FOR IMMEDIATE RELEASE

HCP ANNOUNCES RESULTS FOR QUARTER ENDED JUNE 30, 2012

HIGHLIGHTS

- -- FFO per share was $0.69; FAD per share was $0.56; and earnings per share was $0.48
- -- Year-over-year three- and six-month cash NOI SPP increased 3.1% and 3.9%, respectively
- -- Executed $559 million of investment transactions through July 2012:
  - £137 million ($215 million) UK debt investment with a yield to maturity of 12.5%
  - $81 million for eight on-campus MOBs from Scottsdale Healthcare
  - $179 million for 12 on-campus MOBs from The Boyer Company in a DownREIT transaction
  - $84 million of other acquisitions and capital investments
- -- Completed $891 million of capital raising transactions through July 2012:
  - $376 million of common stock
  - $300 million ten-year 3.15% senior unsecured notes
  - £137 million ($215 million) four-year 1.81% unsecured term loan
- -- Raised full-year 2012 guidance as follows: FFO as adjusted to a range of $2.73 to $2.79 per share; FAD to a range of $2.18 to $2.24 per share; and cash NOI SPP to a range of 3.5% to 4.5%
- -- Earned 7 ENERGY STAR certifications in our senior housing, medical office and life science segments and achieved Platinum LEED status on one of our life science properties

LONG BEACH, CA, July 31, 2012 – HCP (the "Company" or "we") (NYSE:HCP) announced results for the quarter ended June 30, 2012 as follows (in thousands, except per share amounts):

	Three Months Ended June 30, 2012		Three Months Ended June 30, 2011		Per Share
	Amount	Per Share	Amount	Per Share	Change
FFO	$ 293,621	$ 0.69	$ 317,911	$ 0.78	$ (0.09)
Merger-related items[1]	—	—	(5,712)	(0.01)	0.01
FFO as adjusted	$ 293,621	$ 0.69	$ 312,199	$ 0.77	$ (0.08)
FAD	$ 234,851	$ 0.56	$ 251,875	$ 0.62	$ (0.06)
Net income applicable to common shares	$ 201,467	$ 0.48	$ 222,993	$ 0.55	$ (0.07)

(1) Merger-related items were attributable to the HCR ManorCare acquisition, which closed on April 7, 2011.

Operating results for the quarter ended June 30, 2012 include the positive impact of $0.02 per share resulting from a $7 million insurance recovery of past G&A expenses. In addition to the merger-related items disclosed above, operating results for the quarter ended June 30, 2011 include the positive impact of $0.10 per share for the following: (i) interest income of $0.09 per share or $35 million from the early payoff of our Genesis debt investments; and (ii) other income of $0.01 per share or $6 million received in connection with a litigation settlement that represents proceeds owed to the Company from a prior sale of assets.

FFO, FFO as adjusted and FAD are supplemental non-GAAP financial measures that the Company believes are useful in evaluating the operating performance of real estate investment trusts. See the "Funds From

Operations” section of this release for additional information regarding FFO and FFO as adjusted and the “Funds Available for Distribution” section of this release for additional information regarding FAD.

INVESTMENT TRANSACTIONS

On June 28, 2012, we made an investment in senior unsecured notes with an aggregate par value of £138.5 million at a discount for £136.8 million (approximately $215 million), as part of the financing for Terra Firma’s £825 million acquisition of Four Seasons Health Care (“Four Seasons”), the largest elderly and specialist care provider in the United Kingdom with 445 care homes and 61 specialist care centers. The notes mature in June 2020 and are non-callable until June 2016. The notes bear interest on their par value at a fixed rate of 12.25% per annum, with an original discount resulting in a yield to maturity of 12.5%. Terra Firma, a leading European private equity firm, provided £345 million in equity financing, resulting in a loan-to-capitalization of 62% for the Four Seasons notes. The £136.8 million for this investment is funded by a GBP denominated term loan that serves as a natural hedge and is discussed below.

During the quarter, we made additional investments of $70 million as follows: (i) acquisition of a life science facility for $8 million; (ii) acquisition of a parcel of land adjacent to one of our hospitals for $3 million; and (iii) funding of development and other capital projects of $59 million, primarily in our life science, medical office and senior housing segments.

On July 30, 2012, we acquired an 80,000 sq. ft. on-campus medical office building (“MOB”) for $14 million.

On July 30, 2012, we executed agreements to acquire eight on-campus MOBs for $81 million from Scottsdale Healthcare. The eight on-campus MOBs located in Scottsdale, Arizona comprise approximately 398,000 rentable sq. ft. and have a current occupancy of 89%. We expect to close this acquisition early August 2012.

On July 30, 2012, we executed agreements to acquire a portfolio of 12 MOBs from The Boyer Company valued at $179 million, including non-managing member LLC units (“DownREIT units”) and debt valued at $41 million and $59 million, respectively; the MOBs are primarily located on the campuses of HCA, Iasis Healthcare and Community Health Systems and comprise 758,000 sq. ft. with a current occupancy of 88%. We expect to close this acquisition on or before August 31, 2012.

FINANCING ACTIVITY

In June 2012, we completed a $376 million offering of 8.97 million shares of common stock at $41.88 per share.

On July 23, 2012, we issued $300 million of 3.15% senior unsecured notes due in 2022. The notes were priced at 98.888% of the principal amount with an effective yield to maturity of 3.28%. Net proceeds from this offering were $293.7 million.

On July 30, 2012, we entered into a credit agreement with a syndicate of banks for a £137 million four-year unsecured term loan (the “Loan”) that accrues interest at a rate of GBP LIBOR plus 1.20%. Concurrent with the closing of the Loan, we entered into a four-year interest rate swap agreement that fixes the rate of the Loan at 1.81%, subject to adjustments based on our credit ratings.

SUSTAINABILITY

During the quarter, we earned seven ENERGY STAR awards in our senior housing (4), life science (2) and medical office (1) segments and achieved Platinum LEED status on one of our recently completed life science redevelopment properties in San Diego as a result of the Company’s energy conservation programs. As of June 30, 2012, our medical office, life science and senior housing segments have been awarded 75 ENERGY STAR labels. Further, in June 2012, we completed our first response to the Carbon Disclosure Project’s 2012 Investor questionnaire as well as our response to the 2012 Global Real Estate Sustainability Benchmark survey sponsored by NAREIT. More information about HCP’s sustainability efforts can be found on our website at www.hcpi.com.

DIVIDEND

On July 26, 2012, we announced that our Board of Directors declared a quarterly cash dividend of $0.50 per common share. The dividend will be paid on August 21, 2012 to stockholders of record as of the close of business on August 6, 2012.

OUTLOOK

For the full year 2012, we expect FFO applicable to common shares to range between $2.70 and $2.76 per share; FFO as adjusted applicable to common shares to range between $2.73 and $2.79 per share; FAD applicable to common shares to range between $2.18 and $2.24 per share; and net income applicable to common shares to range between $1.83 and $1.89 per share. See the “Projected Future Operations” section of this release for additional information regarding these estimates.

COMPANY INFORMATION

HCP has scheduled a conference call and webcast for Tuesday, July 31, 2012 at 9:00 a.m. Pacific Time (12:00 p.m. Eastern Time) in order to present the Company’s performance and operating results for the quarter ended June 30, 2012. The conference call is accessible by dialing (877) 724-7556 (U.S.) or (706) 645-4695 (International). The participant passcode is 96926459. The webcast is accessible via the Company’s website at www.hcpi.com. This link can be found on the “Event Calendar” page, which is under the “Investor Relations” tab. Through August 14, 2012, an archive of the webcast will be available on our website and a telephonic replay can be accessed by calling (855) 859-2056 (U.S.) or (404) 537-3406 (International) and entering passcode 96926459. The Company’s supplemental information package for the current period will also be available on the Company’s website in the “Presentations” section of the “Investor Relations” tab.

