	29,281	5.2%
2018	3,997	33,873	16,705	-	2,399	56,974	1,422	58,396	10.5%
2019	-	18,636	17,851	-	9,461	45,948	395	46,343	8.3%
Thereafter	71,170	45,071	101,820	40,304	22,343	280,708	1,807	282,515	50.7%
	\$ 83,859	\$ 121,426	\$ 164,370	\$ 42,654	\$ 109,323	\$ 521,632	\$ 36,642	\$ 558,274	100.0%

Notes:

- (1) Rental income represents annualized base rent for effective 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
2010	\$ -	\$ -	\$ 12,204	\$ 12,204	0.5%
2011	140,000	-	12,883	152,883	6.3%
2012	-	76,853	19,021	95,874	4.0%
2013	-	300,000	67,787	367,787	15.2%
2014	-	-	128,232	128,232	5.3%
2015	-	250,000	69,712	319,712	13.2%
2016	-	300,000	159,788	459,788	19.0%
Thereafter	-	735,000	153,419	888,419	36.5%
Totals	\$ 140,000	\$ 1,661,853	\$ 623,046	\$ 2,424,899	100.0%
Weighted Avg					
Interest Rate (3)	0.8%	5.6%	5.8%	5.4%	
Weighted Avg					
Maturity (4)	1.6	10.4	6.7	9.0	

Fixed and Floating Rate Debt

(dollars in thousands)

	Principal	% of Debt
Fixed Rate Debt		
Senior notes	\$ 1,661,853	68.5%
Secured debt (6)	591,044	24.4%
Total fixed	\$ 2,252,897	92.9%
Floating Rate Debt		
Line of credit	\$ 140,000	5.8%
Secured debt (6)	32,002	1.3%
Total floating	\$ 172,002	7.1%
Total debt	\$ 2,424,899	100.0%

Notes:

- (1) Current line of credit capacity of \$1.15 billion with remaining availability of \$1.0 billion at December 31, 2009. 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, 2009. Senior notes and secured debt average interest rate represents the face value note rate.
- (4) \$340 million of convertible senior notes are puttable on December 1, 2011 and \$395 million of convertible senior notes are puttable on July 15, 2012. Weighted average maturities would be 3.8 years and 4.4 years for senior notes and total debt, respectively, using the puttable dates.
- (5) \$6,203,000 of secured debt that matures in 2013 relates to assets-held-for sale. Weighted-average maturities would be 6.7 years and 9.0 years for secured debt and total debt, respectively, if one used a 12/31/09 extinguishment date.
- (6) \$99,950,000 of floating rate secured debt is characterized as fixed rate debt due to interest rate swap agreements at December 31, 2009. If one treated this as floating rate debt, total debt would be 88.8% fixed and 11.2% floating.

Current Capitalization

(amounts in thousands except per share data)

	Balance	% of Total
Book Capitalization (1)		
Line of credit	\$ 140,000	2.2%
Long-term debt obligations	2,274,022	36.6%
Debt to total book capitalization	2,414,022	38.8%
Total equity	3,807,451	61.2%
Total book capitalization	\$ 6,221,473	100.0%
Undepreciated Book Capitalization		
Line of credit	\$ 140,000	2.0%
Long-term debt obligations	2,274,022	33.0%
Debt to undepreciated book capitalization	2,414,022	35.0%
Accumulated depreciation and amortization	677,851	9.8%
Total equity	3,807,451	55.2%
Total undepreciated book capitalization	\$ 6,899,324	100.0%
Enterprise Value		
Line of credit	\$ 140,000	1.7%
Long-term debt obligations	2,274,022	27.8%
Debt to total enterprise value	2,414,022	29.5%
Common shares outstanding	123,385	
Period end share price	\$ 44.32	
Common equity market capitalization	5,468,423	66.8%
Noncontrolling interests	10,412	0.1%
Preferred stock	288,683	3.6%
Total enterprise value	\$ 8,181,540	100.0%
Secured Debt as % of Total Assets (2)		
Secured debt	\$ 620,995	9.8%
Total assets	\$ 6,367,186	
Total Debt as % of Total Assets (3)		
Total debt	\$ 2,414,022	37.9%
Total assets	\$ 6,367,186	
Unencumbered Assets as % of Unsecured Debt (4)		
Unencumbered assets	\$ 5,898,117	328.9%
Unsecured debt	\$ 1,793,027	

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%.

Gross Investment Activity

	Fourth Quarter 2009						
	Properties	Beds / Units / Square Feet		Amount (\$'000)	Investment Per Bed / Unit / Square Foot	Initial Cash Yield	
Real Property Acquisitions							
Freestanding skilled nursing	1	125	beds	\$ 11,650	\$ 93,200	9.5%	
Hospital	1	60	beds	20,500	341,667	8.6%	
Medical office building	1	88,500	sf	35,523	401	7.7%	
Total acquisitions	3			\$ 67,673		8.3%	
Construction in Progress							
Development projects:							
CCRC - entrance fee	2	613	units	\$ 22,945			
CCRC - rental	1	32	units	480			
Combination - entrance fee	2	363	units	9,650			
Combination - rental	9	1,070	units	24,810			
Freestanding dementia care	2	101	units	3,858			
Hospital	3	212	beds	31,236			
Medical office	3	294,168	sf	11,211			
Total development projects	22			104,190			
Expansion projects:							
CCRC - entrance fee	3	19	units	574			
Combination - entrance fee	4	28	units	1,656			
Total expansion projects	7			2,230			
Total construction in progress	29			106,420			
Capital improvements to existing properties				7,289		9.4%	
Loan advances				27,535		8.5%	
Gross investments				\$ 208,917			

Gross Investment Activity

	Year End 2009						
	Properties	Beds / Units / Square Feet		Amount (\$000)	Investment Per Bed / Unit / Square Foot	Initial Cash Yield	
Real Property Acquisitions							
Freestanding skilled nursing	1	125	beds	\$ 11,650	\$ 93,200	9.5%	
Hospital	1	60	beds	20,500	341,667	8.6%	
Medical office building	1	88,500	sf	35,523	401	7.7%	
Total acquisitions	3			\$ 67,673		8.3%	
Construction in Progress							
Development projects:							
CCRC - entrance fee	3	757	units	\$ 85,874			
CCRC - rental	1	32	units	3,293			
Combination - entrance fee	4	548	units	70,347			
Combination - rental	16	1,722	units	150,825			
Freestanding dementia care	3	157	units	10,807			
Freestanding skilled nursing	1	120	beds	5,559			
Hospital	3	212	beds	113,907			
Medical office	6	870,062	sf	107,853			
Total development projects	37			548,465			
Expansion projects:							
CCRC - entrance fee	3	36	units	2,871			
Combination - entrance fee	4	28	units	3,996			
Total expansion projects	7			6,867			
Total construction in progress	44			555,332			
Capital improvements to existing properties				19,227		9.5%	
Loan advances				74,417		9.2%	
Gross investments				\$ 716,649			

