2Q10 SUPPLEMENTAL INFORMATION

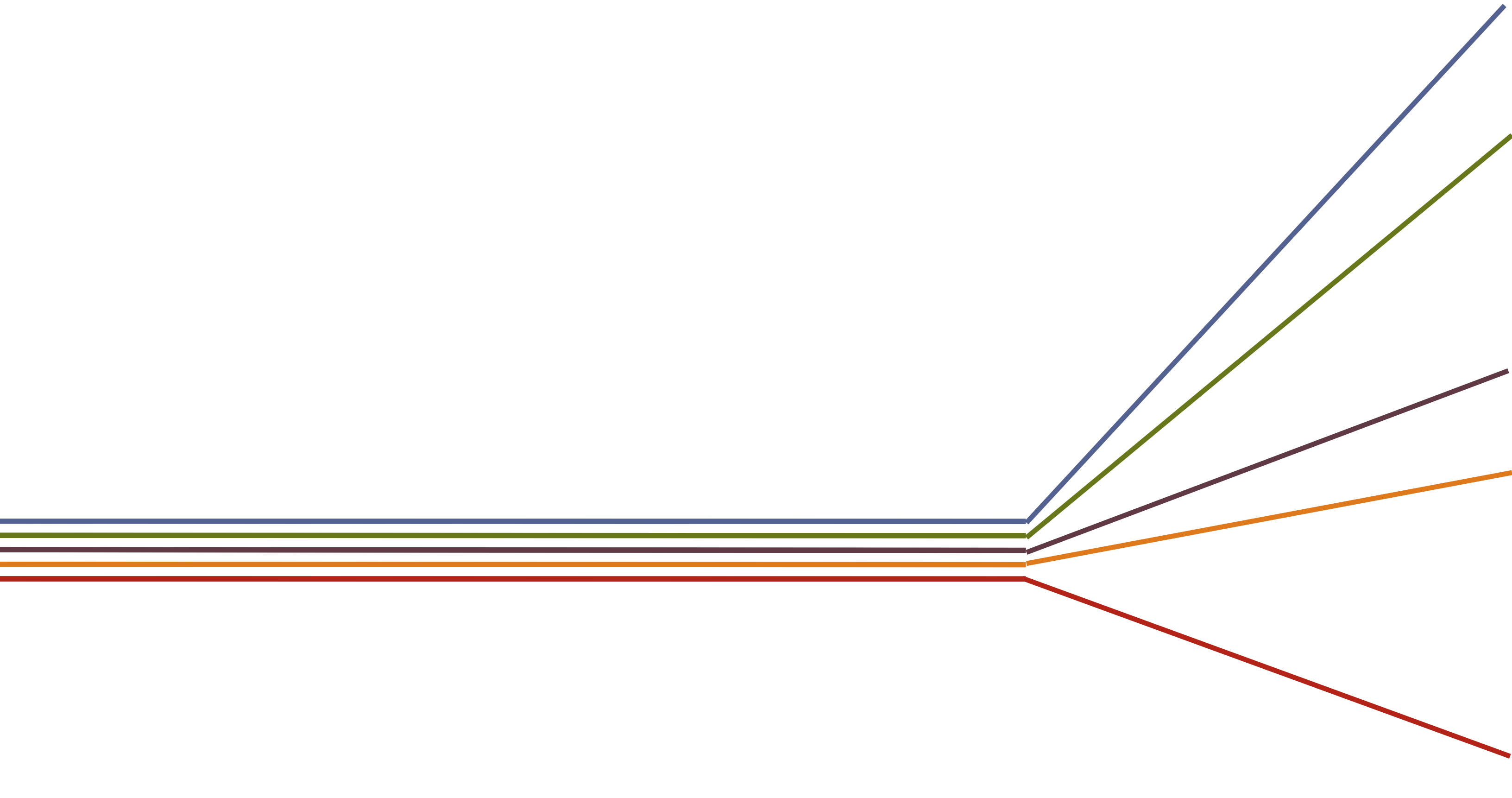


TABLE OF CONTENTS

CORPORATE

HEALTH CARE REIT, INC., founded in 1970, is a leading investor in senior living and health care real estate. The company, with an enterprise value of $8.9 billion, has a portfolio that spans the full spectrum of health care real estate, including senior living communities, medical office buildings, inpatient and outpatient medical centers and life sciences facilities. The company adds value to its clients by providing comprehensive services including planning, developing, managing, repositioning, and monetizing real estate assets.

Data as of:	June 30, 2010				
NYSE Symbol:	HCN	Enterprise Value (1):	$8.9 billion	Investment Concentration*	
Closing Price:	$42.12	Gross Real Estate Assets (1):	$7.7 billion	Top 5 Customers (1)	24%
52 Week Hi/Lo:	$46.79/$32.64	Debt to Market Capitalization:	36%	Top 5 States (1)	48%
Dividend/Yield:	$2.72/6.46%	Debt to Book Capitalization:	46%	* % of total investments	
Shares Outstanding:	124.5 million	Senior Debt Ratings:	Baa2/BBB-/BBB		

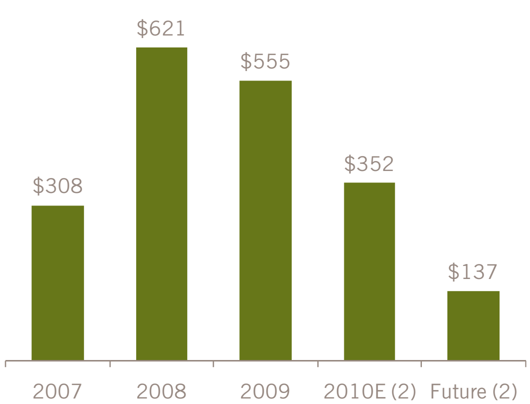
RELATIONSHIP FOCUSED, LONG-TERM STRATEGY

Health Care REIT's investment philosophy is based on establishing long-term relationships with health care systems and senior living operators. Throughout the company's 40-year history, it has been a long-term capital provider and partner adding value to its clients through comprehensive planning, development and property management services. The relationship with Health Care REIT enables our tenants to grow profitably, while concentrating on what they do best – providing quality care to patients and residents.

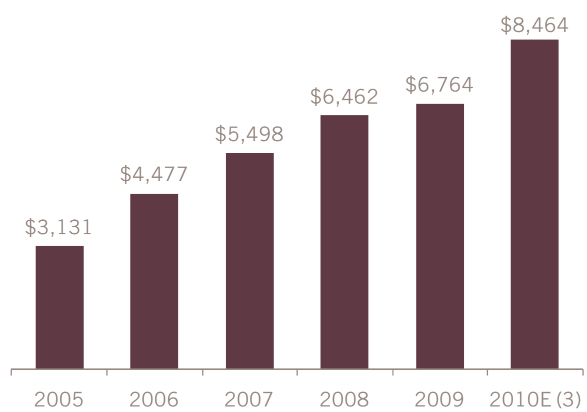
SPEED AND CERTAINTY OF EXECUTION

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 $4.7 billion in capital in the last five years, including $998 million in 2009 and $1.1 billion during the six months ended June 30, 2010. The company's $1.15 billion line of credit ensures new investments will be funded on time.

DEVELOPMENT FUNDING
$ millions



GROSS REAL ESTATE ASSETS (1)
$ millions

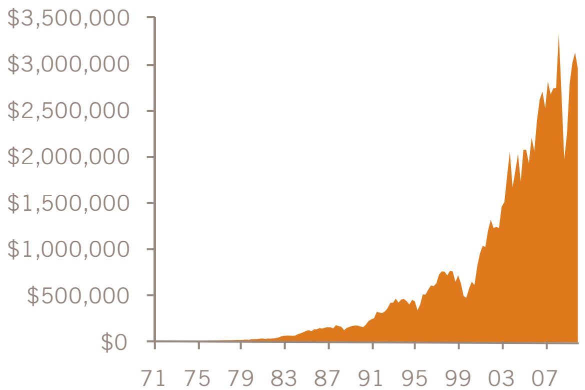


Notes:
(1) Includes joint venture investments.
(2) Represents projected future funding for projects underway as of June 30, 2010.
(3) Based on mid-point of HCN 2010 net investment guidance of $1.5 billion to $1.9 billion.

SECURE DIVIDEND

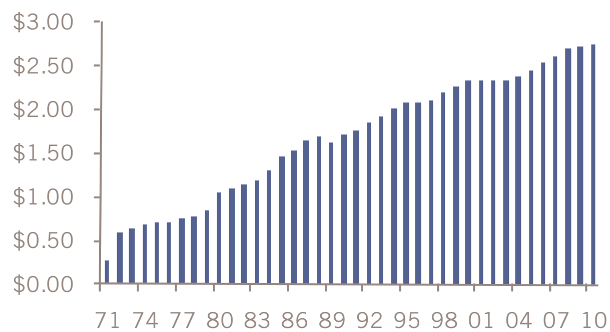
Health Care REIT maintains a commitment to investment grade ratings, conservative balance sheet management and underwriting, asset and property management protocols that ensure prudent investments and proactive management over the life of its long-term leases. The company has declared 157 consecutive quarterly dividends during its 40-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	31.5%
3 years	8.0%
5 years	8.9%
10 years	18.4%
20 years	15.5%
Since inception	15.7%

*assumes reinvestment of dividends

ANALYST COVERAGE

Robert W. Baird & Co.
Bank of America Merrill Lynch
BMO Capital Markets Corp.
Deutsche Bank Securities Inc.
Edward Jones
Fagenson & Co., Inc.
Goldman Sachs & Co.
Green Street Advisors, Inc.
J.J.B. Hilliard, W.L. Lyons, LLC
Jefferies & Company, Inc.
J.P. Morgan Securities Inc.
KeyBanc Capital Markets Inc.
Morgan Keegan & Co., Inc.
Raymond James & Associates, Inc.
Stifel Nicolaus & Company, Inc.
UBS Securities LLC
Wells Fargo Securities, LLC

INVESTOR RELATIONS

ANALYST / INVESTOR CONTACT
Scott A. Estes
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Michael A. Crabtree
SVP & Treasurer
mcrabtree@hcreit.com

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

George L. Chapman
Chairman, Chief Executive Officer & President

Mr. Chapman is Chairman, Chief Executive Officer and President of the company. Mr. Chapman served as Chairman and Chief Executive Officer of the company from October 1996 to January 2009. He assumed the additional title of President of the company in January 2009. Mr. Chapman 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.

Scott A. Estes
EVP & Chief Financial Officer

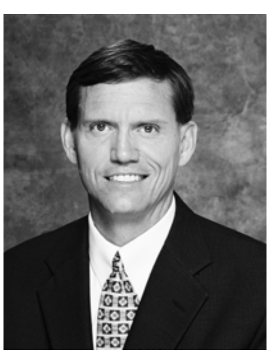
Mr. Estes is currently Executive Vice President and Chief Financial Officer. He served as Senior Vice President and Chief Financial Officer of the company since March 2006 and served as Vice President of Finance of the company from April 2003 to March 2006. From January 2000 to April 2003, Mr. Estes 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.