ABOUT HCP

HCP, Inc. is a fully integrated real estate investment trust (REIT) that invests primarily in real estate serving the healthcare industry in the United States. The Company’s portfolio of assets is diversified among five distinct sectors: senior housing, post-acute/skilled nursing, life science, medical office and hospitals. A publicly traded company since 1985, HCP: (i) was the first healthcare REIT selected to the S&P 500 index; (ii) has increased its dividend per share for 27 consecutive years; and (iii) is the only REIT included in the S&P 500 Dividend Aristocrats index. For more information regarding HCP, visit the Company’s website at www.hcpi.com.

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FORWARD-LOOKING STATEMENTS

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: The statements contained in this release which are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include among other things, net income applicable to common shares on a diluted basis, FFO applicable to common shares on a diluted basis, FFO as adjusted applicable to common shares on a diluted basis and FAD applicable to common shares on a diluted basis for the full year of 2012. These statements are made as of the date hereof, are not guarantees of future performance and are subject to known and unknown risks, uncertainties, assumptions and other factors—many of which are out of the Company and its management's control and difficult to forecast—that could cause actual results to differ materially from those set forth in or implied by such forward-looking statements. These risks and uncertainties include but are not limited to: national and local economic conditions; continued volatility in the capital markets, including changes in interest rates and the availability and cost of capital, which changes and volatility affect opportunities for profitable investments; the Company's ability to access external sources of capital when desired and on reasonable terms; the Company's ability to manage its indebtedness levels; changes in the terms of the Company's indebtedness; the Company's ability to maintain its credit ratings; the potential impact of existing and future litigation matters, including the possibility of larger than expected litigation costs and related developments; the Company's ability to successfully integrate the operations of acquired companies; risks associated with the Company's investments in joint ventures and unconsolidated entities, including its lack of sole decision-making authority and its reliance on its joint venture partners' financial condition and continued cooperation; competition for lessees and mortgagors (including new leases and mortgages and the renewal or rollover of existing leases); the Company's ability to reposition its properties on the same or better terms if existing leases are not renewed or the Company exercises its right to replace an existing operator or tenant upon default; continuing reimbursement uncertainty in the post-acute/skilled nursing segment; competition in the senior housing segment specifically and in the healthcare industry in general; the ability of the Company's operators and tenants from its senior housing segment to maintain or increase their occupancy levels and revenues; the ability of the Company's lessees and mortgagors to maintain the financial strength and liquidity necessary to satisfy their respective obligations to the Company and other third parties; the bankruptcy, insolvency or financial deterioration of the Company's operators, lessees, borrowers or other obligors; changes in healthcare laws and regulations, including the impact of future or pending healthcare reform, and other changes in the healthcare industry which affect the operations of the Company's lessees or obligors, including changes in the federal budget resulting in the reduction or nonpayment of Medicare or Medicaid reimbursement rates; the Company's ability to recruit and retain key management personnel; costs of compliance with regulations and environmental laws affecting the Company's properties; changes in tax laws and regulations; changes in the financial position or business strategies of HCR ManorCare; the Company's ability and willingness to maintain its qualification as a REIT due to economic, market, legal, tax or other considerations; changes in rules governing financial reporting, including new accounting pronouncements; and other risks described from time to time in the Company's Securities and Exchange Commission filings. The Company assumes no, and hereby disclaims any, obligation to update any of the foregoing or any other forward-looking statements as a result of new information or new or future developments, except as otherwise required by law.

CONTACT

Timothy M. Schoen
Executive Vice President and Chief Financial Officer
562-733-5309

HCP, Inc.

Consolidated Balance Sheets

In thousands, except share and per share data
(Unaudited)

	June 30, 2012	December 31, 2011
Assets		
Real estate:		
Buildings and improvements	$ 8,994,048	$ 8,933,278
Development costs and construction in progress	204,018	190,590
Land	1,734,469	1,729,677
Accumulated depreciation and amortization	(1,614,148)	(1,472,272)
Net real estate	9,318,387	9,381,273
Net investment in direct financing leases	6,804,929	6,727,777
Loans receivable, net	125,521	110,253
Investments in and advances to unconsolidated joint ventures	219,877	224,052
Accounts receivable, net of allowance of $1,696 and $1,341, respectively	25,974	26,681
Cash and cash equivalents	169,636	33,506
Restricted cash	42,782	41,553
Intangible assets, net	347,670	373,763
Real estate held for sale, net	—	4,159
Other assets, net	734,992	485,458
Total assets	$ 17,789,768	$ 17,408,475
Liabilities and equity		
Bank line of credit	$ 215,015	$ 454,000
Senior unsecured notes	5,615,979	5,416,063
Mortgage debt	1,726,944	1,764,571
Other debt	84,060	87,985
Intangible liabilities, net	114,939	124,142
Accounts payable and accrued liabilities	273,344	275,478
Deferred revenues	68,548	65,614
Total liabilities	8,098,829	8,187,853
Preferred stock, $1.00 par value: aggregate liquidation preference of $295.5 million as of December 31, 2011	—	285,173
Common stock, $1.00 par value: 750,000,000 shares authorized; 429,401,611 and 408,629,444 shares issued and outstanding, respectively	429,402	408,629
Additional paid-in capital	10,159,580	9,383,536
Cumulative dividends in excess of earnings	(1,062,049)	(1,024,274)
Accumulated other comprehensive loss	(19,703)	(19,582)
Total stockholders' equity	9,507,230	9,033,482
Joint venture partners	15,855	16,971
Non-managing member unitholders	167,854	170,169
Total noncontrolling interests	183,709	187,140
Total equity	9,690,939	9,220,622
Total liabilities and equity	$ 17,789,768	$ 17,408,475

HCP, Inc.

Consolidated Statements of Income

In thousands, except per share data
(Unaudited)

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Revenues:				
Rental and related revenues	$ 248,627	$ 260,157	$ 492,962	$ 513,238
Tenant recoveries	23,581	22,441	46,231	45,885
Resident fees and services	35,569	835	71,748	3,340
Income from direct financing leases	154,976	143,662	309,511	157,057
Interest income	1,216	60,526	2,035	98,622
Investment management fee income	470	504	963	1,111
Total revenues	464,439	488,125	923,450	819,253
Costs and expenses:				
Interest expense	103,225	105,129	207,793	213,705
Depreciation and amortization	87,924	89,814	176,165	180,996
Operating	70,087	46,615	137,436	93,460
General and administrative	14,812	34,872	34,914	56,824
Total costs and expenses	276,048	276,430	556,308	544,985
Other income, net	1,028	7,518	1,464	17,827
Income before income taxes and equity income from unconsolidated joint ventures	189,419	219,213	368,606	292,095
Income taxes	(176)	(248)	533	(285)
Equity income from unconsolidated joint ventures	15,732	14,950	29,407	15,748
Income from continuing operations	204,975	233,915	398,546	307,558
Discontinued operations:				
Income before gain on sales of real estate, net of income taxes	—	337	137	678
Gain on sales of real estate, net of income taxes	—	—	2,856	—
Total discontinued operations	—	337	2,993	678
Net income	204,975	234,252	401,539	308,236
Noncontrolling interests' share in earnings	(2,951)	(5,493)	(6,135)	(9,384)
Net income attributable to HCP, Inc.	202,024	228,759	395,404	298,852
Preferred stock dividends	—	(5,283)	(17,006)	(10,566)
Participating securities' share in earnings	(557)	(483)	(1,674)	(1,347)
Net income applicable to common shares	$ 201,467	$ 222,993	$ 376,724	$ 286,939
Basic earnings per common share:				
Continuing operations	$ 0.48	$ 0.55	$ 0.90	$ 0.74
Discontinued operations	—	—	0.01	—
Net income applicable to common shares	$ 0.48	$ 0.55	$ 0.91	$ 0.74
Diluted earnings per common share:				
Continuing operations	$ 0.48	$ 0.55	$ 0.90	$ 0.73
Discontinued operations	—	—	—	—
Net income applicable to common shares	$ 0.48	$ 0.55	$ 0.90	$ 0.73
Weighted average shares used to calculate earnings per common share:				
Basic	420,468	406,193	415,243	389,249
Diluted	421,671	411,710	416,666	391,100

HCP, Inc.