Investment Timing

(dollars in thousands)

	Acquisitions	Initial Cash Yield	Loan Advances	Initial Cash Yield	Construction Conversions	Initial Cash Yield	Dispositions	Yield on Sale
January	\$ -	0.0%	\$ 2,226	11.5%	\$ 10,639	9.3%	\$ 26,211	9.8%
February	-	0.0%	2,485	10.7%	-	0.0%	3,427	8.9%
March	-	0.0%	1,523	11.7%	26,790	9.0%	14,630	12.6%
April	-	0.0%	1,472	10.5%	242	8.8%	4,259	10.1%
May	-	0.0%	26,806	9.1%	28,825	9.0%	11,293	8.5%
June	-	0.0%	2,534	11.0%	149,157	8.0%	63,192	11.2%
July	-	0.0%	4,648	10.2%	66,272	8.4%	17,975	7.3%
August	-	0.0%	2,465	9.0%	-	0.0%	4,185	7.6%
September	-	0.0%	2,723	9.2%	167,900	7.5%	7,968	5.3%
October	-	0.0%	15,864	7.2%	15,894	6.1%	70,406	10.8%
November	11,650	9.5%	4,331	8.4%	-	0.0%	353	6.4%
December	56,023	8.0%	7,340	11.2%	272,200	7.3%	56,670	6.4%
Total	\$ 67,673	8.3%	\$ 74,417	9.2%	\$ 737,919	7.7%	\$ 280,569	9.6%

Disposition Activity

(dollars in thousands)

	Fourth Quarter 2009		Year Ended 2009	
	Amount	% of Total	Amount	% of Total
Dispositions by Investment Type				
Real property	\$ 54,013	42.4%	\$ 186,713	66.5%
Real estate loans receivable	73,416	57.6%	93,856	33.5%
Total	\$ 127,429	100.0%	\$ 280,569	100.0%

Dispositions by Property Type				
CCRC - rental	\$ -	0.0%	\$ 24,341	8.7%
Combination - rental	5,651	4.4%	27,148	9.7%
Freestanding assisted living	4,791	3.8%	6,649	2.4%
Freestanding dementia care	-	0.0%	5,811	2.1%
Freestanding skilled nursing	26,982	21.2%	37,206	13.3%
Hospital	-	0.0%	40,841	14.6%
Medical office building	16,589	13.0%	44,717	15.9%
Real estate loans receivable	73,416	57.6%	93,856	33.3%
Total	\$ 127,429	100.0%	\$ 280,569	100.0%

Discontinued Operations

(dollars in thousands)

	Fourth Quarter		Year End	
	2009	2008	2009	2008
Revenues				
Rental income	\$ 2,311	\$ 7,825	\$ 19,611	\$ 46,359
Other income	8,059	-	8,059	-
Expenses				
Interest expense	442	1,877	3,541	10,906
Property operating expenses	510	1,030	3,069	3,995
Depreciation and amortization	1,204	3,763	7,874	18,684
Income / (loss) from discontinued operations, net	\$ 8,214	\$ 1,155	\$ 13,186	\$ 12,774

Portfolio Composition

(dollars in thousands)

	Properties	Investment Balance	% of Total	Committed Balance	% of Total
Balance Sheet Data					
Real property	568	\$ 5,658,440	93.0%	\$ 5,872,385	93.2%
Loans	22	427,363	7.0%	427,363	6.8%
Total	590	\$ 6,085,803	100.0%	\$ 6,299,748	100.0%
Investment Concentration - By Predominant Service Type					
Independent living / CCRC	50	\$ 1,210,005	19.8%	\$ 1,229,896	19.5%
Assisted living	179	1,312,167	21.6%	1,325,834	21.0%
Skilled nursing	214	1,496,360	24.6%	1,496,360	23.8%
Hospital	29	639,930	10.5%	791,220	12.6%
Medical office	118	1,427,341	23.5%	1,456,438	23.1%
Total	590	\$ 6,085,803	100.0%	\$ 6,299,748	100.0%
Investment Concentration - Senior Housing & Care and Medical Facilities					
Senior housing & care portfolio					
CCRC - entrance fee	6	\$ 373,594	6.1%	\$ 385,502	6.1%
CCRC - rental	8	148,883	2.4%	148,883	2.4%
Combination - entrance fee	8	374,612	6.2%	382,596	6.1%
Combination - rental	128	1,200,916	19.8%	1,213,207	19.2%
Subtotal combination / CCRC	150	2,098,005	34.5%	2,130,188	33.8%
Freestanding independent living	15	139,567	2.3%	139,567	2.2%
Freestanding assisted living	61	201,762	3.3%	201,762	3.2%
Freestanding dementia care	31	161,127	2.6%	162,502	2.6%
Freestanding skilled nursing	181	1,085,682	17.8%	1,085,682	17.2%
Subtotal freestanding	288	1,588,138	26.0%	1,589,513	25.2%
Land	5	16,510	0.3%	16,510	0.3%
Other loans	-	315,879	5.2%	315,879	5.0%
Senior housing & care total	443	4,018,532	66.0%	4,052,090	64.3%
Medical facilities portfolio					
Long-term acute care	15	204,283	3.4%	204,283	3.2%
Acute care	7	279,919	4.6%	431,209	6.8%
Inpatient rehab	5	133,812	2.2%	133,812	2.1%
Land	2	11,120	0.2%	11,120	0.2%
Other loans	-	10,796	0.1%	10,796	0.3%
Subtotal hospital	29	639,930	10.5%	791,220	12.6%
Medical office	118	1,427,341	23.5%	1,456,438	23.1%
Medical facilities total	147	2,067,271	34.0%	2,247,658	35.7%
Total portfolio	590	\$ 6,085,803	100.0%	\$ 6,299,748	100.0%

	Bed / Unit / Square Foot	Committed Balance (\$'000)	Per Bed / Unit / Square Foot
Investment Metrics			
Independent living / CCRC	7,046 units	\$ 1,229,896	\$ 174,552
Assisted living	11,116 units	1,325,834	119,273
Skilled nursing	28,692 beds	1,496,360	52,153
Hospital	1,716 beds	791,220	461,084
Medical office	5,634,181 sf	1,456,438	259
Total		\$ 6,299,748	

Portfolio Concentration

(dollars in thousands)

	Total Properties	Investment Balance	% of Balances
By Operator / Tenant			
Senior Living Communities, LLC	10	\$ 419,406	6.9%
Brookdale Senior Living, Inc.	86	310,126	5.1%
Signature Healthcare LLC	32	270,775	4.4%
Emeritus Corporation	21	241,288	4.0%
Life Care Centers of America, Inc.	18	204,558	3.4%
Merrill Gardens LLC	13	164,393	2.7%
One Lantern Senior Living LLC	9	158,891	2.6%
Stratford Companies	2	157,082	2.6%
Gulf Coast Health Care	25	152,393	2.5%
Lyric Health Care, LLC	27	144,133	2.4%
Remaining portfolio	347	3,862,758	63.4%
Total	590	\$6,085,803	100.0%