Charles J. Herman, Jr.
EVP & Chief Investment Officer

Mr. Herman has served as Executive Vice President and Chief Investment Officer of the company since March 2006. Mr. Herman served as Vice President and Chief Investment Officer of the company from May 2004 to March 2006 and served as Vice President of Operations from August 2000 to May 2004. From 1998 to August 2000, Mr. Herman was a founding member and President of Herman/Turner Group, LLC, a health care consulting company. Prior to that, Mr. Herman was a founder and Chief Operating Officer of Capital Valuation Group, a health care consulting firm founded in 1991.

Jeffrey H. Miller
EVP – Operations & General Counsel

Mr. Miller has served as Executive Vice President and General Counsel of the company since March 2006 and assumed the additional title of Executive Vice President-Operations in January 2009. He served as 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.



John T. Thomas
EVP – Medical Facilities

Mr. Thomas has served as Executive Vice President-Medical Facilities since January 2009. He served as President and Chief Development Officer of Cirrus Health from July 2005 to January 2009. Mr. Thomas served as Senior Vice President/General Counsel for Baylor Health Care System from October 2000 to July 2005 and as General Counsel/Secretary for the St. Louis division of the Sisters of Mercy Health System from April 1997 to October 2000.

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, senior housing and life sciences 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 or joint venture partner bankruptcies or insolvencies; the cooperation of joint venture partners; government regulations affecting Medicare and Medicaid reimbursement rates and operational requirements; regulatory approval and market acceptance of the products and technologies of life sciences tenants; 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.

Additional Information

The information in this supplemental information package should be read in conjunction with the company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, earnings press release dated August 4, 2010 and other information filed with, or furnished to, the Securities and Exchange Commission ("SEC"). The Supplemental Reporting Measures and reconciliation of Non-GAAP measures are an integral part of the information presented herein.

You can access the company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act at http://www.hcreit.com as soon as reasonably practicable after they are filed with, or furnished to, the SEC. The information on or connected to the company's website is not, and shall not be deemed to be, a part of, or incorporated into this supplemental information package. You can also review these SEC filings and other information by accessing the SEC's website at http://www.sec.gov.

Consolidated Balance Sheets (unaudited)

(dollars in thousands)

	June 30, 2010	June 30, 2009
Assets		
Real estate investments:		
Real property owned		
Land and land improvements	$ 571,501	$ 518,213
Buildings and improvements	5,854,675	4,715,571
Acquired lease intangibles	147,861	133,480
Real property held for sale, net of accumulated depreciation	13,020	48,824
Construction in progress	255,883	730,381
Gross real property owned	**6,842,940**	**6,146,469**
Less accumulated depreciation and amortization	(766,630)	(636,325)
Net real property owned	**6,076,310**	**5,510,144**
Real estate loans receivable (1)	471,805	488,856
Less allowance for losses on loans receivable	(5,025)	(7,640)
Net real estate loans receivable	**466,780**	**481,216**
Net real estate investments	**6,543,090**	**5,991,360**
Other assets:		
Equity investments	181,527	2,531
Deferred loan expenses	31,568	23,197
Cash and cash equivalents	55,423	79,505
Restricted cash	59,656	18,833
Receivables and other assets (2)	208,067	154,146
Total other assets	**536,241**	**278,212**
Total assets	**$ 7,079,331**	**$ 6,269,572**
Liabilities and equity		
Liabilities:		
Borrowings under unsecured lines of credit arrangements	$ 206,000	$ 342,000
Senior unsecured notes	2,135,422	1,811,590
Secured debt	813,341	543,842
Accrued expenses and other liabilities	187,443	111,203
Total liabilities	**3,342,206**	**2,808,635**
Equity:		
Preferred stock	286,410	288,713
Common stock	124,520	111,733
Capital in excess of par value	3,937,485	3,454,399
Treasury stock	(11,315)	(7,587)
Cumulative net income	1,630,120	1,485,798
Cumulative dividends	(2,237,720)	(1,886,583)
Accumulated other comprehensive income	(8,526)	(1,016)
Other equity	5,755	5,369
Total Health Care REIT, Inc. stockholders' equity	**3,726,729**	**3,450,826**
Noncontrolling interests	10,396	10,111
Total equity	**3,737,125**	**3,460,937**
Total liabilities and equity	**$ 7,079,331**	**$ 6,269,572**

Notes:
(1) Includes non-accrual loan balances of $78,438,000 and $72,469,000 at June 30, 2010 and 2009, respectively.
(2) Includes net straight-line receivable balances of $84,361,000 and $61,659,000 at June 30, 2010 and 2009, respectively.

Consolidated Statements of Income (unaudited)

(amounts in thousands except per share data)

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Revenues:				
Rental income	$ 151,146	$ 127,644	$ 293,860	$ 255,053
Interest income	9,335	10,158	18,383	20,111
Other income	2,650	1,237	3,646	2,721
Total revenues	**163,131**	**139,039**	**315,889**	**277,885**
Expenses:				
Interest expense	37,454	26,107	67,245	52,786
Property operating expenses	12,498	11,240	25,010	22,288
Depreciation and amortization	47,451	38,115	90,838	76,313
General and administrative expenses	11,878	11,062	28,700	28,424
Transaction costs	752	-	8,466	-
Loss (gain) on extinguishment of debt	7,035	-	25,072	(1,678)
Provision for loan losses	-	-	-	140
Total expenses	**117,068**	**86,524**	**245,331**	**178,273**
Income from continuing operations before income taxes and income from unconsolidated joint ventures	46,063	52,515	70,558	99,612
Income tax expense	(188)	(21)	(273)	(72)
Income from unconsolidated joint ventures	1,828	-	2,596	-
Income from continuing operations	**47,703**	**52,494**	**72,881**	**99,540**
Discontinued operations:				
Gain (loss) on sales of properties	3,314	10,677	10,033	27,713
Income from discontinued operations, net	47	1,588	(156)	4,150
Discontinued operations, net	**3,361**	**12,265**	**9,877**	**31,863**
Net income	**51,064**	**64,759**	**82,758**	**131,403**
Less: Preferred stock dividends	5,484	5,516	10,993	11,039
Net income (loss) attributable to noncontrolling interests	(66)	3	307	5
Net income attributable to common stockholders	**$ 45,646**	**$ 59,240**	**$ 71,458**	**$ 120,359**
Average number of common shares outstanding:				
Basic	123,808	110,864	123,541	109,548
Diluted	124,324	111,272	124,059	109,956
Net income attributable to common stockholders per share:				
Basic	$ 0.37	$ 0.53	$ 0.58	$ 1.10
Diluted	$ 0.37	$ 0.53	$ 0.58	$ 1.09
Common dividends per share	$ 0.68	$ 0.68	$ 1.36	$ 1.36

Funds From Operations Reconciliation *

(amounts in thousands except per share data)

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Net income attributable to common stockholders	**$ 45,646**	**$ 59,240**	**$ 71,458**	**$ 120,359**
Depreciation and amortization (1)	47,451	40,731	91,032	82,057
Loss (gain) on sales of properties	(3,314)	(10,677)	(10,033)	(27,713)
Noncontrolling interests (2)	108	(87)	(255)	(174)
Unconsolidated joint ventures (3)	2,323	-	3,098	-
Funds from operations	**92,214**	**89,207**	**155,300**	**174,529**
Normalizing items, net (4)	6,937	-	36,269	2,371
Funds from operations — normalized	**$ 99,151**	**$ 89,207**	**$ 191,569**	**$ 176,900**
Average common shares outstanding:				
Basic	123,808	110,864	123,541	109,548
Diluted	124,324	111,272	124,059	109,956
Per share data:				
Net income attributable to common stockholders				
Basic	$ 0.37	$ 0.53	$ 0.58	$ 1.10
Diluted	$ 0.37	$ 0.53	$ 0.58	$ 1.09
Funds from operations				
Basic	$ 0.74	$ 0.80	$ 1.26	$ 1.59
Diluted	$ 0.74	$ 0.80	$ 1.25	$ 1.59
Funds from operations — normalized				
Basic	$ 0.80	$ 0.80	$ 1.55	$ 1.61
Diluted	$ 0.80	$ 0.80	$ 1.54	$ 1.61
FFO Payout Ratio				
Dividends per share	$ 0.68	$ 0.68	$ 1.36	$ 1.36
FFO per diluted share	$ 0.74	$ 0.80	$ 1.25	$ 1.59
FFO payout ratio	92%	85%	109%	86%
FFO Payout Ratio — Normalized				
Dividends per share	$ 0.68	$ 0.68	$ 1.36	$ 1.36
FFO per diluted share — normalized	$ 0.80	$ 0.80	$ 1.54	$ 1.61
FFO payout ratio — normalized	85%	85%	88%	84%

Notes:
* Please see discussion of Supplemental Reporting Measures on page 37.
(1) Depreciation and amortization includes depreciation and amortization from discontinued operations.
(2) Represents noncontrolling interests' share of depreciation and amortization.
(3) Represents HCN's share of unconsolidated joint venture's depreciation and amortization.
(4) See page 13 for schedule of normalizing items.

Funds Available for Distribution Reconciliation *

(amounts in thousands except per share data)

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Net income attributable to common stockholders	**$ 45,646**	**$ 59,240**	**$ 71,458**	**$ 120,359**
Depreciation and amortization (1)	47,451	40,731	91,032	82,057
Loss (gain) on sales of properties	(3,314)	(10,677)	(10,033)	(27,713)
Noncontrolling interests (2)	50	(106)	(290)	(212)
Unconsolidated joint ventures (3)	915	-	1,214	-
Gross straight-line rental income	(4,145)	(4,897)	(8,598)	(9,927)
Prepaid/straight-line rent receipts	2,330	7,255	4,068	15,144
Amortization related to above/(below) market leases, net	(809)	(368)	(1,296)	(724)
Non-cash interest expense	3,659	2,844	6,500	5,616
Cap-ex, tenant improvements, lease commissions	(5,060)	(2,733)	(8,831)	(5,158)
Funds available for distribution	**86,723**	**91,289**	**145,224**	**179,442**
Normalizing items, net (4)	6,937	-	36,269	2,371
Prepaid/straight-line rent receipts	(2,330)	(7,255)	(4,068)	(15,144)
Funds available for distribution — normalized	**$ 91,330**	**$ 84,034**	**$ 177,425**	**$ 166,669**
Average common shares outstanding:				
Basic	123,808	110,864	123,541	109,548
Diluted	124,324	111,272	124,059	109,956
Per share data:				
Net income attributable to common stockholders				
Basic	$ 0.37	$ 0.53	$ 0.58	$ 1.10
Diluted	$ 0.37	$ 0.53	$ 0.58	$ 1.09
Funds available for distribution				
Basic	$ 0.70	$ 0.82	$ 1.18	$ 1.64
Diluted	$ 0.70	$ 0.82	$ 1.17	$ 1.63
Funds available for distribution — normalized				
Basic	$ 0.74	$ 0.76	$ 1.44	$ 1.52
Diluted	$ 0.73	$ 0.76	$ 1.43	$ 1.52
FAD Payout Ratio				
Dividends per share	$ 0.68	$ 0.68	$ 1.36	$ 1.36
FAD per diluted share	$ 0.70	$ 0.82	$ 1.17	$ 1.63
FAD payout ratio	97%	83%	116%	83%
FAD Payout Ratio — Normalized				
Dividends per share	$ 0.68	$ 0.68	$ 1.36	$ 1.36
FAD per diluted share — normalized	$ 0.73	$ 0.76	$ 1.43	$ 1.52
FAD payout ratio — normalized	93%	89%	95%	89%

Notes:

* Please see discussion of Supplemental Reporting Measures on page 37.