Consolidated Statements of Cash Flows

In thousands
(Unaudited)

	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Cash flows from operating activities:		
Net income	$ 401,539	$ 308,236
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of real estate, in-place lease and other intangibles:		
Continuing operations	176,165	180,996
Discontinued operations	35	476
Amortization of above and below market lease intangibles, net	(1,322)	(2,093)
Amortization of deferred compensation	11,407	10,205
Amortization of deferred financing costs, net	8,459	18,402
Straight-line rents	(21,787)	(32,912)
Loan and direct financing lease interest accretion	(48,159)	(41,858)
Deferred rental revenues	1,169	(1,077)
Equity income from unconsolidated joint ventures	(29,407)	(15,748)
Distributions of earnings from unconsolidated joint ventures	1,878	1,569
Gain on sales of real estate	(2,856)	—
Gain upon consolidation of joint venture	—	(7,769)
Gain upon settlement of loans receivable	—	(22,812)
Derivative gains, net	(52)	(3,308)
Changes in:		
Accounts receivable, net	708	8,822
Other assets	(8,188)	(4,010)
Accounts payable and accrued liabilities	(6,038)	35,696
Net cash provided by operating activities	483,551	432,815
Cash flows from investing activities:		
Cash used in the HCR ManorCare Acquisition, net of cash acquired	—	(3,801,624)
Cash used in the HCP Ventures II purchase, net of cash acquired	—	(135,550)
Other acquisitions and development of real estate	(62,860)	(148,032)
Leasing costs and tenant and capital improvements	(27,112)	(20,940)
Proceeds from sales of real estate, net	7,238	—
Purchase of an interest in unconsolidated joint ventures	—	(95,000)
Distributions in excess of earnings from unconsolidated joint ventures	1,529	1,558
Principal repayments on loans receivable	4,508	303,720
Investments in loans receivable	(20,757)	(360,932)
Increase in restricted cash	(1,229)	(7,851)
Purchase of marketable debt securities	(214,859)	—
Net cash used in investing activities	(313,542)	(4,264,651)
Cash flows from financing activities:		
Net repayments under bank line of credit	(238,985)	—
Repayments of mortgage and other debt	(42,538)	(141,684)
Issuance of senior unsecured notes	450,000	2,400,000
Repayment of senior unsecured notes	(250,000)	—
Deferred financing costs	(10,236)	(42,852)
Preferred stock redemption	(295,500)	—
Net proceeds from the issuance of common stock and exercise of options	783,137	1,281,575
Dividends paid on common and preferred stock	(422,852)	(384,915)
Issuance (purchase) of noncontrolling interests	873	(33,618)
Distributions to noncontrolling interests	(7,778)	(7,166)
Net cash provided by (used in) financing activities	(33,879)	3,071,340
Net increase (decrease) in cash and cash equivalents	136,130	(760,496)
Cash and cash equivalents, beginning of period	33,506	1,036,701
Cash and cash equivalents, end of period	$ 169,636	$ 276,205

HCP, Inc.

Funds From Operations[1]

In thousands, except per share data
(Unaudited)

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Net income applicable to common shares	$ 201,467	$ 222,993	$ 376,724	$ 286,939
Depreciation and amortization of real estate, in-place lease and other intangibles:				
Continuing operations	87,924	89,814	176,165	180,996
Discontinued operations	—	238	35	476
Direct financing lease ("DFL") depreciation	3,142	2,633	6,192	3,005
Gain on sales of real estate	—	—	(2,856)	—
Gain upon consolidation of joint venture	—	270	—	(7,769)
Equity income from unconsolidated joint ventures	(15,732)	(14,950)	(29,407)	(15,748)
FFO from unconsolidated joint ventures	18,275	17,519	34,452	20,834
Noncontrolling interests' and participating securities' share in earnings	3,508	5,976	7,809	10,731
Noncontrolling interests' and participating securities' share in FFO	(4,963)	(6,582)	(10,691)	(11,806)
FFO applicable to common shares	$ 293,621	$ 317,911	$ 558,423	$ 467,658
Distributions on dilutive convertible units	3,127	2,964	6,249	6,018
Diluted FFO applicable to common shares	$ 296,748	$ 320,875	$ 564,672	$ 473,676
Diluted FFO per common share	$ 0.69	$ 0.78	$ 1.34	$ 1.19
Weighted average shares used to calculate diluted FFO per share	427,496	413,996	422,507	397,060
Impact of adjustments to FFO:				
Preferred stock redemption charge	—	—	10,432[2]	—
Merger-related items	—	(5,712)	—	26,596[3]
	$ —	$ (5,712)	$ 10,432	$ 26,596
FFO as adjusted applicable to common shares	$ 293,621	$ 312,199	$ 568,855	$ 494,254
Distributions on dilutive convertible units and other	3,127	2,975	6,218	5,915
Diluted FFO as adjusted applicable to common shares	$ 296,748	$ 315,174	$ 575,073	$ 500,169
Per common share impact of adjustments on diluted FFO	$ —	$ (0.01)	$ 0.02[2]	$ 0.16[3]
Diluted FFO as adjusted per common share	$ 0.69	$ 0.77	$ 1.36	$ 1.35
Weighted average shares used to calculate diluted FFO as adjusted per share	427,496	408,985	422,507	371,004

(1) We believe Funds From Operations ("FFO") is an important supplemental measure of operating performance for a REIT. Because the historical cost accounting convention used for real estate assets utilizes straight-line depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen and fallen with market conditions, presentations of operating results for a REIT that use historical cost accounting for depreciation could be less informative. The term FFO was designed by the REIT industry to address this issue. FFO is defined as net income applicable to common shares (computed in accordance with U.S. generally accepted accounting principles or "GAAP"), excluding gains or losses from acquisition and dispositions of depreciable real estate or related interests, impairments of, or related to, depreciable real estate, plus real estate and DFL depreciation and amortization, with adjustments for joint ventures. Adjustments for joint ventures are calculated to reflect FFO on the same basis. FFO does not represent cash generated from operating activities determined in accordance with GAAP, is not necessarily indicative of cash available to fund cash needs and should not be considered an alternative to net income. Our computation of FFO may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current National Association of Real Estate Investment Trusts' ("NAREIT") definition or that have a different interpretation of the current NAREIT definition from us. In addition, we present FFO before the impact of litigation settlement charges, preferred stock redemption charges, impairments (recoveries) of non-depreciable assets and merger-related items ("FFO as adjusted"). Management believes FFO as adjusted is a useful alternative measurement. This measure is a modification of the NAREIT definition of FFO and should not be used as an alternative to net income (determined in accordance with GAAP).