	Independent Living / CCRC	Assisted Living	Skilled Nursing	Hospital	Medical Office	Total Properties	Investment Balance	% of Total
Balances By State								
Florida	\$ 218,924	\$ 59,916	\$ 223,493	\$ -	\$ 255,034	79	\$ 757,367	12.4%
Texas	10,134	106,407	182,959	173,058	192,444	75	665,002	10.9%
California	162,858	64,008	-	168,419	163,156	30	558,441	9.2%
Massachusetts	76,600	117,027	218,453	11,120	-	34	423,200	7.0%
Ohio	99,749	40,631	175,784	34,069	7,013	31	357,246	5.9%
Tennessee	-	37,130	203,188	-	62,467	30	302,785	5.0%
South Carolina	235,883	6,424	-	-	16,564	9	258,871	4.3%
Wisconsin	25,704	90,319	-	23,819	90,978	13	230,820	3.8%
North Carolina	46,191	157,337	-	-	23,983	53	227,511	3.7%
Nevada	6,240	73,852	-	-	109,974	14	190,066	3.1%
Remaining portfolio	327,722	559,116	492,483	229,445	505,728	222	2,114,494	34.7%
Total	\$1,210,005	\$1,312,167	\$1,496,360	\$639,930	\$1,427,341	590	\$6,085,803	100.0%

	Independent Living / CCRC	Assisted Living	Skilled Nursing	Hospital	Medical Office	Total Properties	Total Revenues (1)	% of Total
Revenues By State								
Florida	\$ 2,872	\$ 1,129	\$ 7,461	\$ -	\$ 6,549	79	\$ 18,011	12.4%
Texas	598	2,468	4,631	4,289	4,751	75	16,737	11.5%
California	4,614	1,863	-	1,844	3,114	30	11,435	7.9%
Massachusetts	140	3,264	6,097	584	-	34	10,085	6.9%
Tennessee	-	818	6,580	70	1,961	30	9,429	6.5%
Ohio	-	1,269	4,965	387	205	31	6,826	4.7%
North Carolina	726	5,601	-	-	489	53	6,816	4.7%
Nevada	296	1,956	-	-	2,285	14	4,537	3.1%
Indiana	1,857	180	989	863	591	13	4,480	3.1%
Illinois	-	1,635	789	910	516	15	3,850	2.6%
Remaining Portfolio	7,528	13,617	13,244	3,480	15,519	216	53,388	36.6%
Total	\$ 18,631	\$ 33,800	\$ 44,756	\$ 12,427	\$ 35,980	590	\$ 145,594	100.0%

Notes:

- (1) Revenues represent rent and interest income including rent from discontinued operations for the three months ended December 31, 2009. Revenues exclude other income and prepayment fees totaling \$12,037,000 for the three months ended December 31, 2009.

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, 2009, the HCN portfolio consisted of ten properties in four states with an investment balance of \$419.4 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 565 facilities in 35 states with the ability to serve over 53,600 residents. As of December 31, 2009, the HCN portfolio consisted of 86 properties in 16 states with an investment balance of \$310.1 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 64 skilled nursing facilities with 7,674 beds. As of December 31, 2009, the HCN portfolio consisted of 32 properties in four states with an investment balance of \$270.8 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 288 communities representing capacity for approximately 30,000 residents in 37 states. As of December 31, 2009, the HCN portfolio consisted of 21 properties in 16 states with an investment balance of \$241.3 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 330 skilled nursing, assisted living, retirement, home care and Alzheimer's centers in 28 states. As of December 31, 2009, the HCN portfolio consisted of 18 properties in 11 states with an investment balance of \$204.6 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 53 IL/AL facilities with 6,455 units in eight states. As of December 31, 2009, the HCN portfolio consisted of 13 properties in seven states with an investment balance of \$164.4 million.

One Lantern Senior Living, LLC, a fully owned subsidiary of Lazard Real Estate Partners, LP, located in New York, NY, is a privately held corporation organized under the laws of New York. The company owns, operates and manages more than 29 assisted living and skilled nursing facilities with 3,336 units in six states. As of December 31, 2009, the HCN portfolio consisted of nine properties in three states with an investment balance of \$158.9 million.

The Stratford Companies, Inc., located in Indianapolis, IN, is a private operator of continuing care retirement communities. The company operates three properties with more than 760 units in three states. As of December 31, 2009, the HCN portfolio consisted of two properties in two states with an investment balance of \$157.1 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, 2009, the HCN portfolio consisted of 25 properties in three states with an investment balance of \$152.4 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, 2009, the HCN portfolio consisted of 27 properties in nine states with an investment balance of \$144.1 million.

Metropolitan Statistical Area Concentration *

(dollars in thousands)

		Top 31		Top 75		Top 100
Independent living / CCRC	\$	317,194	\$	551,923	\$	748,021
% of independent living / CCRC		26.2%		45.6%		61.8%
Assisted living		477,683		738,868		777,291
% of assisted living		36.4%		56.3%		59.2%
Skilled nursing		451,806		808,255		880,275
% of skilled nursing		30.2%		54.0%		58.8%
Hospital		286,013		528,112		565,127
% of hospital		44.7%		82.5%		88.3%
Medical office		1,008,800		1,312,284		1,312,284
% of medical office		70.7%		91.9%		91.9%
Total portfolio	\$	2,541,496	\$	3,939,442	\$	4,282,998
% of total portfolio		41.8%		64.7%		70.4%

* 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	175	\$1,536,675	25.3%
East North Central	73	948,829	15.6%
West South Central	107	787,585	12.9%
Pacific	39	695,985	11.4%
East South Central	66	521,862	8.6%
Mountain	41	508,503	8.4%
New England	46	485,171	8.0%
Middle Atlantic	31	373,087	6.1%
West North Central	12	228,106	3.7%
Total	590	\$6,085,803	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	89.6%	1.27x	1.08x	93.6%	2.3%	4.1%
Assisted living	10	89.0%	1.58x	1.36x	86.7%	10.7%	2.6%
Skilled nursing	23	84.2%	2.29x	1.69x	18.5%	51.9%	29.6%
Hospital	11	56.5%	2.47x	2.14x	34.9%	4.4%	60.7%
Medical office	12	91.3%	n/a	n/a	100.0%	0.0%	0.0%
Total	14		2.01x	1.59x			

* Data as of December 31, 2009 for medical office and September 30, 2009 for remaining asset types.

Notes:

(1) Represents trailing twelve month coverage metrics.