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

(2) Represents noncontrolling interests' share of depreciation and amortization, gross straight-line rental income, amortization of above/below market leases and non-cash interest expense.

(3) Represents HCN's share of unconsolidated joint venture's depreciation and amortization, gross straight-line rental income, amortization of above/below market leases and non-cash interest expense.

(4) See page 13 for schedule of normalizing items.

Adjusted EBITDA Reconciliation *

(dollars in thousands)

	Twelve Months Ended				
	June 30, 2009	September 30, 2009	December 31, 2009	March 31, 2010	June 30, 2010
Net income	**$ 218,112**	**$ 183,478**	**$ 192,927**	**$ 157,976**	**$ 144,282**
Interest expense (3)	122,927	116,406	109,772	111,746	121,964
Income tax expense	54	152	168	201	368
Depreciation and amortization (3)	165,898	165,292	164,923	167,177	173,897
Stock-based compensation (4)	10,922	10,525	9,633	10,619	10,736
Provision for loan losses	234	234	23,261	23,121	23,121
Loss (gain) on extinguishment of debt	(2,446)	24,696	25,107	44,822	51,857
Adjusted EBITDA	**$ 515,701**	**$ 500,783**	**$ 525,791**	**$ 515,662**	**$ 526,225**
Interest Coverage Ratio (1)					
Interest expense (3)	$ 122,927	$ 116,406	$ 109,772	$ 111,746	$ 121,964
Capitalized interest (5)	35,690	39,301	41,170	38,381	32,631
Non-cash interest expense	(11,289)	(11,410)	(11,898)	(11,967)	(12,782)
Total interest	**$ 147,328**	**$ 144,297**	**$ 139,044**	**$ 138,160**	**$ 141,813**
Adjusted EBITDA	$ 515,701	$ 500,783	$ 525,791	$ 515,662	$ 526,225
Adjusted interest coverage ratio	**3.50x**	**3.47x**	**3.78x**	**3.73x**	**3.71x**
Fixed Charge Coverage Ratio (2)					
Total interest (3)	$ 147,328	$ 144,297	$ 139,044	$ 138,160	$ 141,813
Secured debt principal amortization	8,592	8,810	9,292	10,464	12,612
Preferred dividends	22,311	22,101	22,079	22,064	22,032
Total fixed charges	**$ 178,231**	**$ 175,208**	**$ 170,415**	**$ 170,688**	**$ 176,457**
Adjusted EBITDA	$ 515,701	$ 500,783	$ 525,791	$ 515,662	$ 526,225
Adjusted fixed charge coverage ratio	**2.89x**	**2.86x**	**3.09x**	**3.02x**	**2.98x**
Net Debt to EBITDA Ratio					
Total debt	$ 2,697,432	$ 2,420,487	$ 2,414,022	$ 2,828,487	$ 3,154,763
Less: cash and cash equivalents	(79,505)	(102,353)	(35,476)	(36,558)	(55,423)
Net debt	**$ 2,617,927**	**$ 2,318,134**	**$ 2,378,546**	**$ 2,791,929**	**$ 3,099,340**
Adjusted EBITDA	515,701	500,783	525,791	515,662	526,225
Net debt to adjusted EBITDA ratio	**5.08x**	**4.63x**	**4.52x**	**5.41x**	**5.89x**

Notes:
* Please see discussion of Supplemental Reporting Measures on page 37.
(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 $1,197,000 and $8,749,000 for the three and six months ended June 30, 2010, respectively.
(5) Capitalized interest was $5,276,000 and $12,352,000 for the three and six months ended June 30, 2010, respectively.

Net Operating Income Reconciliation *

(dollars in thousands)

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Total revenues:				
Senior housing and care:				
Rental income (2):				
Senior housing	$ 56,197	$ 47,678	$ 108,561	$ 95,382
Skilled nursing	41,057	42,979	81,929	84,710
Sub-total rental income	**97,254**	**90,657**	**190,490**	**180,092**
Interest income	8,830	8,910	17,405	17,633
Other income	1,536	570	2,028	1,362
Total senior housing and care income	**107,620**	**100,137**	**209,923**	**199,087**
Medical facilities:				
Rental income (2):				
Medical office	42,056	32,593	82,145	65,846
Hospitals	12,484	10,627	23,265	23,304
Life sciences (1)	9,355	-	13,080	-
Sub-total rental income	**63,895**	**43,220**	**118,490**	**89,150**
Interest income	505	1,248	978	2,478
Other income	302	304	574	619
Total medcial facilities income	**64,702**	**44,772**	**120,042**	**92,247**
Non-segment/corporate other income	812	363	1,044	740
Total revenues	**173,134**	**145,272**	**331,009**	**292,074**
Property operating expenses:				
Senior housing and care	-	-	-	-
Medical facilities (1,2)	15,719	12,044	30,539	24,026
Non-segment/corporate	-	-	-	-
Total property operating expenses	**15,719**	**12,044**	**30,539**	**24,026**
Net operating income:				
Senior housing and care	107,620	100,137	209,923	199,087
Medical facilities	48,983	32,728	89,503	68,221
Non-segment/corporate	812	363	1,044	740
Net operating income	**$ 157,415**	**$ 133,228**	**$ 300,470**	**$ 268,048**

Notes:
* Please see discussion of Supplemental Reporting Measures on page 37.
(1) Includes HCN's share of revenues and expenses from unconsolidated joint ventures. Please see page 30 for additional information.
(2) The three months ended June 30, 2010 includes the following amounts (in thousands):

Rental income from discontinued operations:	
Senior housing	$ 134
Skilled nursing	108
Medical office	406
Total	**$ 648**
Non-cash rental income from continuing operations:	
Senior housing	$ 1,430
Skilled nursing	510
Hospitals	400
Medical office	2,469
Life sciences (1)	975
Total	**$ 5,784**
Property operating expenses from discontinued operations:	
Medical office	$ 355
Hospitals	150
Total	**$ 505**

Outlook Reconciliation: Year ended December 31, 2010

(amounts in thousands except per share data)

	Prior Outlook		Current Outlook	
	Low	High	Low	High
Investments:				
Acquisitions/Joint Ventures	$ 700,000	$1,000,000	$1,500,000	$1,800,000
Development	300,000	400,000	300,000	400,000
Gross new investments	1,000,000	1,400,000	1,800,000	2,200,000
Dispositions	(300,000)	(300,000)	(300,000)	(300,000)
Net new investments	700,000	1,100,000	1,500,000	1,900,000
FFO Reconciliation*				
Net income attributable to common stockholders	**$ 170,340**	**$ 182,840**	**$ 165,699**	**$ 174,449**
Loss (gain) on sales of properties	(6,718)	(6,718)	(10,033)	(10,033)
Depreciation and amortization (1)	188,000	188,000	193,500	193,500
Noncontrolling interests (2)	(1,455)	(1,455)	(2,185)	(2,185)
Unconsolidated joint ventures (3)	8,000	8,000	8,500	8,500
Funds from operations	**$ 358,167**	**$ 370,667**	**$ 355,481**	**$ 364,231**
Normalizing items, net (4)	29,333	29,333	36,269	36,269
Funds from operations - normalized	**$ 387,500**	**$ 400,000**	**$ 391,750**	**$ 400,500**
Per share data (diluted):				
Net income attributable to common stockholders	**$ 1.36**	**$ 1.46**	**$ 1.33**	**$ 1.40**
Funds from operations	**2.87**	**2.97**	**2.84**	**2.91**
Funds from operations - normalized	**3.10**	**3.20**	**3.13**	**3.20**
FAD Reconciliation*				
Net income attributable to common stockholders	**$ 170,340**	**$ 182,840**	**$ 165,699**	**$ 174,449**
Loss (gain) on sales of properties	(6,718)	(6,718)	(10,033)	(10,033)
Depreciation and amortization (1)	188,000	188,000	193,500	193,500
Gross straight-line rental income	(16,500)	(16,500)	(16,500)	(16,500)
Prepaid/straight-line rent receipts	1,738	1,738	4,068	4,068
Amortization related to above (below) market leases, net	(3,600)	(3,600)	(3,300)	(3,300)
Non-cash interest expense	13,500	13,500	14,000	14,000
Cap-ex, tenant improvements, lease commissions	(17,000)	(17,000)	(20,000)	(20,000)
Noncontrolling interests (2)	(1,365)	(1,365)	(2,225)	(2,225)
Unconsolidated joint ventures (3)	3,055	3,055	3,500	3,500
Funds available for distribution	**$ 331,450**	**$ 343,950**	**$ 328,709**	**$ 337,459**
Normalizing items, net (4)	29,333	29,333	36,269	36,269
Prepaid/straight-line rent receipts	(1,738)	(1,738)	(4,068)	(4,068)
Funds available for distribution - normalized	**$ 359,045**	**$ 371,545**	**$ 360,910**	**$ 369,660**
Per share data (diluted):				
Net income attributable to common stockholders	**$ 1.36**	**$ 1.46**	**$ 1.33**	**$ 1.40**
Funds available for distribution	**2.65**	**2.75**	**2.63**	**2.70**
Funds available for distribution - normalized	**2.87**	**2.97**	**2.89**	**2.96**

Notes:
* Please see discussion of Supplemental Reporting Measures on page 37.
(1) Depreciation and amortization includes depreciation and amortization from discontinued operations.
(2) Represents noncontrolling interests' share of FFO/FAD adjustments.
(3) Represents HCN's share of FFO/FAD adjustments for unconsolidated joint ventures.
(4) See page 13 for schedule of normalizing items.