(2) In connection with the redemption of our preferred stock, we incurred a one-time, non-cash redemption charge of $10.4 million or $0.02 per share related to the original issuance costs of the preferred stock.

(3) $26.6 million or $0.16 per share of merger-related items attributable to the HCR ManorCare acquisition, which closed on April 7, 2011.

HCP, Inc.

Funds Available for Distribution[1]

In thousands, except per share data
(Unaudited)

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
FFO as adjusted applicable to common shares	$ 293,621	$ 312,199	$ 568,855	$ 494,254
Amortization of above and below market lease intangibles, net	(625)	(1,187)	(1,322)	(2,093)
Amortization of deferred compensation	6,034	5,103	11,407	10,205
Amortization of deferred financing costs, net	3,930	3,391	8,459	6,349
Straight-line rents	(11,860)	(15,612)	(21,787)	(32,912)
DFL accretion[2]	(22,017)	(22,262)	(47,639)	(24,937)
DFL depreciation	(3,141)	(2,633)	(6,191)	(3,005)
Deferred revenues – tenant improvement related	(346)	(767)	(833)	(1,643)
Deferred revenues – additional rents (SAB 104)	(324)	(1,416)	2,002	566
Leasing costs and tenant and capital improvements	(18,181)	(11,447)	(27,112)	(20,940)
Joint venture and other FAD adjustments[2]	(12,240)	(13,494)	(26,665)	(14,347)
FAD applicable to common shares	$ 234,851	$ 251,875	$ 459,174	$ 411,497
Distributions on dilutive convertible units	1,791	2,964	3,577	2,616
Diluted FAD applicable to common shares	$ 236,642	$ 254,839	$ 462,751	$ 414,113
Diluted FAD per common share	$ 0.56	$ 0.62	$ 1.10	$ 1.12
Weighted average shares used to calculate diluted FAD per common share	425,238	408,985	420,236	368,704

(1) Funds Available for Distribution ("FAD") is defined as FFO as adjusted after excluding the impact of the following: (i) amortization of acquired above/below market lease intangibles, net; (ii) amortization of deferred compensation expense; (iii) amortization of deferred financing costs, net; (iv) straight-line rents; (v) accretion and depreciation related to DFLs; and (vi) deferred revenues. Further, FAD is computed after deducting recurring capital expenditures, including leasing costs and second generation tenant and capital improvements and includes similar adjustments to compute the Company's share of FAD from its unconsolidated joint ventures. Other REITs or real estate companies may use different methodologies for calculating FAD, and accordingly, our FAD may not be comparable to those reported by other REITs. Although our FAD computation may not be comparable to that of other REITs, management believes FAD provides a meaningful supplemental measure of our ability to fund its ongoing dividend payments. In addition, management believes that in order to further understand and analyze our liquidity, FAD should be compared with cash flows as determined in accordance with GAAP and presented in its consolidated financial statements. FAD does not represent cash generated from operating activities determined in accordance with GAAP, and FAD should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP), or as a measure of our liquidity.

(2) For the three and six months ended June 30, 2012, DFL accretion reflects an elimination of $14.8 million and $29.5 million, respectively. For both the three and six months ended June 30, 2011, DFL accretion reflects an elimination of $13.3 million. Our ownership interest in HCR ManorCare OpCo is accounted for using the equity method, which requires an ongoing elimination of DFL income that is proportional to our ownership in HCR ManorCare OpCo. Further, our share of earnings from HCR ManorCare OpCo (equity income) increases for the corresponding elimination of related lease expense recognized at the HCR ManorCare OpCo level, which we present as a non-cash joint venture FAD adjustment.

HCP, Inc.

Net Operating Income and Same Property Performance(1)(2)

Dollars in thousands
(Unaudited)

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Net income	$ 204,975	$ 234,252	$ 401,539	$ 308,236
Interest income	(1,216)	(60,526)	(2,035)	(98,622)
Investment management fee income	(470)	(504)	(963)	(1,111)
Interest expense	103,225	105,129	207,793	213,705
Depreciation and amortization	87,924	89,814	176,165	180,996
General and administrative	14,812	34,872	34,914	56,824
Other income, net	(1,028)	(7,518)	(1,464)	(17,827)
Income taxes	176	248	(533)	285
Equity income from unconsolidated joint ventures	(15,732)	(14,950)	(29,407)	(15,748)
Total discontinued operations, net of income taxes	—	(337)	(2,993)	(678)
NOI(1)	$ 392,666	$ 380,480	$ 783,016	$ 626,060
Straight-line rents	(11,860)	(15,612)	(21,787)	(32,912)
DFL accretion	(22,017)	(22,262)	(47,639)	(24,937)
Amortization of above and below market lease intangibles, net	(625)	(1,187)	(1,322)	(2,093)
Lease termination fees	(251)	(1,589)	(399)	(3,178)
NOI adjustments related to discontinued operations	—	—	148	—
Adjusted NOI(1)	$ 357,913	$ 339,830	$ 712,017	$ 562,940
Non-SPP adjusted NOI	(133,111)	(121,783)	(268,665)	(136,273)
Same property portfolio adjusted NOI(2)	$ 224,802	$ 218,047	$ 443,352	$ 426,667
Adjusted NOI % change – SPP(2)	3.1%		3.9%	

(1) We believe Net Operating Income from Continuing Operations ("NOI") provides investors relevant and useful information because it reflects only income and operating expense items that are incurred at the property level and presents them on an unleveraged basis. We use NOI and adjusted NOI to make decisions about resource allocations, to assess and compare property level performance, and evaluate SPP. We believe that net income is the most directly comparable GAAP measure to NOI. NOI should not be viewed as an alternative measure of operating performance to net income (determined in accordance with GAAP) since it excludes certain components from net income. Further, NOI may not be comparable to that of other REITs, as they may use different methodologies for calculating NOI.

NOI is defined as rental and related revenues, including tenant recoveries, resident fees and services, and income from DFLs, less property level operating expenses. NOI excludes interest income, investment management fee income, interest expense, depreciation and amortization, general and administrative expenses, litigation settlement, impairments, impairment recoveries, other income, net, income taxes, equity income from and impairments of unconsolidated joint ventures, and discontinued operations. Adjusted NOI is calculated as NOI eliminating the effects of straight-line rents, DFL accretion, amortization of above and below market lease intangibles, and lease termination fees. Adjusted NOI is sometimes referred to as "cash NOI."

(2) Same property portfolio ("SPP") statistics allow management to evaluate the performance of the Company's real estate portfolio under a consistent population, which eliminates the changes in the composition of the Company's portfolio of properties. The Company identifies its SPP as stabilized properties that remained in operations and were consistently reported as leased properties or operating properties (RIDEA) for the duration of the year-over-year comparison periods presented. Accordingly, it takes a stabilized property a minimum of 12 months in operations under a consistent reporting structure to be included in the Company's SPP. SPP NOI excludes certain non-property specific operating expenses that are allocated to each operating segment on a consolidated basis.

HCP, Inc.