Same Store Revenue Growth

(dollars in thousands)

	Properties (1)	4Q08 Same Store Revenue*	4Q09 Same Store Revenue*	% Change
Same Store Portfolio				
Independent living / CCRC (2)	34	\$ 16,205	\$ 13,950	-13.9%
Assisted living	160	25,093	25,268	0.7%
Skilled nursing	210	38,857	38,747	-0.3%
Hospital	20	9,439	9,504	0.7%
Total (2)	424	\$ 89,594	\$ 87,469	-2.4%

* 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:

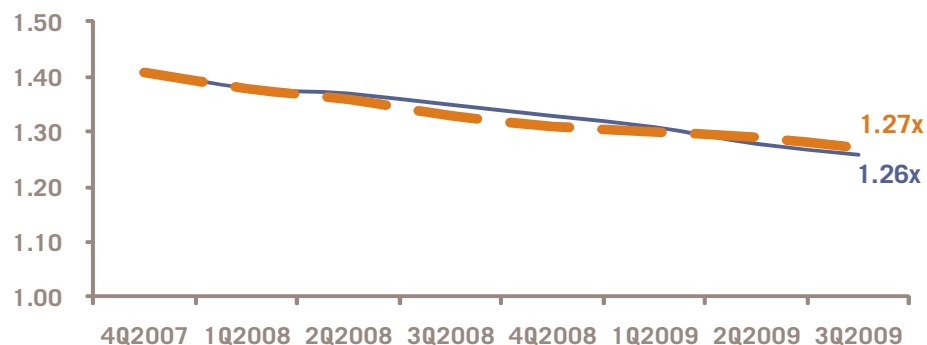
- (1) Represents those properties in the portfolio (both stable and unstable) for the 15 months preceding the end of the portfolio performance period.
- (2) 4Q09 independent living/CCRC revenue impacted by rent deferrals related to certain entrance fee communities versus 4Q08. 4Q09 skilled nursing revenue impacted by the transition of one portfolio to a new operator and the restructuring of an existing master lease portfolio at reduced yields. Excluding the impact of these operators, independent living/CCRC 4Q09 same store revenue increased 1.8%, skilled nursing 4Q09 same store revenue increased 0.8%, and total 4Q09 same store revenue increased 0.9%.

Portfolio Performance - Independent Living / CCRC

— Same Store (19 properties)

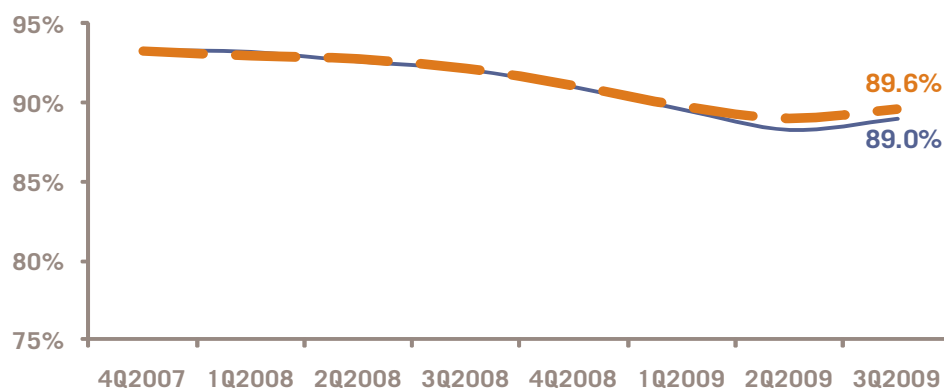
- - - Stable

Trailing Twelve Month Payment Coverage Before Management Fees



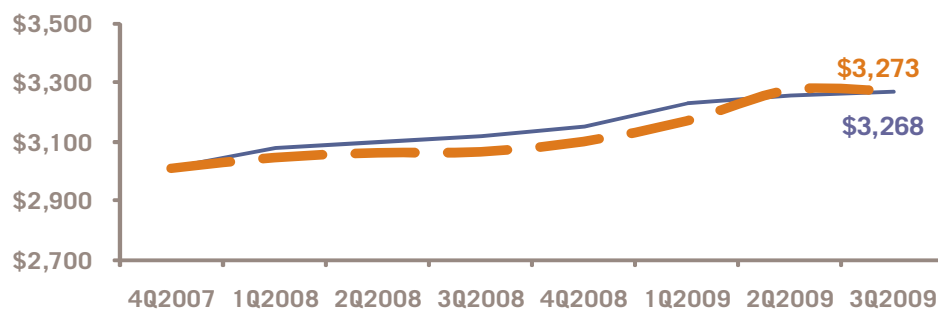
basis points	3Q09 / 3Q08	3Q09 / 2Q09
Same Store	(9)	(2)
Stable	(6)	(2)

Occupancy



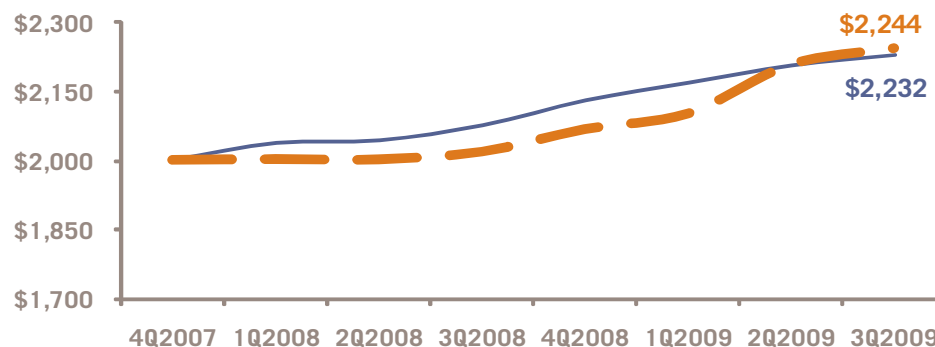
basis points	3Q09 / 3Q08	3Q09 / 2Q09
Same Store	(310)	70
Stable	(260)	60