Normalizing Items *

(amounts in thousands except per share data)

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Transaction costs	$ 752	$ -	$ 8,466	$ -
Non-recurring G&A expenses	-	-	2,853	3,909
Loss (gain) on extinguishment of debt	7,035	-	25,072	(1,678)
Provision for loan losses	-	-	-	140
Held for sale hospital operating expenses	150	-	878	-
Non-recurring other income	(1,000)	-	(1,000)	-
Total	**$ 6,937**	**$ -**	**$ 36,269**	**$ 2,371**
Average diluted shares outstanding	124,324	111,272	124,059	109,956
Net amount per diluted share	$ 0.06	$ -	$ 0.29	$ 0.02

Revenue and Lease Maturity

(amounts in thousands except per share data)

	Rental Income (1)							
Year	Senior Housing	Skilled Nursing	Hospitals	Medical Office	Total Rental Income	Interest Income (2)	Total Revenues	% of Total
2010	$ -	$ -	$ -	$ 4,297	$ 4,297	$ 679	$ 4,976	0.8%
2011	988	-	-	9,179	10,167	11,929	22,096	3.6%
2012	5,501	6,887	-	11,556	23,944	406	24,350	4.0%
2013	8,447	-	-	9,172	17,619	13,614	31,233	5.1%
2014	2,859	6,349	-	10,482	19,690	159	19,849	3.3%
2015	-	1,934	-	10,442	12,376	1,550	13,926	2.3%
2016	-	6,374	-	11,806	18,180	405	18,585	3.1%
2017	15,078	3,875	2,350	7,180	28,483	2,831	31,314	5.2%
2018	37,332	16,705	-	2,608	56,645	1,501	58,146	9.6%
2019	18,700	17,851	-	9,260	45,811	626	46,437	7.6%
Thereafter	134,108	103,245	50,971	44,343	332,667	3,696	336,363	55.4%
	$ 223,013	**$ 163,220**	**$ 53,321**	**$ 130,325**	**$ 569,879**	**$ 37,396**	**$ 607,275**	**100.0%**

Notes:
* Please see discussion of Supplemental Reporting Measures on page 37.
(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)	Consolidated Debt	% of Total	Joint Ventures (7)	Combined Debt	% of Total
2010	$ -	$ -	$ 8,957	$ 8,957	0.3%	$ 1,756	$ 10,713	0.3%
2011	206,000	-	18,772	224,772	7.1%	25,284	250,056	7.5%
2012	-	76,853	25,313	102,166	3.2%	37,905	140,071	4.2%
2013	-	300,000	74,523	374,523	11.8%	27,015	401,538	12.0%
2014	-	-	144,343	144,343	4.5%	23,000	167,343	5.0%
2015	-	250,000	77,065	327,065	10.3%	832	327,897	9.8%
2016	-	300,000	185,680	485,680	15.3%	39,967	525,647	15.7%
Thereafter	-	1,238,077	279,096	1,517,173	47.5%	-	1,517,173	45.5%
Totals	**$ 206,000**	**$2,164,930**	**$ 813,749**	**$3,184,679**	**100.0%**	**$ 155,759**	**$3,340,438**	**100.0%**
Weighted Avg Interest Rate (3)	**1.0%**	**5.3%**	**5.9%**	**5.1%**		**7.1%**	**5.2%**	
Weighted Avg Maturity (4)	**1.1**	**10.7**	**10.1**	**9.9**		**3.7**	**9.6**	

Fixed and Floating Rate Debt

(dollars in thousands)

	Consolidated Debt	% of Consolidated	Combined Debt	% of Combined
Fixed Rate Debt				
Senior notes	$ 2,164,930	68.0%	$ 2,164,930	64.8%
Secured debt (6)	782,059	24.5%	937,818	28.1%
Total fixed	**$ 2,946,989**	**92.5%**	**$ 3,102,748**	**92.9%**
Floating Rate Debt				
Line of credit	$ 206,000	6.5%	$ 206,000	6.2%
Secured debt (6)	31,690	1.0%	31,690	0.9%
Total floating	**$ 237,690**	**7.5%**	**$ 237,690**	**7.1%**
Total debt	**$ 3,184,679**	**100.0%**	**$ 3,340,438**	**100.0%**

Notes:

(1) Current line of credit capacity of $1.15 billion with remaining availability of $944.0 million at June 30, 2010. 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 June 30, 2010. Senior notes and secured debt average interest rate represents the face value note rate.

(4) $126 million of convertible senior notes are puttable on December 1, 2011, $168 million of convertible senior notes are puttable on July 15, 2012 and $494 million of convertible senior notes are puttable on December 1, 2014. Weighted average maturities would be 5.2 years and 6.2 years for senior notes and consolidated debt, respectively, using the puttable dates.

(5) $6,148,000 of secured debt that matures in 2013 relates to assets-held-for sale. Weighted-average maturities would be unchanged if one used a June 30, 2010 extinguishment date.

(6) $98,974,000 of floating rate secured debt is characterized as fixed rate debt due to interest rate swap agreements at June 30, 2010. If one treated this as floating rate debt, consolidated debt would be 89.4% fixed and 10.6% floating.

(7) Represents HCN's share of secured debt of unconsolidated joint ventures.

Current Capitalization

(amounts in thousands except per share data)

			Consolidated	% of Total
Book Capitalization				
Line of credit		$	206,000	3.0%
Long-term debt obligations			2,948,763	42.8%
Debt to consolidated book capitalization (1)			**3,154,763**	**45.8%**
Total equity			3,737,125	54.2%
Consolidated book capitalization		**$**	**6,891,888**	**100.0%**
HCN share of unconsolidated joint venture debt			155,759	
Total book capitalization		**$**	**7,047,647**	
Undepreciated Book Capitalization				
Line of credit		$	206,000	2.7%
Long-term debt obligations			2,948,763	38.5%
Debt to consolidated undepreciated book capitalization			**3,154,763**	**41.2%**
Accumulated depreciation and amortization			766,630	10.0%
Total equity			3,737,125	48.8%
Consolidated undepreciated book capitalization		**$**	**7,658,518**	**100.0%**
HCN share of unconsolidated joint venture debt			155,759	
Total undepreciated book capitalization		**$**	**7,814,277**	
Enterprise Value				
Line of credit		$	206,000	2.4%
Long-term debt obligations			2,948,763	33.9%
Debt to consolidated enterprise value			**3,154,763**	**36.3%**
Common shares outstanding	124,499			
Period end share price	$42.12			
Common equity market capitalization			**5,243,898**	**60.3%**
Noncontrolling interests			10,396	0.1%
Preferred stock			286,410	3.3%
Consolidated enterprise value		**$**	**8,695,467**	**100.0%**
HCN share of unconsolidated joint venture debt			155,759	
Total enterprise value		**$**	**8,851,226**	
Secured Debt as % of Total Assets (2)				
Secured debt		**$**	**813,341**	**11.5%**
Total assets		$	7,079,331	
Total Debt as % of Total Assets (3)				
Total debt		**$**	**3,154,763**	**44.6%**
Total assets		$	7,079,331	
Unencumbered Assets as % of Unsecured Debt (4)				
Unencumbered assets		**$**	**6,193,303**	**264.5%**
Unsecured debt		$	2,341,422	

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%. If one includes the company's share of unconsolidated joint venture debt, the ratio would be 13.7%.

(3) A comparable covenant in our senior unsecured notes is a maximum of 60%. If one includes the company's share of unconsolidated joint venture debt, the ratio would be 46.8%.

(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

	Second Quarter 2010					
	Properties	Beds / Units / Square Feet		Amount ($000)	Investment Per Bed / Unit / Square Foot	Initial Cash Yield
Real Property Acquisitions						
Combination - rental	2	260	units	$ 32,300	124,231	8.3%
Freestanding assisted living	7	478	units	72,750	152,197	8.3%
Freestanding dementia care	1	42	units	3,800	90,476	8.3%
Medical office buildings	2	106,462	sf	23,430	220	8.6%
Total acquisitions	**12**			**$ 132,280**		**8.3%**
Construction in Progress						
Development projects:						
CCRC - entrance fee	1	288	units	$ 4,940		
Combination - rental	3	398	units	14,929		
Freestanding dementia care	1	25	units	1,245		
Hospitals	4	262	beds	33,718		
Medical office buildings	6	777,712	sf	41,253		
Total development projects	**15**			**96,085**		
Expansion projects:						
CCRC - entrance fee	4	23	units	683		
Combination - entrance fee	4	33	units	1,484		
Total expansion projects	**8**			**2,167**		
Total construction in progress	**23**			**98,252**		
Investments in unconsolidated joint ventures	1			28,273		7.6%
Capital improvements to existing properties				1,977		9.7%
Loan advances				32,103		8.7%
Gross investments				**$ 292,885**		

Gross Investment Activity

	Year-to-date 2010					
	Properties	Beds / Units / Square Feet		Amount ($000)	Investment Per Bed / Unit / Square Foot	Initial Cash Yield
Real Property Acquisitions						
Combination - rental	2	260	units	$ 32,300	124,231	8.3%
Freestanding assisted living	7	478	units	72,750	152,197	8.3%
Freestanding dementia care	1	42	units	3,800	90,476	8.3%
Medical office buildings	19	1,254,421	sf	213,430	170	9.1%
Total acquisitions	**29**			**$ 322,280**		**8.8%**
Construction in Progress						
Development projects:						
CCRC - entrance fee	1	288	units	$ 11,685		
Combination - entrance fee	1	144	units	5,447		
Combination - rental	7	847	units	24,747		
Freestanding dementia care	2	109	units	5,116		
Hospitals	4	262	beds	69,646		
Medical office buildings	7	839,025	sf	59,922		
Total development projects	**22**			**176,563**		
Expansion projects:						
CCRC - entrance fee	4	23	units	1,167		
Combination - entrance fee	4	33	units	2,564		
Total expansion projects	**8**			**3,731**		
Total construction in progress	**30**			**180,294**		
Investments in unconsolidated joint ventures	7			327,064		7.6%
Capital improvements to existing properties				4,705		9.4%
Loan advances				43,254		8.7%
Gross investments				**$ 877,597**		

Investment Timing

(dollars in thousands)

	Acquisitions/ Joint Ventures	Initial Cash Yield	Loan Advances	Initial Cash Yield	Construction Conversions	Initial Cash Yield (1)	Dispositions	Yield on Sale
April	84,600	8.3%	9,837	7.9%	204	6.0%	5,841	11.0%
May	47,680	8.5%	5,342	8.7%	105,580	9.2%	5,310	10.9%
June	28,273	7.6%	16,924	9.2%	111,434	-	3,437	13.0%
Total	**$ 160,553**	**8.2%**	**$ 32,103**	**8.7%**	**$ 217,218**	**9.2%**	**$ 14,588**	**11.4%**

Disposition Activity

(dollars in thousands)

	Second Quarter 2010		Year-to-date 2010	
	Amount	% of Total	Amount	% of Total
Dispositions by Investment Type				
Real property	$ 14,588	100.0%	$ 45,929	96.6%
Real estate loans receivable	-	0.0%	1,599	3.4%
Total	**$ 14,588**	**100.0%**	**$ 47,528**	**100.0%**
Dispositions by Property Type				
Combination - rental	7,423	50.9%	19,234	40.5%
Freestanding skilled nursing	5,841	40.0%	20,726	43.6%
Medical office building	1,324	9.1%	7,568	15.9%
Total	**$ 14,588**	**100.0%**	**$ 47,528**	**100.0%**

Discontinued Operations

(dollars in thousands)

	Second Quarter		Year-to-date	
	2010	2009	2010	2009
Revenues				
Rental income	$ 648	$ 6,233	$ 2,040	$ 14,189
Expenses				
Interest expense	96	1,225	290	2,557
Property operating expenses	505	804	1,712	1,738
Depreciation and amortization	-	2,616	194	5,744
Income / (loss) from discontinued operations, net	**$ 47**	**$ 1,588**	**$ (156)**	**$ 4,150**

Notes:
(1) Yields exclude a $111,434,000 CCRC project that converted in June but was in transition to a new operator as of June 30, 2010.