Projected Future Operations[1]
(Unaudited)

	2012	
	Low	High
Diluted earnings per common share	$ 1.83	$ 1.89
Real estate depreciation and amortization	0.84	0.84
DFL depreciation	0.03	0.03
Gain on sales of real estate	(0.01)	(0.01)
Joint venture FFO adjustments	0.01	0.01
Diluted FFO per common share	$ 2.70	$ 2.76
Preferred stock redemption charge	0.03	0.03
Diluted FFO as adjusted per common share	$ 2.73	$ 2.79
Amortization of net below market lease intangibles and deferred revenues	(0.01)	(0.01)
Amortization of deferred compensation	0.05	0.05
Amortization of deferred financing costs, net	0.04	0.04
Straight-line rents	(0.10)	(0.10)
DFL accretion[2]	(0.23)	(0.23)
DFL depreciation	(0.03)	(0.03)
Leasing costs and tenant and capital improvements	(0.14)	(0.14)
Joint venture and other FAD adjustments[2]	(0.13)	(0.13)
Diluted FAD per common share	$ 2.18	$ 2.24

(1) Except as otherwise noted above, the foregoing projections reflect management's view of current and future market conditions, including assumptions with respect to rental rates, occupancy levels, development items and the earnings impact of the events referenced in this release. Except as otherwise noted, these estimates do not reflect the potential impact of future dispositions, other impairments or recoveries, the future bankruptcy or insolvency of our operators, lessees, borrowers or other obligors, the effect of any future restructuring of our contractual relationships with such entities, gains or losses on marketable securities, ineffectiveness related to our cash flow hedges, or existing and future litigation matters including the possibility of larger than expected litigation costs and related developments. There can be no assurance that our actual results will not differ materially from the estimates set forth above. The aforementioned ranges represent management's best estimate of results based upon the underlying assumptions as of the date of this press release. Except as otherwise required by law, management assumes no, and hereby disclaims any, obligation to update any of the foregoing projections as a result of new information or new or future developments.

(2) Our ownership interest in HCR ManorCare OpCo is accounted for using the equity method, which requires an ongoing elimination of DFL income that is proportional to our ownership in HCR ManorCare OpCo. Further, our share of earnings from HCR ManorCare OpCo (equity income) increases for the corresponding elimination of related lease expense recognized at the HCR ManorCare OpCo level, which we present as a non-cash joint venture FAD adjustment.

Supplemental Information
June 30, 2012
(Unaudited)

Palm Harbor, FL

Olympia Fields, IL

San Diego, CA

Nashville, TN

Table of Contents

Company Information[1]

Board of Directors

James F. Flaherty III
Chairman and Chief Executive Officer
HCP, Inc.

Christine N. Garvey
Former Global Head of Corporate
Real Estate Services, Deutsche Bank AG

David B. Henry
Vice Chairman, President and Chief
Executive Officer, Kimco Realty Corporation

Lauralee E. Martin
Chief Operating and Financial Officer
Jones Lang LaSalle Incorporated

Michael D. McKee
Chief Executive Officer
Bentall Kennedy U.S., L.P.

Peter L. Rhein
Partner, Sarlot & Rhein

Kenneth B. Roath
Chairman Emeritus, HCP, Inc.

Joseph P. Sullivan
Chairman Emeritus of the Board of Advisors
RAND Health

Senior Management

James F. Flaherty III
Chairman and
Chief Executive Officer

Jonathan M. Bergschneider
Executive Vice President
Life Science Estates

Paul F. Gallagher
Executive Vice President and
Chief Investment Officer

Edward J. Henning
Executive Vice President

Thomas D. Kirby
Executive Vice President
Acquisitions and Valuations

Thomas M. Klaritch
Executive Vice President
Medical Office Properties

James W. Mercer
Executive Vice President, General Counsel
and Corporate Secretary

Timothy M. Schoen
Executive Vice President and
Chief Financial Officer

Susan M. Tate
Executive Vice President
Post-Acute and Hospitals

Kendall K. Young
Executive Vice President
Senior Housing

Other Information

Corporate Headquarters
3760 Kilroy Airport Way, Suite 300
Long Beach, CA 90806-2473
(562) 733-5100

Nashville Office
3000 Meridian Boulevard, Suite 200
Franklin, TN 37067

San Francisco Office
400 Oyster Point Boulevard, Suite 409
South San Francisco, CA 94080

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 and other information filed with the Securities and Exchange Commission ("SEC"). The Reporting Definitions and Reconciliations of Non-GAAP Measures are an integral part of the information presented herein.

On the Company's internet website, www.hcpi.com, you can access, free of charge, its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and 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 as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The information contained on its website is not incorporated by reference into, and should not be considered a part of, this supplemental information package. In addition, the SEC maintains an internet website that contains reports, proxy and information statements, and other information regarding issuers, including HCP, that file electronically with the SEC at www.sec.gov.

For more information, contact Timothy M. Schoen, Executive Vice President and Chief Financial Officer at (562) 733-5309.

[1] As of July 27, 2012.

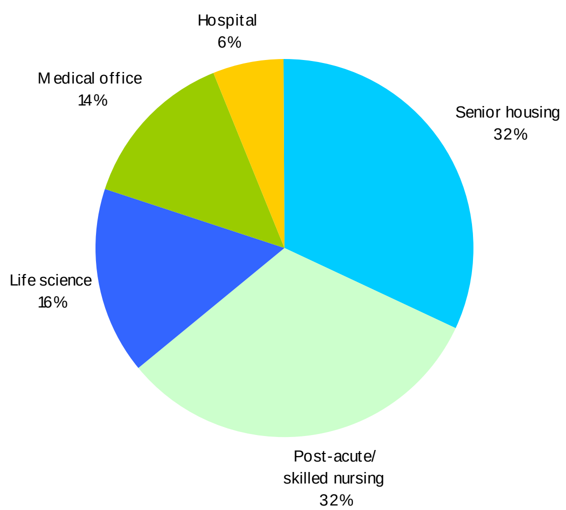
Summary

Dollars in thousands, except per share data

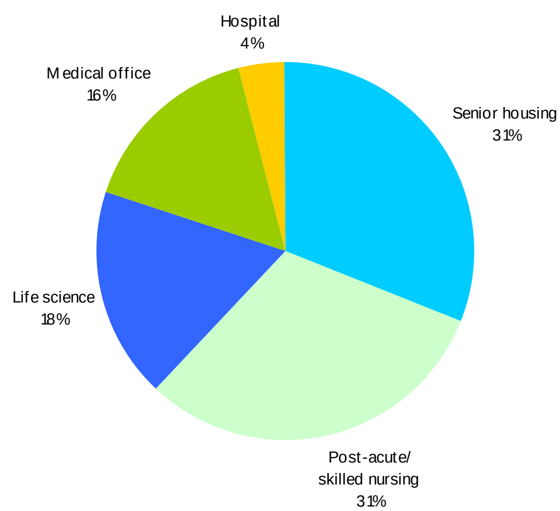
	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Revenues	$ 464,439	$ 488,125	$ 923,450	$ 819,253
NOI	392,666	380,480	783,016	626,060
Adjusted (Cash) NOI	357,913	339,830	712,017	562,940
YoY SPP Adjusted (Cash) NOI % Change	3.1%	2.6%	3.9%	4.7%
Adjusted EBITDA	$ 399,116	$ 432,365	$ 790,062	$ 701,834
Diluted FFO per common share	0.69	0.78	1.34	1.19
Diluted FFO as adjusted per common share	0.69	0.77	1.36	1.35
Diluted FAD per common share	0.56	0.62	1.10	1.12
Diluted EPS	0.48	0.55	0.90	0.73
Dividends declared per common share	0.50	0.48	1.00	0.96
FFO as adjusted payout ratio	72%	62%	74%	71%
FAD payout ratio	89%	77%	91%	86%
Financial leverage			39.5%	39.9%
Adjusted fixed charge coverage			3.4x	2.9x

Total properties:	June 30, 2012	December 31, 2011
Senior housing	314	314
Post-acute/skilled nursing	313	313
Life science	113	108
Medical office	251	254
Hospital	21	21
Total	1,012	1,010

Portfolio Income from Assets Under Management[(1)]



Assets Under Management: $19.1 billion[(2)]



(1) Represents adjusted NOI from real estate owned by HCP, interest income from debt investments and HCP's pro rata share of adjusted NOI from real estate owned by the Company's Investment Management Platform, excluding assets under development and land held for development, for the six months ended June 30, 2012.