Revenue per Occupied Unit



(% chg)	3Q09 / 3Q08	3Q09 / 2Q09
Same Store	4.9%	0.3%
Stable	6.8%	-0.1%

Expense per Occupied Unit

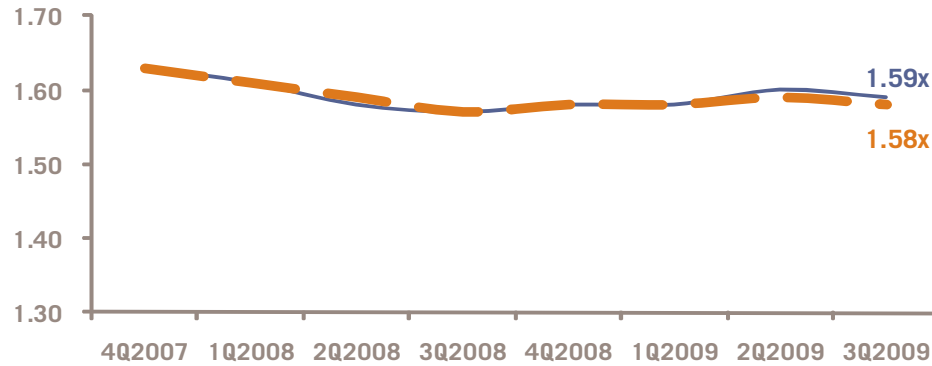


(% chg)	3Q09 / 3Q08	3Q09 / 2Q09
Same Store	7.5%	1.0%
Stable	11.1%	1.6%

— Same Store (130 properties)
 - - - Stable

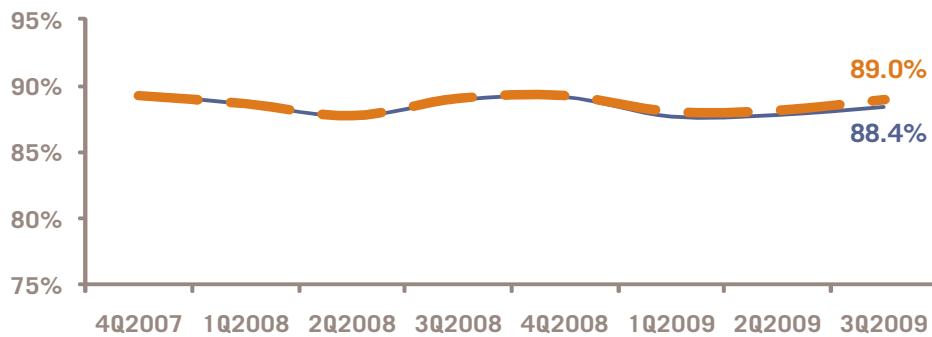
Portfolio Performance - Assisted Living

Trailing Twelve Month Payment Coverage Before Management Fees



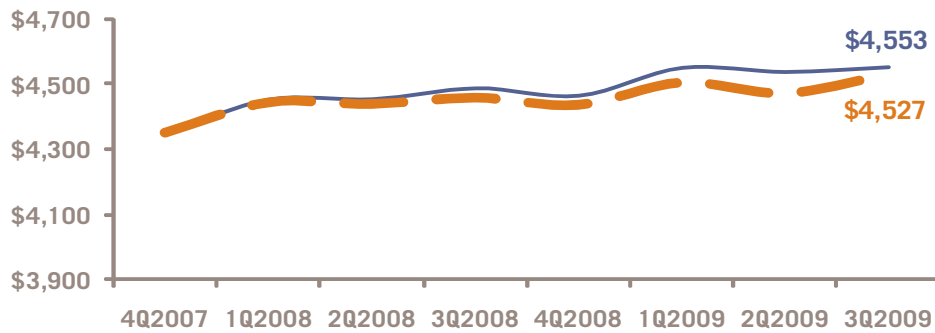
basis points	3Q09 / 3Q08	3Q09 / 2Q09
Same Store	2	(1)
Stable	1	(1)

Occupancy



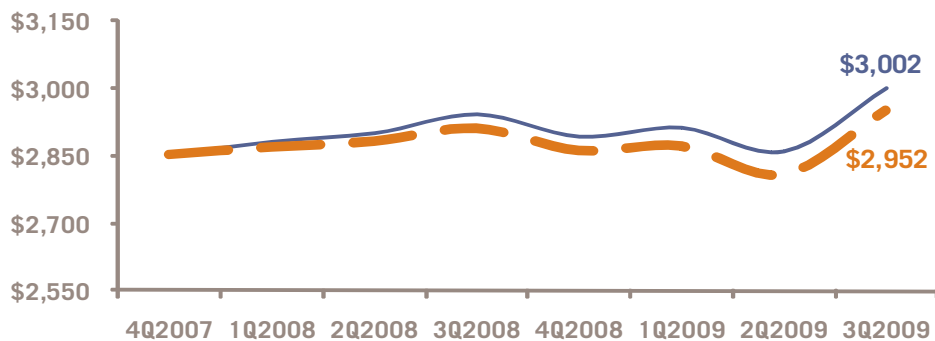
basis points	3Q09 / 3Q08	3Q09 / 2Q09
Same Store	(50)	60
Stable	(10)	80

Revenue per Occupied Unit



(% chg)	3Q09 / 3Q08	3Q09 / 2Q09
Same Store	1.4%	0.3%
Stable	1.6%	1.3%

Expense per Occupied Unit

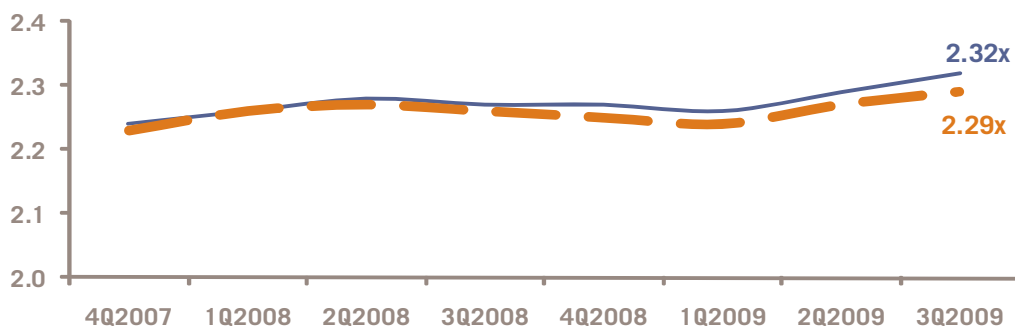


(% chg)	3Q09 / 3Q08	3Q09 / 2Q09
Same Store	2.0%	5.0%
Stable	1.4%	5.1%

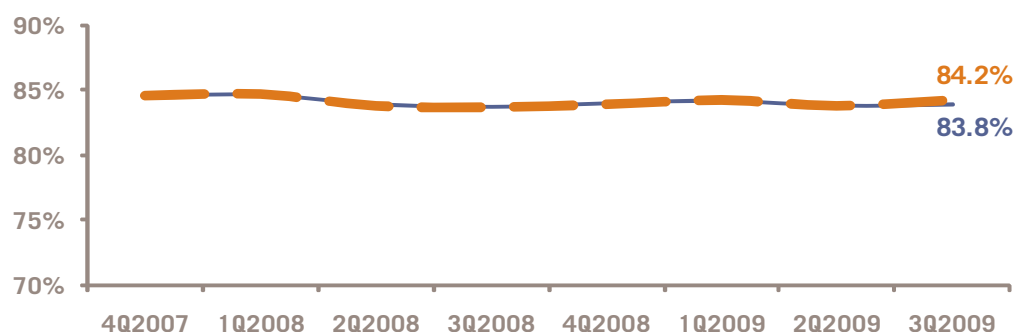
Portfolio Performance - Skilled Nursing

— Same Store (211 properties)
 - - - Stable

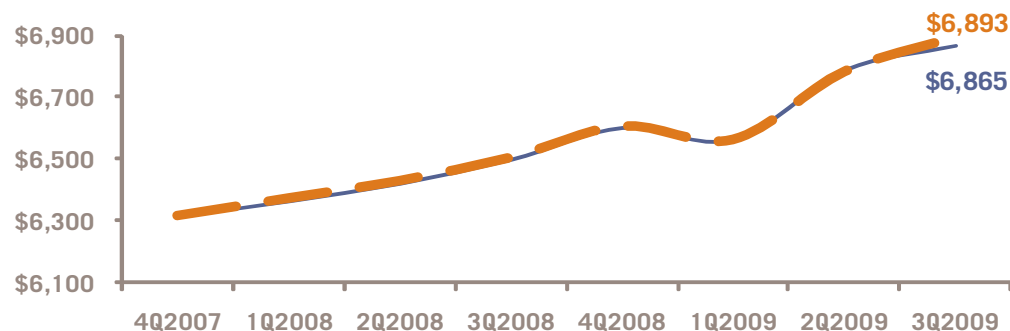
Trailing Twelve Month Payment Coverage Before Management Fees