Portfolio Composition

(dollars in thousands)

	Properties	Investment Balance	% of Total	Committed Balance	% of Total
Investment Concentration - By Predominant Service Type					
Senior housing facilities	241	$ 2,672,125	38.7%	$ 2,721,645	37.7%
Skilled nursing facilities	204	1,434,269	20.8%	1,434,269	19.9%
Hospitals	31	719,324	10.4%	807,866	11.2%
Medical office buldings	142	1,722,397	25.0%	1,894,359	26.3%
Life science buildings (1)	7	352,385	5.1%	352,385	4.9%
Total	**625**	**$ 6,900,500**	**100.0%**	**$ 7,210,524**	**100.0%**
Investment Concentration - Senior Housing & Care and Medical Facilities					
Senior housing & care portfolio					
CCRC - entrance fee	5	$ 272,198	3.9%	$ 272,918	3.8%
CCRC - rental	9	257,285	3.7%	257,285	3.6%
Combination - entrance fee	8	379,114	5.5%	379,773	5.3%
Combination - rental	108	1,023,564	14.8%	1,069,515	14.8%
Dementia care	30	163,075	2.4%	165,265	2.3%
Freestanding senior housing	76	367,020	5.3%	367,020	5.1%
Land	5	16,510	0.2%	16,510	0.2%
Other loans	-	193,359	2.9%	193,359	2.6%
Subtotal senior housing	**241**	**2,672,125**	**38.7%**	**2,721,645**	**37.7%**
Combination skilled nursing	31	253,813	3.7%	253,813	3.5%
Freestanding skilled nursing	173	1,046,786	15.2%	1,046,786	14.5%
Other loans	-	133,670	1.9%	133,670	1.9%
Subtotal skilled nursing	**204**	**1,434,269**	**20.8%**	**1,434,269**	**19.9%**
Senior housing & care total	**445**	**4,106,394**	**59.5%**	**4,155,914**	**57.6%**
Medical facilities portfolio					
Long-term acute care	16	215,069	3.1%	215,069	3.0%
Acute care	7	348,302	5.0%	424,127	5.9%
Inpatient rehab	6	133,708	1.9%	146,426	1.9%
Land	2	11,120	0.2%	11,120	0.2%
Other loans	-	11,125	0.2%	11,124	0.2%
Subtotal hospitals	**31**	**719,324**	**10.4%**	**807,866**	**11.2%**
Medical office buldings	142	1,722,397	25.0%	1,894,359	26.3%
Life science buildings (1)	7	352,385	5.1%	352,385	4.9%
Medical facilities total	**180**	**2,794,106**	**40.5%**	**3,054,610**	**42.4%**
Total portfolio	**625**	**$ 6,900,500**	**100.0%**	**$ 7,210,524**	**100.0%**

	Bed / Unit / Square Foot		Committed Balance ($000)	Per Bed / Unit / Square Foot
Investment Metrics				
Senior housing	19,340	units	$ 2,721,645	$ 140,726
Skilled nursing	27,442	beds	1,434,269	52,265
Hospital	1,826	beds	807,866	442,424
Medical office	7,587,088	sf	1,894,359	250
Life science (1)			352,385	
Total			**$ 7,210,524**	

Notes:
(1) See Life Science disclosure on page 30.

Portfolio Concentration

(dollars in thousands)

By Customer	Total Properties	Investment Balance (1)	% of Balances
Senior Living Communities, LLC	11	$ 533,432	7.7%
Aurora Health Care, Inc.	18	308,338	4.5%
Brookdale Senior Living, Inc.	86	305,928	4.4%
Signature Healthcare LLC	32	264,005	3.8%
Emeritus Corporation	20	234,827	3.4%
Life Care Centers of America, Inc.	18	200,782	2.9%
Merrill Gardens LLC	13	161,174	2.3%
One Lantern Senior Living LLC	9	161,155	2.3%
Community Retirement Living	12	155,373	2.3%
Vibra Healthcare, LLC	6	154,447	2.2%
Remaining portfolio	400	4,421,039	64.2%
Total	**625**	**$6,900,500**	**100.0%**

Balances By State	Senior Housing	Skilled Nursing	Hospital	Medical Office	Life Science (1)	Total Properties	Investment Balance	% of Total
Florida	$ 289,783	$ 215,807	$ -	$ 255,969	$ -	79	$ 761,559	11.0%
Massachusetts	192,253	190,100	11,120	-	352,385	39	745,858	10.8%
Texas	130,548	172,756	175,635	194,438	-	71	673,377	9.8%
California	228,441	-	230,747	173,038	-	32	632,226	9.2%
Wisconsin	134,818	-	23,440	308,338	-	31	466,596	6.8%
Ohio	148,719	174,133	33,590	6,836	-	30	363,278	5.3%
Tennessee	36,668	197,518	-	61,828	-	30	296,014	4.3%
South Carolina	240,802	-	-	16,359	-	9	257,161	3.7%
North Carolina	206,446	-	-	23,879	-	54	230,325	3.3%
Indiana	137,222	29,092	30,477	20,872	-	16	217,663	3.2%
Remaining portfolio	926,425	454,863	214,315	660,840	-	234	2,256,443	32.6%
Total	**$2,672,125**	**$1,434,269**	**$ 719,324**	**$1,722,397**	**$352,385**	**625**	**$6,900,500**	**100.0%**

Revenues By State	Senior Housing	Skilled Nursing	Hospital	Medical Office	Life Science (1)	Total Properties	Total Revenues (2)	% of Total
Florida	$ 5,304	$ 6,938	$ -	$ 6,301	$ -	79	$ 18,543	10.9%
Texas	3,574	4,961	4,392	5,605	-	71	18,532	10.9%
Massachusetts	2,886	5,910	-	-	9,355	39	18,151	10.6%
California	6,874	51	1,989	4,132	-	32	13,046	7.7%
Wisconsin	2,920	-	667	6,787	-	31	10,374	6.1%
Tennessee	818	6,504	81	1,800	-	30	9,203	5.4%
Ohio	1,382	5,163	828	211	-	30	7,584	4.4%
North Carolina	6,633	-	-	403	-	54	7,036	4.1%
Indiana	2,519	1,041	532	580	-	16	4,672	2.7%
New York	2,948	-	-	1,708	-	11	4,656	2.7%
Remaining portfolio	25,534	14,124	4,297	14,732	-	232	58,687	34.5%
Total	**$ 61,392**	**$ 44,692**	**$ 12,786**	**$ 42,259**	**$ 9,355**	**625**	**$ 170,484**	**100.0%**

Notes:

(1) Includes HCN's share of unconsolidated joint ventures.

(2) Revenues represent rent and interest income including rent from discontinued operations for the three months ended June 30, 2010. Revenues exclude other income totaling $2,650,000 for the three months ended June 30, 2010.

Top Ten Customer Descriptions

Senior Living Communities, LLC, located in Charlotte, NC, operates premier continuing care retirement communities (CCRCs) throughout the southeastern United States. The company operates 11 campuses in four states. As of June 30, 2010, the HCN portfolio consisted of 11 properties in four states with an investment balance of $533.4 million.

Aurora Health Care, Inc., located in Milwaukee, WI, is a private operator of over 230 hospitals, pharmacies and clinics in eastern Wisconsin. As of June 30, 2010, the HCN portfolio consisted of 18 properties with an investment balance of $308.3 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 564 facilities in 35 states with the ability to serve over 53,600 residents. As of June 30, 2010, the HCN portfolio consisted of 86 properties in 16 states with an investment balance of $305.9 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 over 7,600 beds. As of June 30, 2010, the HCN portfolio consisted of 32 properties in four states with an investment balance of $264.0 million.

Emeritus Corporation (NYSE:ESC), located in Seattle, WA, is a national public provider of independent living, assisted living and Alzheimer's services. The company operates 308 communities representing capacity for approximately 32,300 residents in 36 states. As of June 30, 2010, the HCN portfolio consisted of 20 properties in 16 states with an investment balance of $234.8 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 230 skilled nursing, assisted living, retirement, home care and Alzheimer's centers in 28 states. As of June 30, 2010, the HCN portfolio consisted of 18 properties in 11 states with an investment balance of $200.8 million.

Merrill Gardens LLC, located in Seattle, WA, is a privately held corporation organized under the laws of Washington State. The company owns, operates and/or manages 56 IL/AL facilities with over 6,400 units in ten states. As of June 30, 2010, the HCN portfolio consisted of 13 properties in seven states with an investment balance of $161.2 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 June 30, 2010, the HCN portfolio consisted of nine properties in three states with an investment balance of $161.2 million.

Community Retirement Living, located in Chicago, IL, is a private operator of independent living, assisted living and Alzheimer's memory care facilities. The company operates 16 facilities located in Illinois and Wisconsin. As of June 30, 2010, the HCN portfolio consisted of 12 properties in two states with an investment balance of $155.4 million.

Vibra Healthcare, LLC, located in Mechanicsburg, PA, is a private operator of freestanding medical rehabilitation hospitals and long term acute care hospitals. The company operates 28 properties in nine states. As of June 30, 2010, the HCN portfolio consisted of six properties in three states with an investment balance of $154.4 million.

Metropolitan Statistical Area Concentration (1)

(dollars in thousands)

	Top 31	Top 75	Top 100
Senior housing	$ 825,680	$ 1,377,579	$ 1,610,698
% of senior housing	30.9%	51.6%	60.3%
Skilled nursing	426,148	765,977	832,468
% of skilled nursing	29.7%	53.4%	58.0%
Hospital	348,262	608,644	645,076
% of hospital	48.4%	84.6%	89.7%
Medical office	1,068,994	1,499,688	1,499,688
% of medical office	62.1%	87.1%	87.1%
Life science (2)	352,385	352,385	352,385
% of life science	100.0%	100.0%	100.0%
Total portfolio	**$ 3,021,469**	**$ 4,604,273**	**$ 4,940,315**
% of total portfolio	**43.8%**	**66.7%**	**71.6%**

Region Concentration

(dollars in thousands)

	Total Properties	Investment Balance (2)	% of Total
By Region (3)			
South Atlantic	178	$1,557,348	22.6%
East North Central	92	1,221,727	17.7%
New England	51	807,857	11.7%
West South Central	104	802,085	11.6%
Pacific	43	787,700	11.4%
East South Central	66	512,495	7.4%
Mountain	41	506,624	7.3%
Middle Atlantic	32	382,579	5.5%
West North Central	18	322,085	4.8%
Total	**625**	**$6,900,500**	**100.0%**

Notes:
(1) 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.
(2) Includes HCN's share of unconsolidated joint ventures.
(3) Region definitions are derived from census bureau definitions and are itemized in the glossary.