(2) Represents the historical cost of real estate owned by HCP, the carrying amount of debt investments and 100% of the cost of real estate owned by the Company's Investment Management Platform, excluding assets held for sale and under development and land held for development, at June 30, 2012.

See Reporting Definitions and Reconciliations of Non-GAAP Measures

Funds From Operations

Dollars and shares in thousands, except per share data

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net income applicable to common shares	$ 201,467	$ 222,993	$ 376,724	$ 286,939
Depreciation and amortization of real estate, in-place lease and other intangibles:				
Continuing operations	87,924	89,814	176,165	180,996
Discontinued operations	—	238	35	476
DFL depreciation	3,142	2,633	6,192	3,005
Gain on sales of real estate	—	—	(2,856)	—
Gain upon consolidation of joint venture	—	270	—	(7,769)
Equity income from unconsolidated joint ventures	(15,732)	(14,950)	(29,407)	(15,748)
FFO from unconsolidated joint ventures	18,275	17,519	34,452	20,834
Noncontrolling interests' and participating securities' share in earnings	3,508	5,976	7,809	10,731
Noncontrolling interests' and participating securities' share in FFO	(4,963)	(6,582)	(10,691)	(11,806)
FFO applicable to common shares	$ 293,621	$ 317,911	$ 558,423	$ 467,658
Distributions on dilutive convertible units	3,127	2,964	6,249	6,018
Diluted FFO applicable to common shares	$ 296,748	$ 320,875	$ 564,672	$ 473,676
Weighted average shares used for diluted FFO per share	427,496	413,996	422,507	397,060
Diluted FFO per common share	$ 0.69	$ 0.78	$ 1.34	$ 1.19
Dividends declared per common share	$ 0.50	$ 0.48	$ 1.00	$ 0.96
FFO payout ratio	72.5%	61.5%	74.6%	80.7%
Impact of adjustments to FFO:				
Preferred stock redemption charge(1)	$ —	$ —	$ 10,432	$ —
Merger-related items(2)	—	(5,712)	—	26,596
	$ —	$ (5,712)	$ 10,432	$ 26,596
FFO as adjusted applicable to common shares	$ 293,621	$ 312,199	$ 568,855	$ 494,254
Distributions on dilutive convertible units and other	3,127	2,975	6,218	5,915
Diluted FFO as adjusted applicable to common shares	$ 296,748	$ 315,174	$ 575,073	$ 500,169
Weighted average shares used for diluted FFO as adjusted per share	427,496	408,985	422,507	371,004(3)
Diluted FFO as adjusted per common share	$ 0.69	$ 0.77	$ 1.36	$ 1.35(3)
FFO as adjusted payout ratio	72.5%	62.3%	73.5%	71.1%

(1) In connection with the redemption of the Company's preferred stock, during the six months ended June 30, 2012, the Company incurred a one-time, non-cash redemption charge of $10.4 million, or $0.02 per share, related to the original issuance costs.

(2) Merger-related items for the six months ended June 30, 2011 are attributable to the HCR ManorCare Acquisition (incurred from January 1st through April 6th 2011), which include the following: (i) $26.8 million of direct transaction costs, (ii) $23.9 million of interest expense associated with the $2.4 billion senior unsecured notes offering completed on January 24, 2011, which proceeds were obtained to prefund the HCR ManorCare Acquisition, partially offset by (iii) $24.1 million of income related to gains upon the reinvestment of the Company's debt investment in HCR ManorCare and other miscellaneous items.

(3) $0.16 per share of merger-related items attributable to the HCR ManorCare Acquisition include the following:
(i) $0.07 per share of direct transaction costs that is discussed in footnote 2(i);
(ii) ($0.07) per share of income related to gains upon the reinvestment of the Company's debt investment in HCR ManorCare debt and other miscellaneous items that are discussed in footnote 2(iii); and
(iii) $0.16 per share of negative carry related to prefunding activities of: (a) $0.09 per share from the Company's December 2010 46 million share common stock offering and 30 million shares from the Company's March 2011 common stock offering (excludes 4.5 million shares sold to the underwriters upon exercise of their option to purchase additional shares), which issuances increased weighted average shares by 26 million for the six months ended June 30, 2011; and (b) $0.07 per share for additional interest expense related to the $2.4 billion senior unsecured notes offering that is discussed in footnote 2(ii). Proceeds from these offerings were used to prefund a portion of the cash consideration for the HCR ManorCare Acquisition.

See Reporting Definitions and Reconciliations of Non-GAAP Measures

Funds Available for Distribution

Dollars and shares in thousands, except per share data

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
FFO as adjusted applicable to common shares	$ 293,621	$ 312,199	$ 568,855	$ 494,254
Amortization of above and below market lease intangibles, net	(625)	(1,187)	(1,322)	(2,093)
Amortization of deferred compensation	6,034	5,103	11,407	10,205
Amortization of deferred financing costs, net	3,930	3,391	8,459	6,349
Straight-line rents	(11,860)	(15,612)	(21,787)	(32,912)
DFL accretion[1]	(22,017)	(22,262)	(47,639)	(24,937)
DFL depreciation	(3,141)	(2,633)	(6,191)	(3,005)
Deferred revenues – tenant improvement related	(346)	(767)	(833)	(1,643)
Deferred revenues – additional rents (SAB 104)	(324)	(1,416)	2,002	566
Leasing costs and tenant and capital improvements	(18,181)	(11,447)	(27,112)	(20,940)
Joint venture and other FAD adjustments[1]	(12,240)	(13,494)	(26,665)	(14,347)
FAD applicable to common shares	$ 234,851	$ 251,875	$ 459,174	$ 411,497
Distributions on convertible units	1,791	2,964	3,577	2,616
Diluted FAD applicable to common shares	$ 236,642	$ 254,839	$ 462,751	$ 414,113
Weighted average shares used for diluted FAD per share	425,238	408,985	420,236	368,704
Diluted FAD per common share	$ 0.56	$ 0.62	$ 1.10	$ 1.12
Dividends declared per common share	$ 0.50	$ 0.48	$ 1.00	$ 0.96
FAD payout ratio	89.3%	77.4%	90.9%	85.7%

[1] For the three and six months ended June 30, 2012, DFL accretion reflects an elimination of $14.8 million and $29.5 million, respectively. For both the three and six months ended June 30, 2011, DFL accretion reflects an elimination of $13.3 million. The Company's ownership interest in HCR ManorCare OpCo is accounted for using the equity method, which requires an ongoing elimination of DFL income that is proportional to the Company's ownership in HCR ManorCare OpCo. Further, the Company's share of earnings from HCR ManorCare OpCo (equity income) increases for the corresponding elimination of related lease expense recognized at the HCR ManorCare OpCo level, which is presented as a non-cash joint venture FAD adjustment.