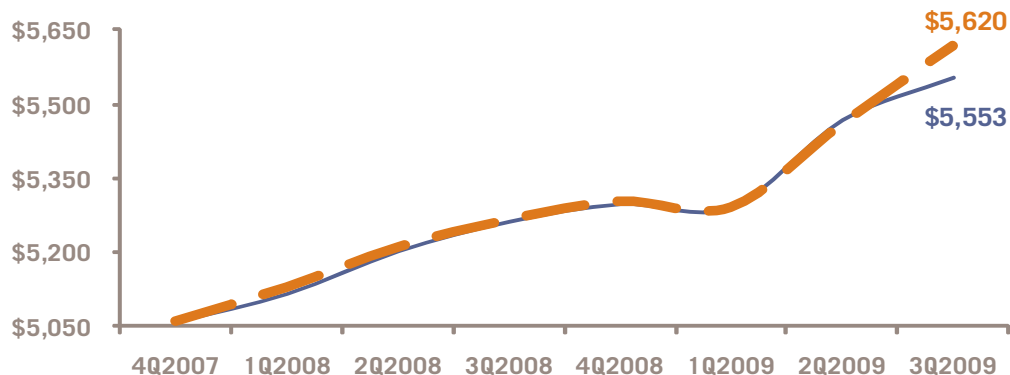
Occupancy



Revenue per Occupied Bed



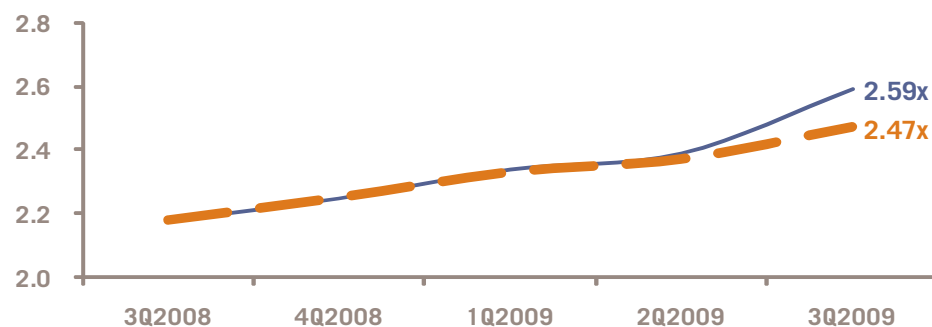
Expense per Occupied Bed



— Same Store (12 properties)
 - - - Stable

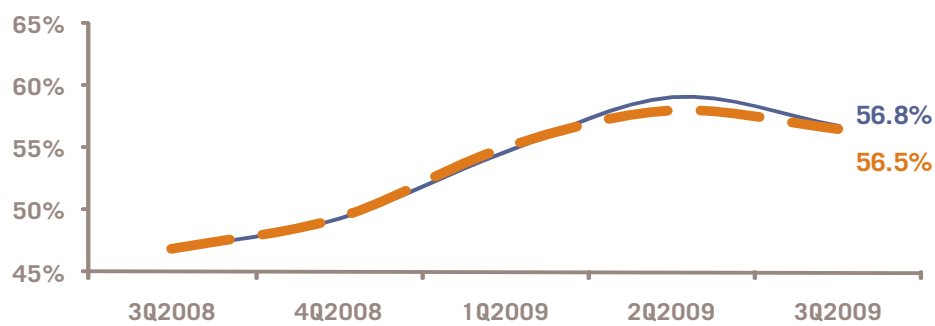
Portfolio Performance - Hospital*

Trailing Twelve Month Payment Coverage Before Management Fees



basis points	3Q09 / 3Q08	3Q09 / 2Q09
Same Store	41	20
Stable	29	10

Occupancy



basis points	3Q09 / 3Q08	3Q09 / 2Q09
Same Store	1,000	(230)
Stable	970	(150)

*Due to recent portfolio activity, the same store criteria for the hospital portfolio has been reduced to 15 months to capture a larger number of facilities in the above charts. Per occupied unit metrics not applicable for hospitals.

Portfolio Composition - Medical Office Buildings

(dollars in thousands)

	Properties	Square Feet	Investment Balance	Total Revenues	Operating Expenses	NOI	Age	Occupancy
On Campus	47	2,881,477	\$ 786,378	\$ 19,602	\$ 5,917	\$ 13,685	12	93.5%
Off Campus-Affiliated	21	1,075,778	242,215	6,969	2,691	4,278	12	89.9%
Off Campus	39	1,289,761	353,283	8,793	2,846	5,947	13	87.5%
Subtotal	107	5,247,016	1,381,876	35,364	11,454	23,910	12	91.3%
Held-for-sale	7	205,635	15,039	870	510	360		
Development	2	181,530	21,498					
Land	2		8,928					
Total	118	5,634,181	\$ 1,427,341	\$ 36,234	\$ 11,964	\$ 24,270		

Portfolio Performance - Medical Office Buildings

(dollars in thousands)

	4Q08	1Q09	2Q09	3Q09	4Q09
Total MOB Performance					
Properties*	102	102	102	105	107
Square feet*	4,522,164	4,522,164	4,522,164	5,099,505	5,247,016
Investment balance*	\$ 1,217,337	\$ 1,206,698	\$ 1,197,255	\$ 1,343,659	\$ 1,381,876
Occupancy*	90.6%	90.4%	90.8%	91.2%	91.3%
Total revenue*	\$ 32,102	\$ 32,064	\$ 31,541	\$ 34,021	\$ 35,364
Operating expenses*	\$ 10,989	\$ 11,048	\$ 11,239	\$ 12,153	\$ 11,454
NOI from continuing operations*	\$ 21,113	\$ 21,016	\$ 20,302	\$ 21,868	\$ 23,910
NOI from discontinued operations	\$ 228	\$ 468	\$ 481	\$ 415	\$ 360
Total cap-ex / TI / LC	\$ 2,865	\$ 2,425	\$ 2,733	\$ 3,637	\$ 5,025
Expired (square feet)*	188,367	167,813	129,024	121,312	241,266
Retained (square feet)*	145,349	120,612	107,647	74,882	208,792
Retention rate*	77.2%	71.9%	83.4%	61.7%	86.5%
	4Q08	1Q09	2Q09	3Q09	4Q09
Same Store Performance*					
Properties	102	102	102	102	102
Square feet	4,522,164	4,522,164	4,522,164	4,522,164	4,522,164
Investment balance	\$ 1,217,337	\$ 1,206,698	\$ 1,197,255	\$ 1,187,890	\$ 1,181,293
Occupancy	90.6%	90.4%	90.8%	91.0%	91.5%
Total revenue	\$ 32,102	\$ 32,064	\$ 31,541	\$ 32,696	\$ 31,750
Operating expenses	\$ 10,989	\$ 11,048	\$ 11,239	\$ 12,120	\$ 10,919
NOI	\$ 21,113	\$ 21,016	\$ 20,302	\$ 20,576	\$ 20,831