Portfolio Performance

	Age	Occupancy	TTM CBMF (2)	TTM CAMF (2)	Facility Revenue Mix: Private Pay	Medicaid	Medicare
Stable Portfolio (1)							
Senior housing (3)	11	89.0%	1.48x	1.27x	87.9%	9.2%	2.9%
Skilled nursing	24	85.2%	2.34x	1.72x	19.1%	50.8%	30.1%
Hospital	14	63.5%	2.56x	2.23x	32.6%	3.2%	64.2%
Medical office	13	92.6%	n/a	n/a	100.0%	0.0%	0.0%
Total	**14**		**2.03x**	**1.60x**			

Notes:
(1) Data as of June 30, 2010 for medical office and March 31, 2010 for remaining asset types.
(2) Represents trailing twelve month coverage metrics.
(3) Excludes entrance fee portfolio.

Entrance Fee Portfolio

	Properties	Average Age	Investment Balance (millions)	Entrance Fee Units	Entrance Fee Occupancy	Rental Units	Rental Occupancy
Entrance Fee Portfolio							
Open Properties	13	6	$651.3	1,441	49%	1,003	79%

Same Store Revenue Growth

(dollars in thousands)

	Properties (1)	2Q09 Same Store Revenue*	2Q10 Same Store Revenue*	% Change
Same Store Portfolio				
Senior housing (2)	197	$ 42,671	$ 41,599	-2.5%
Skilled nursing (2)	201	38,112	39,082	2.5%
Hospitals	21	9,906	10,105	2.0%
Total (2)	**419**	**$ 90,689**	**$ 90,786**	**0.1%**

* 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) 2Q10 senior housing revenue impacted by rent deferrals related to certain entrance fee communities versus 2Q09. 2Q10 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, 2Q10 same store revenues increased 2.6% for senior housing, 3.4% for skilled nursing and 2.9% in total.

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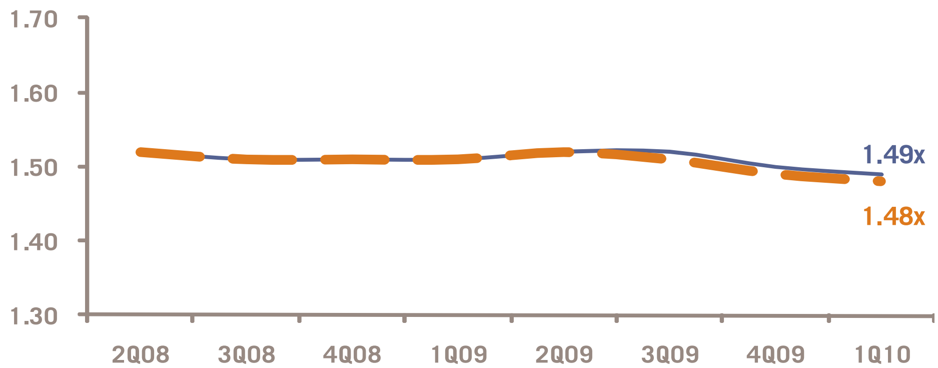
Same Store (151 properties)
Stable

Portfolio Performance - Senior Housing

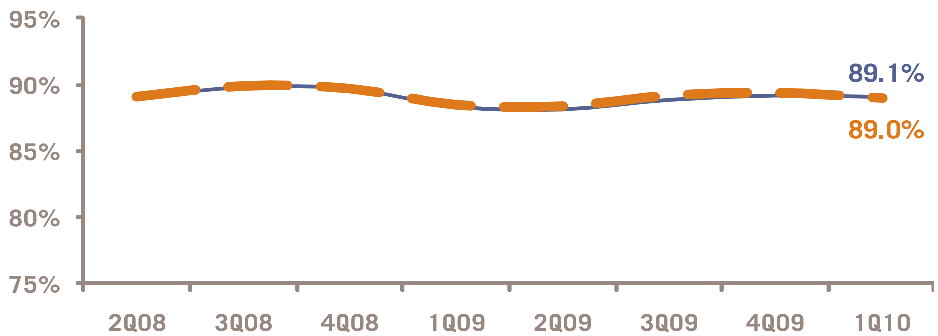
(excludes entrance fee portfolio)

Trailing Twelve Month Payment Coverage Before Management Fees



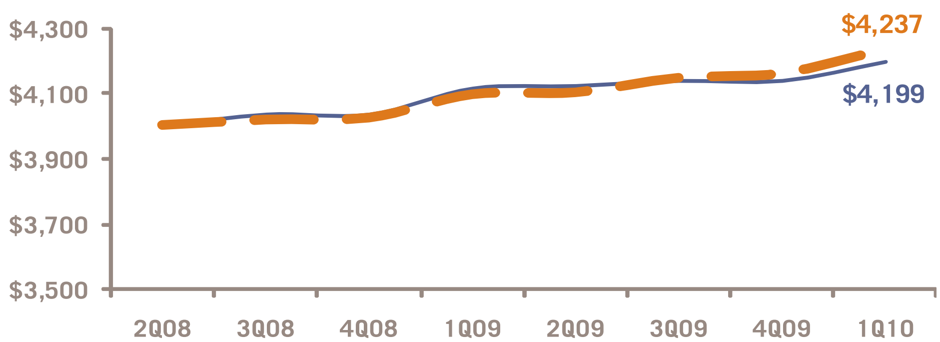
basis points	1Q10 / 1Q09	1Q10 / 4Q09
Same Store	(2)	(1)
Stable	(3)	(1)

Occupancy



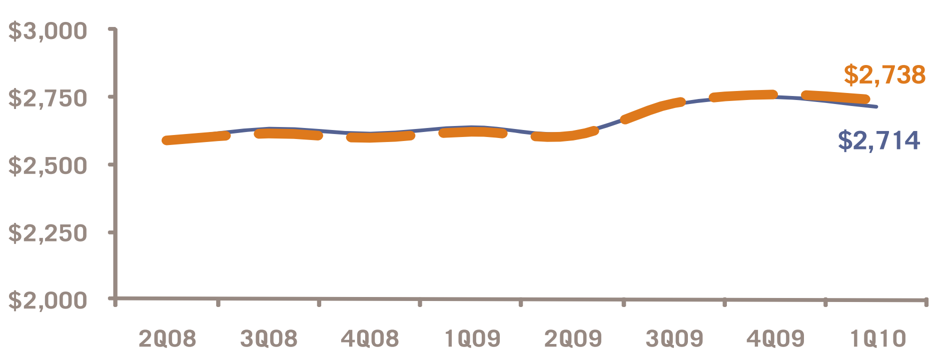
basis points	1Q10 / 1Q09	1Q10 / 4Q09
Same Store	70	(10)
Stable	50	(40)

Revenue per Occupied Unit



(% chg)	1Q10 / 1Q09	1Q10 / 4Q09
Same Store	2.0%	1.4%
Stable	3.4%	1.8%

Expense per Occupied Unit

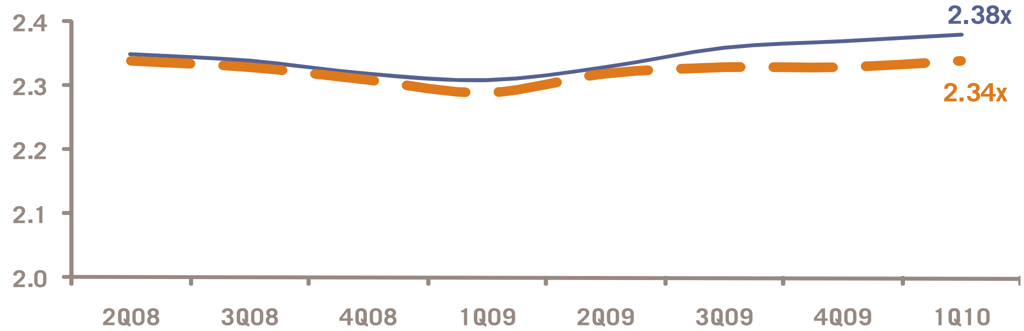


(% chg)	1Q10 / 1Q09	1Q10 / 4Q09
Same Store	2.9%	-1.3%
Stable	4.3%	-0.7%

Portfolio Performance - Skilled Nursing

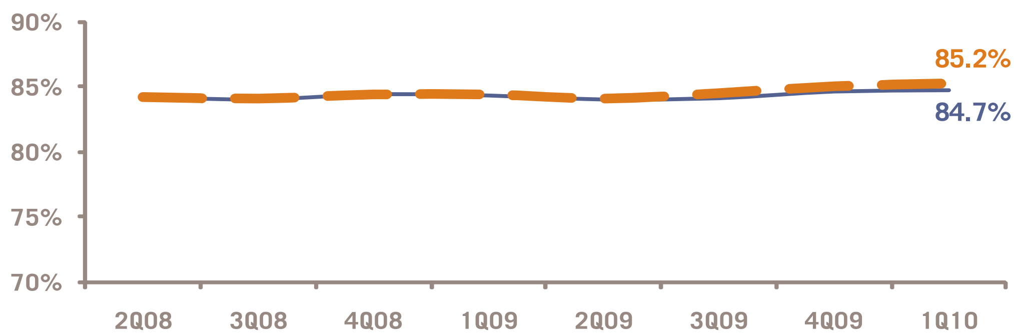
Same Store (191 properties)
Stable

Trailing Twelve Month Payment Coverage Before Management Fees



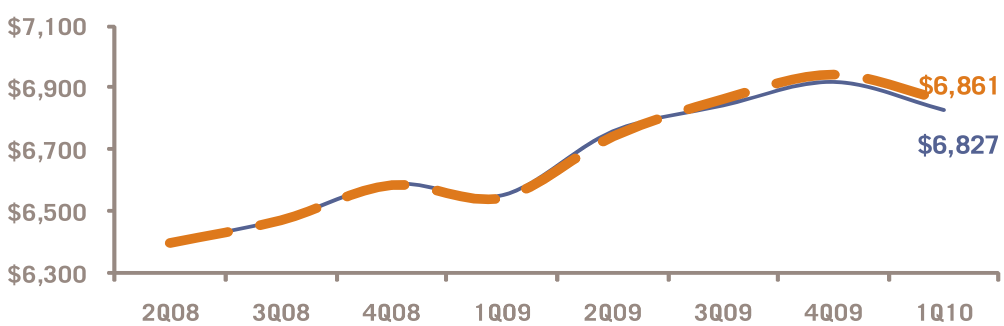
basis points	1Q10 / 1Q09	1Q10 / 4Q09
Same Store	7	1
Stable	5	1