See Reporting Definitions and Reconciliations of Non-GAAP Measures

Capitalization

Dollars and shares in thousands, except price data

Total Debt

	June 30, 2012	December 31, 2011	June 30, 2011
Bank line of credit[1]	$ 215,015	$ 454,000	$ —
Senior unsecured notes	5,615,979	5,416,063	5,706,998
Mortgage debt	1,726,944	1,764,571	1,780,665
Other debt	84,060	87,985	89,466
Consolidated debt	7,641,998	7,722,619	7,577,129
HCP's share of unconsolidated debt[2]	142,200	143,196	144,620
Total debt	$ 7,784,198	$ 7,865,815	$ 7,721,749

Total Market Capitalization

	June 30, 2012		
	Shares	Value	Total Value
Common stock (NYSE: HCP)	429,402	$ 44.15	$ 18,958,098
Convertible partnerships (DownREITs)[3]	5,825	44.15	257,174
Total market equity			$ 19,215,272
Consolidated debt			7,641,998
Total market equity and consolidated debt			$ 26,857,270
HCP's share of unconsolidated debt[2]			142,200
Total market capitalization			$ 26,999,470

Common Stock and Equivalents

	Shares Outstanding June 30, 2012	Weighted Average Shares Three Months Ended June 30, 2012			
		Diluted EPS	Diluted FFO	Diluted FFO As Adjusted	Diluted FAD
Common stock	429,402	420,468	420,468	420,468	420,468
Common equivalent securities:					
Restricted stock and units	1,773	270	270	270	270
Dilutive impact of options	933	933	933	933	933
Convertible partnership units	5,825	—	5,825	5,825	3,567
Total common and equivalents	437,933	421,671	427,496	427,496	425,238

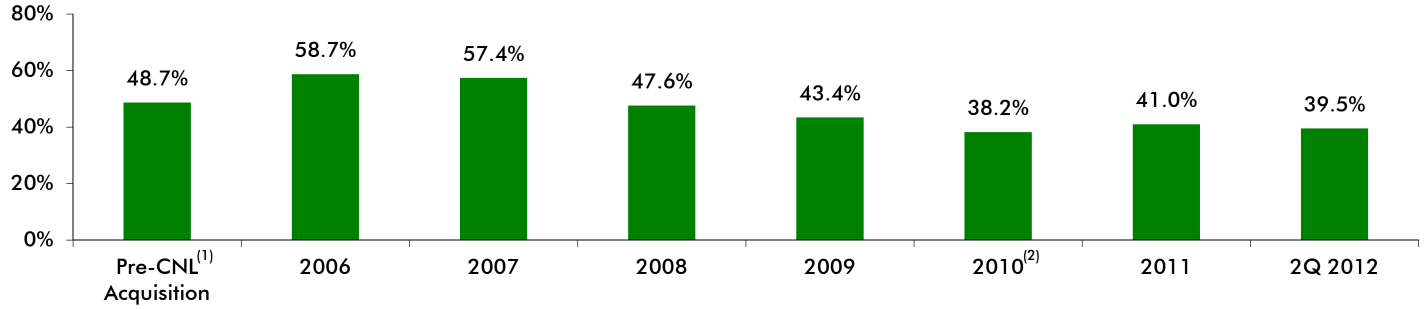
	Weighted Average Shares Six Months Ended June 30, 2012			
	Diluted EPS	Diluted FFO	Diluted FFO As Adjusted	Diluted FAD
Common stock	415,243	415,243	415,243	415,243
Common equivalent securities:				
Restricted stock and units	256	256	256	256
Dilutive impact of options	1,167	1,167	1,167	1,167
Convertible partnership units	—	5,841	5,841	3,570
Total common and equivalents	416,666	422,507	422,507	420,236

[1] The amount outstanding under the Company's bank line of credit as of June 30, 2012 represents a draw of £137 million that is translated into U.S. dollars.
[2] Reflects the Company's pro rata share of amounts in the Investment Management Platform and HCR ManorCare OpCo.
[3] Convertible partnership (DownREIT) units are exchangeable for an amount of cash approximating the then-current market value of shares of the Company's common stock at the time of conversion or, at the Company's election, shares of the Company's common stock.

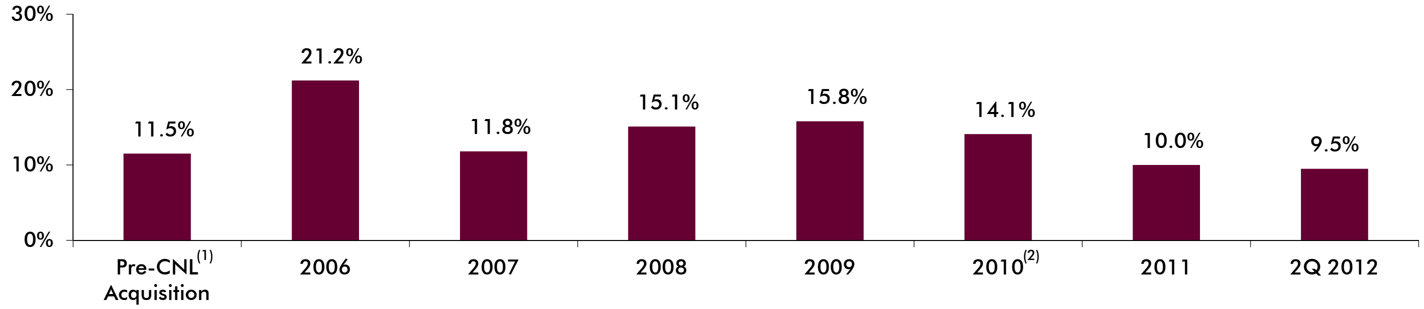
See Reporting Definitions and Reconciliations of Non-GAAP Measures

Credit Profile

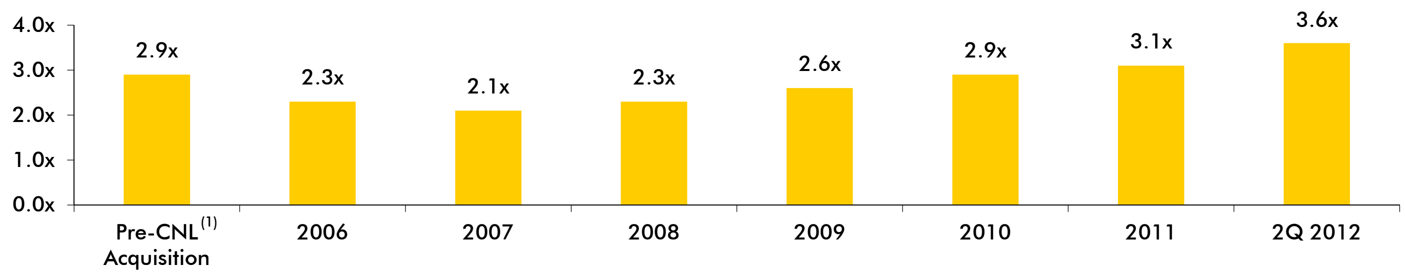
Financial Leverage



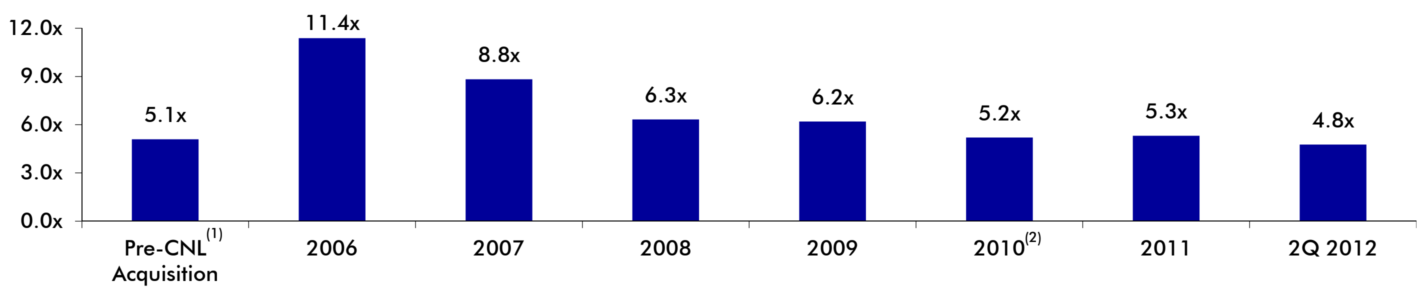
Secured Debt Ratio



Adjusted Fixed Charge Coverage



Net Debt to Adjusted EBITDA



Credit Ratings (Senior Unsecured Debt)