	2010	2011	2012	2013	2014
Remaining Lease Expirations*					
Square feet	349,121	460,467	497,580	384,590	543,661
% of total portfolio	6.7%	8.8%	9.5%	7.3%	10.4%

* 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*		
Aurora Health Care, Inc.	293,629	5.6%
Tenet Health Systems	254,145	4.8%
Baptist Health System, Inc	161,933	3.1%
United HealthCare Services, Inc	160,855	3.1%
Community Health Systems	155,365	3.0%
Remaining Portfolio	4,221,089	80.4%
Total	5,247,016	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	45	1,465,959	26.0%	\$ 371,747	\$ 254
West South Central	16	832,446	14.8%	204,296	245
Middle Atlantic	13	781,505	13.9%	186,121	238
Mountain	15	700,583	12.4%	203,678	291
East South Central	11	610,335	10.8%	112,831	185
Pacific	10	597,497	10.6%	190,766	319
East North Central	6	475,483	8.4%	129,302	272
West North Central	2	170,373	3.1%	28,600	168
Total	118	5,634,181	100.0%	\$ 1,427,341	\$ 253

*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	26	918,153	16.3%	\$ 255,034	\$ 278
Texas	15	787,643	14.0%	192,444	244
California	9	534,333	9.5%	163,156	305
New Jersey	5	406,985	7.2%	106,787	262
Arizona	5	339,205	6.0%	86,818	256
Nevada	9	324,992	5.8%	109,974	338
Alabama	5	303,907	5.4%	40,981	135
Wisconsin	1	293,629	5.2%	90,978	310
Georgia	7	286,152	5.1%	64,923	227
New York	7	276,388	4.9%	58,352	211
Remaining portfolio	29	1,162,794	20.6%	257,894	222
Total	118	5,634,181	100.0%	\$ 1,427,341	\$ 253

Development Activity

(dollars in thousands)

	Projects	Beds / Units / Square Feet	CIP Balance at 12/31/08	2009 YTD Funding	2009 YTD Conversions	CIP Balance at 12/31/09
Development Properties						
CCRC - entrance fee	3	757	\$ 167,925	\$ 85,874	\$ (154,050)	\$ 99,749
CCRC - rental	1	32	231	3,293	(3,524)	-
Combination - entrance fee	4	548	106,958	70,347	(127,762)	49,543
Combination - rental	16	1,722	162,215	150,825	(234,031)	79,009
Freestanding dementia care	3	157	13,994	10,807	(16,576)	8,225
Freestanding skilled nursing	1	120	9,002	5,559	(14,561)	-
Hospital	3	212	75,509	113,907	-	189,416
Medical office	6	870,062	96,772	107,853	(183,127)	21,498
Total	37		\$ 632,606	\$ 548,465	\$ (733,631)	\$ 447,440
Expansion Projects						
CCRC - entrance fee	3	36	\$ 3,814	\$ 2,871	\$ (3,330)	\$ 3,355
Combination - entrance fee	4	28	2,999	3,996	(958)	6,037
Total	7		6,813	6,867	(4,288)	9,392
Development Total	44		\$ 639,419	\$ 555,332	\$ (737,919)	\$ 456,832

Development Funding Projections *

(dollars in thousands)

			Projected Future Funding					
	Projects	Beds / Units / Square Feet	Initial Yield	2010 Funding	2011 Funding	Funding Thereafter	Unfunded Commitments	Committed Balances
Development Properties								
CCRC - entrance fee	1	288	10.0%	\$ 11,627	\$ -	\$ -	\$ 11,627	\$ 111,376
Combination - entrance fee	1	144	6.0%	6,657	-	-	6,657	56,200
Combination - rental	5	523	7.8%	12,291	-	-	12,291	91,300
Freestanding dementia care	1	84	9.0%	1,375	-	-	1,375	9,600
Hospital	3	212	9.3%	106,914	44,376	-	151,290	340,706
Medical office	2	181,530	8.9%	29,097	-	-	29,097	50,595
Total	13		8.9%	\$167,961	\$ 44,376	\$ -	\$ 212,337	\$ 659,777

* Excludes expansion projects

Development Project Conversion Estimates*

(dollars in thousands)

Quarterly Conversions			Annual Conversions		
	Amount	Projected Initial Cash Yields (1)		Amount	Projected Initial Cash Yields (1)
1Q10 estimate	\$ 163,280	7.2%	2010 estimate	\$ 449,277	8.7%
2Q10 estimate	228,732	9.6%	2011 estimate	210,500	9.3%
3Q10 estimate	35,515	9.3%	2012 estimate	-	0.0%
4Q10 estimate	21,750	10.1%	2013 estimate	-	0.0%
1Q11 estimate	-	0.0%	2014+ estimate	-	0.0%
2Q11 estimate	210,500	9.3%	Total	\$ 659,777	8.9%
3Q11 estimate	-	0.0%			
4Q11 estimate	-	0.0%			
Total	\$ 659,777	8.9%			

* Excludes expansion projects

Notes:

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

Unstabilized Properties

(dollars in thousands)

	9/30/09 Properties	Stabilized	Construction Conversions	Acquisitions/ Expansions/ Reclassifications	12/31/09 Properties
Property Type					
CCRC - entrance fee	4	0	1	0	5
CCRC - rental	2	0	0	0	2
Combination - entrance fee	5	0	2	0	7
Combination - rental	13	0	4	0	17
Freestanding assisted living	2	0	0	(1)	1
Freestanding dementia care	4	0	0	0	4
Freestanding skilled nursing	2	0	0	0	2
Long Term Acute Care Hospital	4	0	0	0	4
Acute Care Hospital	0	0	0	0	0
Total	36	0	7	(1)	42