Occupancy



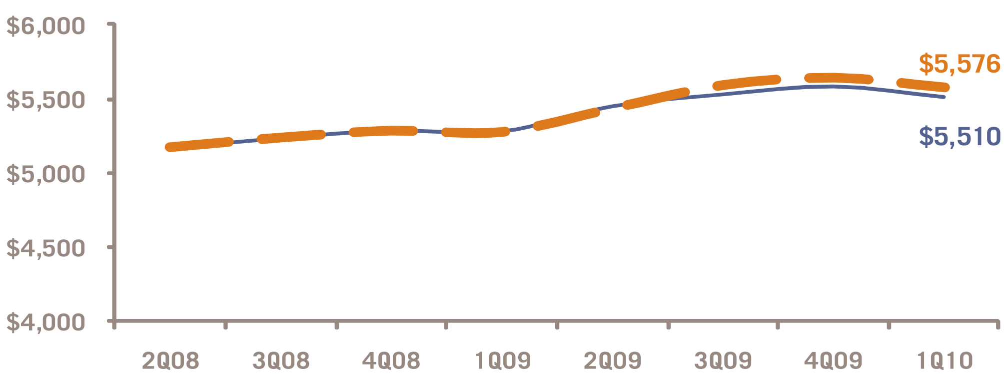
basis points	1Q10 / 1Q09	1Q10 / 4Q09
Same Store	40	10
Stable	80	20

Revenue per Occupied Bed



(% chg)	1Q10 / 1Q09	1Q10 / 4Q09
Same Store	4.2%	-1.3%
Stable	4.8%	-1.2%

Expense per Occupied Bed

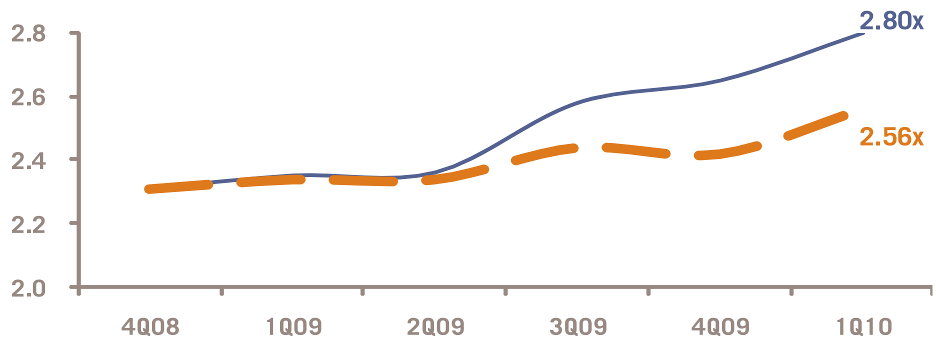


(% chg)	1Q10 / 1Q09	1Q10 / 4Q09
Same Store	4.3%	-1.3%
Stable	5.7%	-1.2%

Same Store (11 properties)
Stable

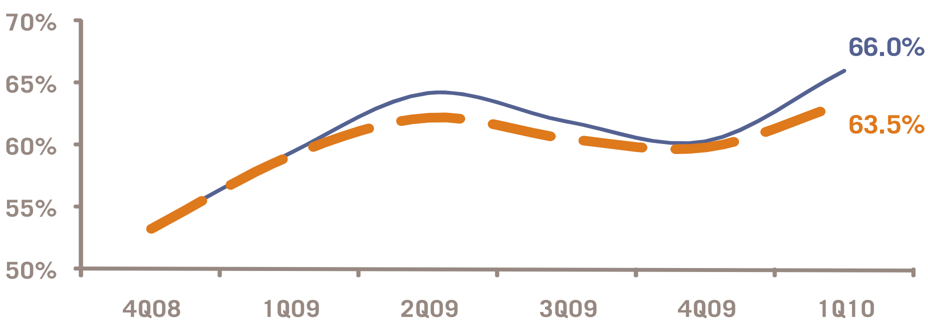
Portfolio Performance - Hospitals*

Trailing Twelve Month Payment Coverage Before Management Fees



basis points	1Q10 / 1Q09	1Q10 / 4Q09
Same Store	45	15
Stable	22	14

Occupancy



basis points	1Q10 / 1Q09	1Q10 / 4Q09
Same Store	670	570
Stable	430	360

*Due to recent portfolio activity, the same store criteria for the hospital portfolio has been reduced to 21 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	55	3,611,208	$ 937,485	$ 23,952	$ 6,580	$ 17,372	13	94.0%
Off Campus-Affiliated	33	1,659,705	338,615	9,095	2,851	6,244	11	92.6%
Off Campus	39	1,289,761	349,912	8,899	3,067	5,832	15	88.9%
Subtotal	**127**	**6,560,674**	**1,626,012**	**41,946**	**12,498**	**29,448**	**13**	**92.6%**
Held-for-sale	4	125,781	7,470	406	355	51		
Development	6	777,712	67,768					
Loans	3	122,921	12,219	188	-	188		
Land	2		8,928					
Total	**142**	**7,587,088**	**$ 1,722,397**	**$ 42,540**	**$ 12,853**	**$ 29,687**		

Portfolio Performance - Medical Office Buildings

(dollars in thousands)

Total MOB Performance	2Q09	3Q09	4Q09	1Q10	2Q10
Properties*	102	105	107	125	127
Square feet*	4,521,488	5,099,505	5,247,016	6,454,888	6,560,674
Investment balance*	$ 1,197,255	$ 1,343,854	$ 1,389,082	$ 1,608,874	$ 1,626,012
Occupancy*	90.8%	91.2%	91.3%	92.6%	92.6%
Total revenue*	$ 31,541	$ 34,021	$ 35,365	$ 39,556	$ 41,946
Operating expenses*	$ 11,239	$ 12,153	$ 11,454	$ 12,513	$ 12,498
NOI from continuing operations*	$ 20,302	$ 21,868	$ 23,911	$ 27,043	$ 29,448
NOI from discontinued operations	$ 481	$ 415	$ 360	$ 303	$ 51
Total cap-ex / TI / LC	$ 2,733	$ 3,637	$ 5,025	$ 3,771	$ 5,060
Expired (square feet)*	129,024	121,312	241,266	171,825	96,094
Retained (square feet)*	107,647	74,882	208,792	160,306	62,060
Retention rate*	83.4%	61.7%	86.5%	93.3%	64.6%

Same Store Performance*	2Q09	3Q09	4Q09	1Q10	2Q10
Properties	102	102	102	102	102
Square feet	4,521,488	4,521,488	4,521,488	4,521,488	4,521,488
Investment balance	$ 1,197,255	$ 1,187,890	$ 1,181,293	$ 1,173,272	$ 1,168,103
Occupancy	90.8%	91.0%	91.5%	91.2%	91.2%
Total revenue	$ 31,541	$ 32,696	$ 31,750	$ 31,642	$ 31,730
Operating expenses	$ 11,239	$ 12,120	$ 10,919	$ 11,745	$ 11,390
NOI	$ 20,302	$ 20,576	$ 20,831	$ 19,897	$ 20,340

Remaining Lease Expirations*	2010	2011	2012	2013	2014
Square feet	161,892	418,895	564,250	429,236	477,364
% of total portfolio	2.5%	6.4%	8.6%	6.5%	7.3%

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

Portfolio Concentration - Medical Office Buildings

	Square Feet	% of Total
By Tenant*		
Aurora Health Care, Inc.	1,441,588	22.0%
Tenet Health Systems	279,304	4.3%
Baptist Health System, Inc	161,933	2.5%
United HealthCare Services, Inc	160,855	2.5%
Community Health Systems	159,382	2.4%
Remaining Portfolio	4,357,612	66.3%
Total	**6,560,674**	**100.0%**

*Excludes development, mortgages and held-for-sale properties.

	Properties	Square Feet	% of Total	Committed Balance ($000s)	Committed Balance per Square Foot
By Region*					
South Atlantic	48	1,591,698	21.0%	$ 403,386	$ 253
East North Central	21	1,571,982	20.7%	339,801	216
Middle Atlantic	14	1,072,915	14.1%	274,669	256
Pacific	13	911,736	12.0%	289,546	318
West South Central	17	899,973	11.9%	206,028	229
Mountain	15	699,907	9.2%	202,489	289
East South Central	11	610,335	8.0%	112,724	185
West North Central	3	228,542	3.1%	65,716	288
Total	**142**	**7,587,088**	**100.0%**	**$ 1,894,359**	**$ 250**

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

	Properties	Square Feet	% of Total	Committed Balance ($000s)	Committed Balance per Square Foot
By State					
Wisconsin	18	1,441,588	19.0%	$ 308,338	$ 214
Florida	27	969,999	12.8%	269,461	278
Texas	16	855,170	11.3%	194,438	227
New Jersey	6	698,395	9.2%	195,386	280
California	10	687,129	9.1%	203,351	296
Arizona	5	338,529	4.5%	87,329	258
Nevada	9	324,992	4.3%	108,441	334
Georgia	8	313,152	4.1%	70,307	225
Alabama	5	303,907	4.0%	40,370	133
New York	7	276,388	3.6%	57,180	207
Remaining portfolio	31	1,377,839	18.1%	359,758	261
Total	**142**	**7,587,088**	**100.0%**	**$ 1,894,359**	**$ 250**

Portfolio Composition - Life Science Buildings

(dollars in thousands; dollar amounts represent HCN's 49% ownership interest)

	1Q10A	2Q10A	3Q10A	4Q10A	1Q11A
Total Life Science Performance					
Properties	6	7			
Average age (years)	10	12			
Square feet	1,062,067	1,188,132			
Investment balance	$ 325,925	$ 352,385			
Occupancy	100.0%	100.0%			
Total revenues (1)	$ 3,725	$ 9,355			
Operating expenses	$ 1,101	$ 2,716			
NOI	$ 2,624	$ 6,639			
Depreciation and amortization	$ 775	$ 2,323			
Interest expense	$ 923	$ 2,114			
Asset management fee	$ 158	$ 374			
Net income (loss)	$ 768	$ 1,828			
Total cap-ex / TI / LC	$ -	$ -			

	Amount	Blended Interest Rate	Weighted Average Maturity
Secured Debt (2)			
Principal balance	$ 155,759	7.1%	3.7

	Square Feet	% of Total
By Tenant		
Millennium (Takeda)	628,934	52.9%
Alkermes	210,248	17.7%
Brigham & Women's Hospital	125,096	10.5%
Ariad Pharmaceuticals	100,361	8.4%
Novartis	70,475	5.9%
Genzyme	52,518	4.4%
Other Tenants	500	0.2%
Total (3)	1,188,132	100.0%

Notes:

(1) Include amortization of below market rents and straight-line rent of $975,000 for the three months ended June 30, 2010.
(2) Non-recourse debt to HCN, secured by the joint ventures' assets.
(3) Excludes two parking garages consisting of 1,709 spaces included in the Forest City Enterprises joint venture.

Development Activity

(dollars in thousands)

	Projects	Beds / Units / Square Feet	CIP Balance at 12/31/09	2010 YTD Funding	2010 YTD Conversions	CIP Balance at 6/30/10
Development Properties						
CCRC - entrance fee	1	288	$ 99,749	$ 11,685	$ (111,434)	$ -
Combination - entrance fee	1	144	49,543	5,447	(54,990)	-
Combination - rental	7	847	79,009	24,747	(91,406)	12,350
Freestanding dementia care	2	109	8,225	5,116	(11,430)	1,911
Hospital	4	262	189,416	69,646	(96,829)	162,233
Medical office	7	839,025	21,498	59,922	(13,652)	67,768
Sub-total	**22**		**$ 447,440**	**$ 176,563**	**$ (379,741)**	**$ 244,262**
Expansion Projects						
CCRC - entrance fee	4	23	$ 3,355	$ 1,167	$ (375)	$ 4,147
Combination - entrance fee	4	33	6,037	2,564	(1,127)	7,474
Sub-total	**8**		**9,392**	**3,731**	**(1,502)**	**11,621**
Total	**30**		**$ 456,832**	**$ 180,294**	**$ (381,243)**	**$ 255,883**

Development Funding Projections *

(dollars in thousands)

	Projects	Beds / Units / Square Feet	Initial Yield	Projected Future Funding: 2010 Funding	2011 Funding	Funding Thereafter	Unfunded Commitments	Committed Balances
Development Properties								
Combination - rental	2	324	8.5%	$ 10,656	$ 35,294	$ -	$ 45,950	$ 58,300
Freestanding dementia care	1	25	9.3%	2,176	14	-	2,190	4,100
Hospital	3	202	9.5%	86,716	1,826	-	88,542	250,775
Medical office	6	777,712	8.7%	72,223	86,196	13,543	171,962	239,730
Total	**12**			**$171,771**	**$123,330**	**$ 13,543**	**$ 308,644**	**$552,905**

Development Project Conversion Estimates*

(dollars in thousands)

Quarterly Conversions

	Amount	Projected Initial Cash Yields (1)
1Q10 actual	$ 162,727	7.2%
2Q10 actual (2)	217,014	9.2%
3Q10 estimate	36,165	9.3%
4Q10 estimate	26,000	11.0%
1Q11 estimate	63,200	8.8%
2Q11 estimate	279,775	9.2%
3Q11 estimate	-	0.0%
4Q11 estimate	58,300	8.5%
Total	**$ 843,181**	

Annual Conversions

	Amount	Projected Initial Cash Yields (1)
2010 estimate (2)	$ 441,906	8.4%
2011 estimate	401,275	9.0%
2012 estimate	89,465	8.3%
2013 estimate	-	0.0%
2014+ estimate	-	0.0%
Total	**$ 932,646**	

Notes:
* Excludes expansion projects
(1) Actual initial yields may be higher if the underlying market rates increase.
(2) Yields exclude a $111,434,000 CCRC project that converted in June but was in transition to a new operator as of June 30, 2010.

Unstabilized Properties

(dollars in thousands)

Property Type	3/31/10 Properties	Stabilized	Construction Conversions	Acquisitions/ Expansions/ Reclassifications	6/30/10 Properties
CCRC - entrance fee	3	0	0	0	3
CCRC - rental	2	0	1	0	3
Combination - entrance fee	7	0	0	0	7
Combination - rental	18	0	1	1	20
Freestanding assisted living	1	0	0	1	2
Freestanding dementia care	4	0	0	0	4
Freestanding skilled nursing	2	0	0	0	2
Long term acute care hospital	3	0	0	0	3
Acute care hospital	0	0	1	0	1
Total	**40**	**0**	**3**	**2**	**45**

Property Type	6/30/10 Properties	Beds / Units	Investment Balance	% of Total Investment
CCRC - entrance fee	3	643	$ 207,097	3.0%
CCRC - rental	3	1,017	195,792	2.8%
Combination - entrance fee	7	1,162	323,835	4.7%
Combination - rental	20	2,559	435,297	6.3%
Freestanding assisted living	2	157	22,744	0.3%
Freestanding dementia care	4	228	36,291	0.5%
Freestanding skilled nursing	2	240	32,679	0.6%
Long term acute care hospital	3	152	43,121	0.6%
Acute care hospital	1	60	97,913	1.4%
Total	**45**	**6,218**	**$ 1,394,769**	**20.2%**

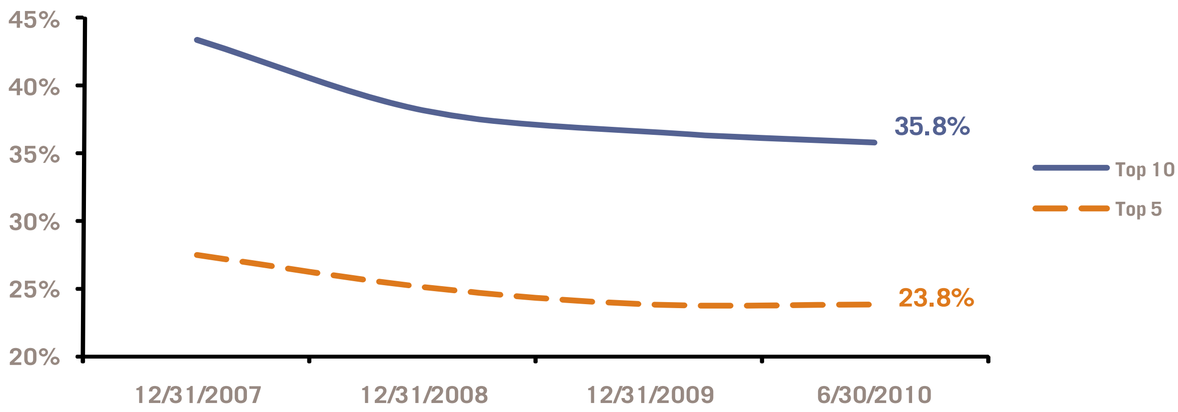
Occupancy	3/31/10 Properties	Stabilized	Construction Conversions	Acquisitions/ Expansions	Progressions/ Reclassification	6/30/10 Properties
0 - 50%	30	0	3	0	(4)	29
50% - 70%	6	0	0	2	4	12
70% +	4	0	0	0	0	4
Total	**40**	**0**	**3**	**2**	**0**	**45**

Occupancy	6/30/10 Properties	Months In Operation	Revenues	% of Total Revenues (1)	Investment Balance	% of Total Investment
0 - 50%	29	13	$ 69,370	11.4%	$ 952,425	13.7%
50% - 70%	12	24	24,249	4.0%	286,794	4.2%
70% +	4	42	13,451	2.2%	155,550	2.3%
Total	**45**	**19**	**$ 107,070**	**17.6%**	**$ 1,394,769**	**20.2%**

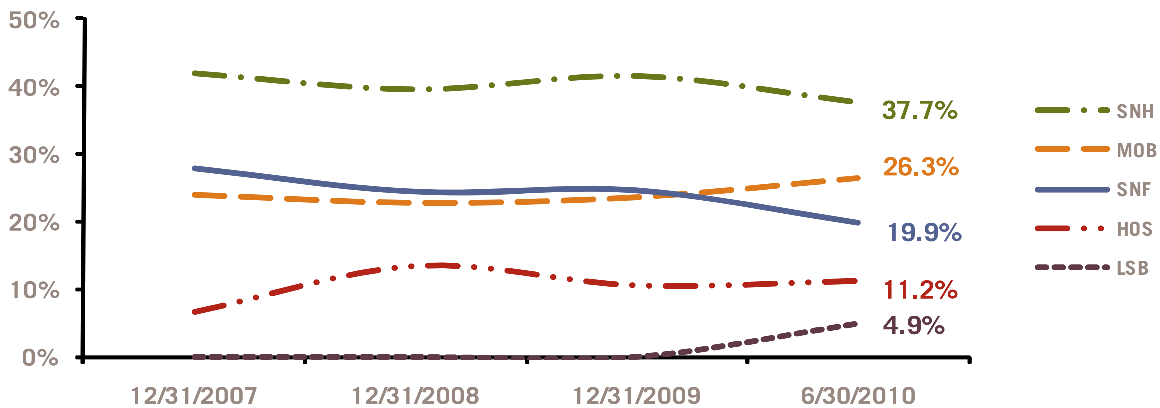
Notes:
(1) Includes annualized revenues as presented on page 13.

Portfolio Trends

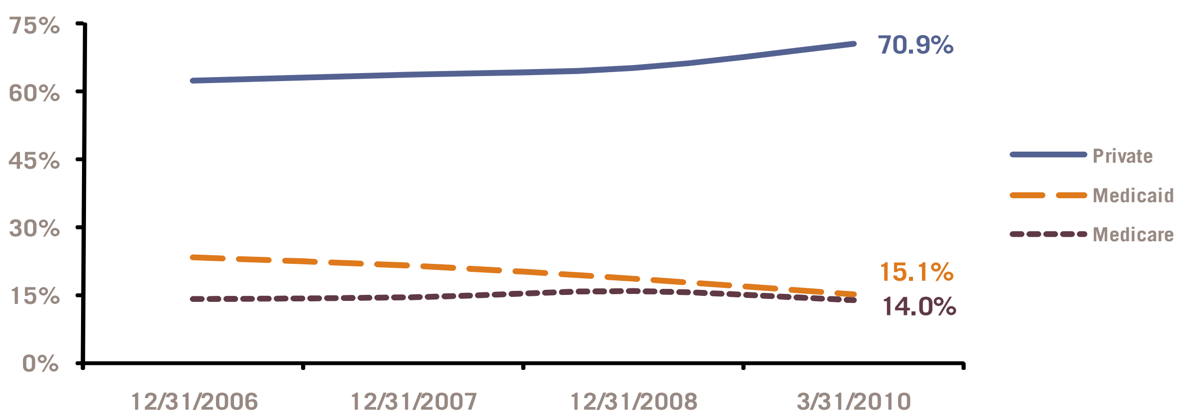
Customer Concentration Trend (1)



Property Type Trend (2)



Payor Mix Trend (3)



Notes:
(1) Customer 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 but excluding properties under construction.

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.

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.

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.

Life Science: Life science buildings are laboratory and office facilities, often located near universities, specifically constructed and designed for use by biotechnology and pharmaceutical companies.

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.

Senior Housing: Includes freestanding independent living, assisted living or dementia care properties as well as combination properties with multiple service levels on one campus. May also include CCRCs or properties that require an entrance fee.

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.

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

Stable: A property is considered stable (versus unstabilized or under development) when it has achieved payment coverage after management fees (CAMF) of 1.10x or greater for three consecutive months or, if targeted performance has not been achieved, 12 months following the budgeted stabilization date. Entrance fee communities are considered stable after achieving aggregate property occupancy of 80% or more.

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 certain items detailed on page 13. 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 certain items detailed on page 13. The company believes that normalized FFO and normalized FAD are useful supplemental measures of operating performance because investors and equity analysts may use these measures to compare the operating performance of the company between periods or as compared to other REITs or other companies on a consistent basis without having to account for differences caused by unanticipated and/or incalculable 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.

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