	12/31/09 Properties	Beds / Units	Investment Balance	% of Total Investment
Property Type				
CCRC - entrance fee	5	1,071	\$ 270,490	4.4%
CCRC - rental	2	727	86,124	1.4%
Combination - entrance fee	7	1,274	301,121	4.9%
Combination - rental	17	2,032	374,827	6.2%
Freestanding assisted living	1	56	7,120	0.1%
Freestanding dementia care	4	173	28,980	0.5%
Freestanding skilled nursing	2	240	33,056	0.5%
Long Term Acute Care Hospital	4	212	67,229	1.1%
Total	42	5,785	\$ 1,168,947	19.2%

	9/30/09 Properties	Stabilized	Construction Conversions	Acquisitions/ Expansions	Progressions/ Reclassification	12/31/09 Properties
Occupancy						
0 - 50%	24	0	7	0	(4)	27
50% - 70%	2	0	0	0	4	6
70% +	10	0	0	0	(1)	9
Total	36	0	7	0	(1)	42

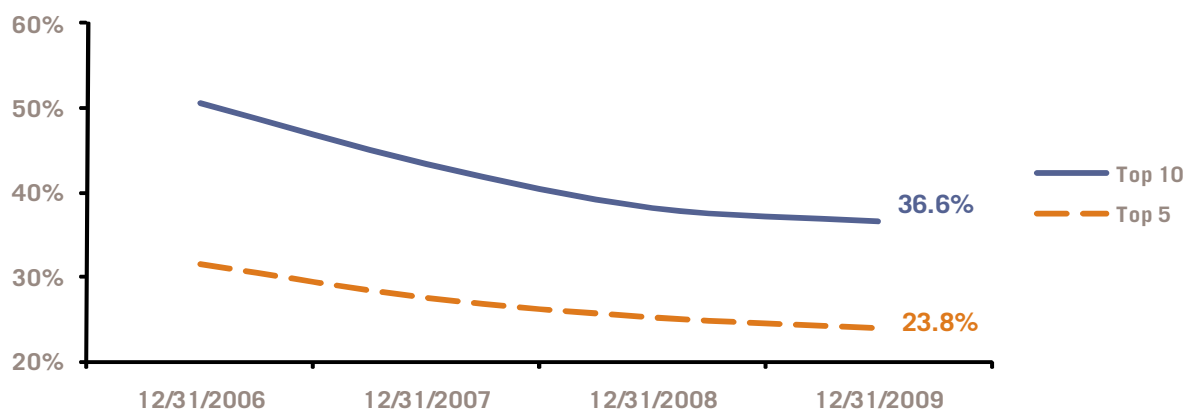
	12/31/09 Properties	Months In Operation	Revenues	% of Total Revenues (1)	Investment Balance	% of Total Investment
Occupancy						
0 - 50%	27	13	\$ 42,040	7.5%	\$ 780,116	12.8%
50% - 70%	6	30	15,201	2.7%	152,566	2.5%
70% +	9	36	17,052	3.1%	236,265	3.9%
Total	42	21	\$ 74,293	13.3%	\$ 1,168,947	19.2%

Notes:

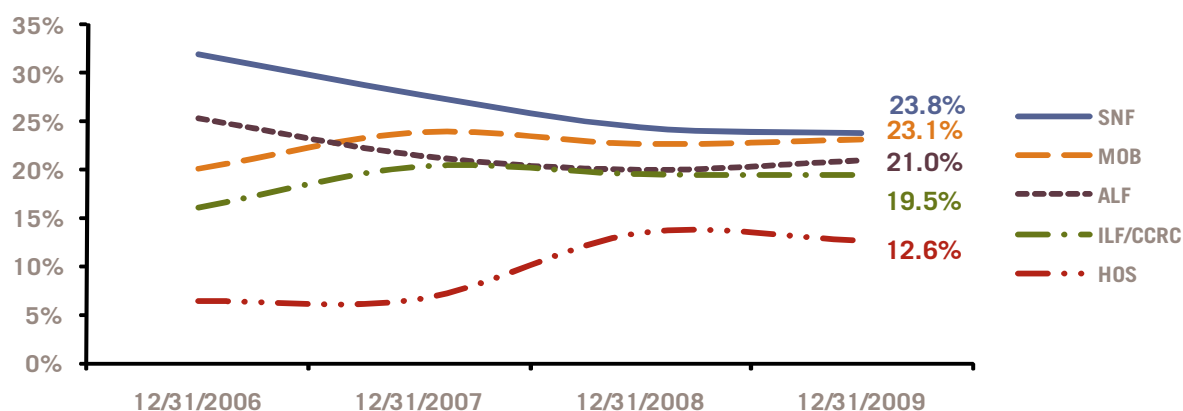
(1) Includes annualized revenues as presented on page 13.

Portfolio Trends

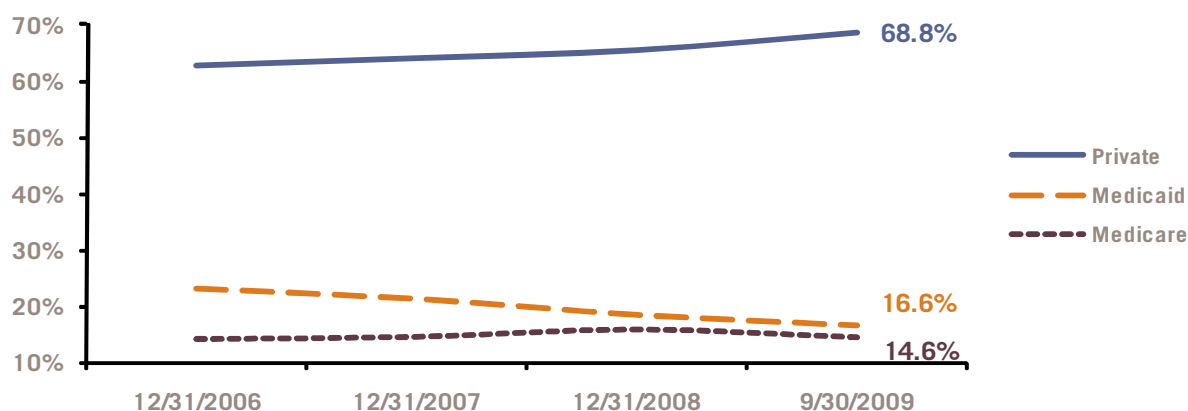
Operator Concentration Trend (1)



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 hospitals 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 owned for the entire previous five quarters. Properties acquired, developed or classified in discontinued operations are excluded from the same store amounts. 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.

Hospitals: Hospitals generally include acute care hospitals, inpatient rehabilitation hospitals and long-term acute care hospitals. 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.

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

Stable: A facility will generally 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 attributable to common stockholders (NICS), as defined by U.S. generally accepted accounting principles (U.S. GAAP), is the most appropriate earnings measurement. However, the company considers 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, amortization related to above/below market leases and amortization of non-cash interest expenses and less cash used to fund capital expenditures, tenant improvements and lease commissions at medical office buildings. 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 and non-cash interest expenses), 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 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.

A series of five horizontal lines in blue, green, black, orange, and red colors.

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