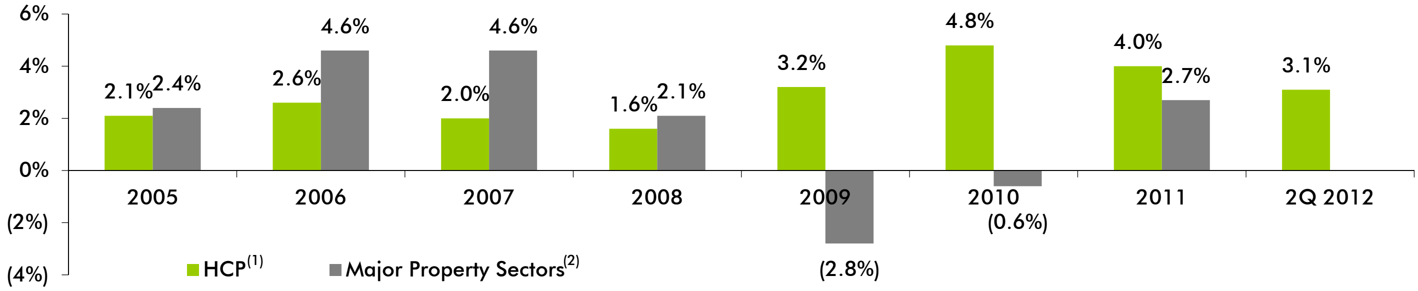
	Pre-CNL[1] Acquisition	2006	2007	2008	2009	2010	2011	2012
Moody's	Baa2	Baa3	Baa3	Baa3	Baa3	Baa3	Baa2	Baa2 (Stable)
Standard & Poor's	BBB+	BBB	BBB	BBB	BBB	BBB	BBB	BBB (Positive)
Fitch	BBB+	BBB	BBB	BBB	BBB	BBB	BBB+	BBB+ (Stable)

(1) As of and for the six months ended June 30, 2006 (12 months for adjusted fixed charge coverage). The Company completed the mergers with CNL Retirement Properties, Inc. and CNL Retirement Corp ("CNL") on October 5, 2006, with significant prefunding activities occurring in the quarter ended September 30, 2006; therefore, the Company refers to the period ended June 30, 2006 as "Pre-CNL Acquisition."

(2) Financial leverage, secured debt ratio and net debt to adjusted EBITDA are pro forma to exclude the temporary benefit resulting from prefunding the HCR ManorCare acquisition in December 2010.

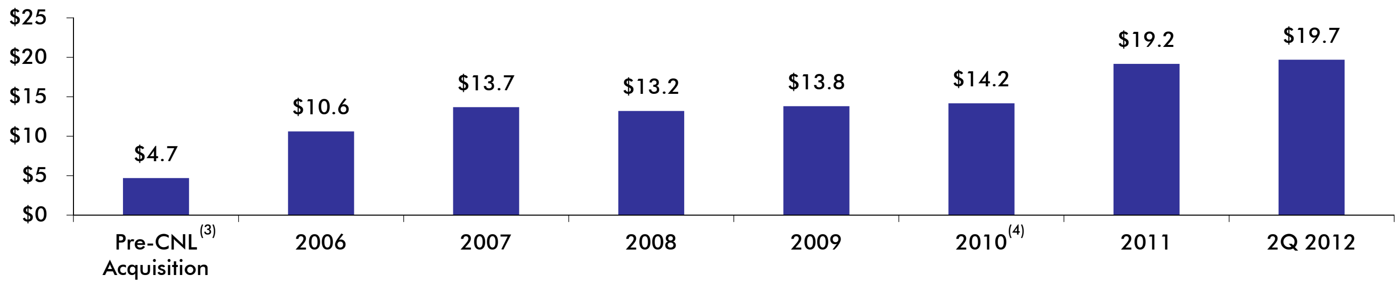
See Reporting Definitions and Reconciliations of Non-GAAP Measures

Same Property NOI Growth



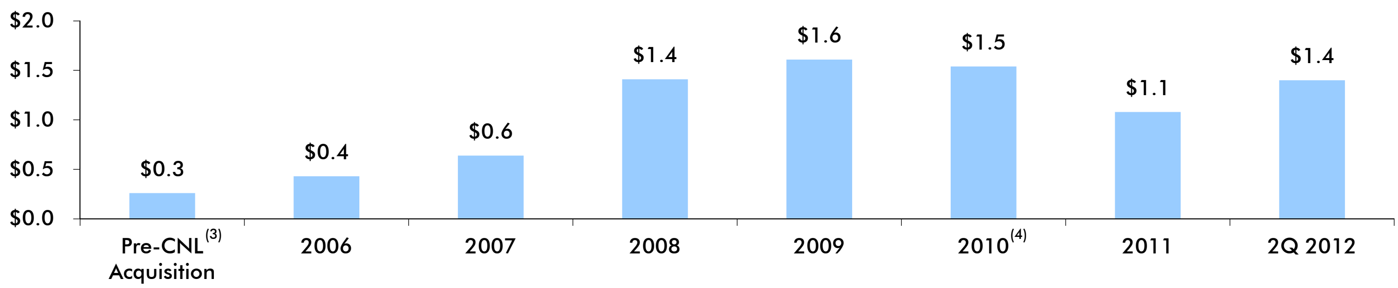
Total Gross Assets

(In billions)



Liquidity[5]

(In billions)



Credit Ratings (Senior Unsecured Debt)

	Pre-CNL[3] Acquisition	2006	2007	2008	2009	2010	2011	2012
Moody's	Baa2	Baa3	Baa3	Baa3	Baa3	Baa3	Baa2	Baa2 (Stable)
Standard & Poor's	BBB+	BBB	BBB	BBB	BBB	BBB	BBB	BBB (Positive)
Fitch	BBB+	BBB	BBB	BBB	BBB	BBB	BBB+	BBB+ (Stable)

(1) HCP information represents annual SPP cash NOI growth except for 2Q 2012, which is year-over-year three-month growth.
(2) Major Property Sectors information was compiled by Green Street Advisors and is available in their Commercial Property Outlook report dated June 19, 2012 (the "Green Street Report"); this information represents the average annual same property NOI growth equally weighted for each of five major property sectors: apartment, industrial, mall, office, and strip center. The Company's definitions of SPP and NOI may not be comparable to the measures compiled in the Green Street Report, as different methodologies may be used to define or calculate inputs to the growth rates presented.
(3) As of and for the six months ended June 30, 2006. The Company completed the mergers with CNL Retirement Properties, Inc. and CNL Retirement Corp ("CNL") on October 5, 2006, with significant prefunding activities occurring in the quarter ended September 30, 2006; therefore, the Company refers to the period ended June 30, 2006 as "Pre-CNL Acquisition."
(4) Total gross assets and liquidity are pro forma to exclude the temporary benefit resulting from prefunding the HCR ManorCare acquisition in December 2010.
(5) Represents the availability under the Company's bank line of credit and cash and cash equivalents (unrestricted cash).

See Reporting Definitions and Reconciliations of Non-GAAP Measures

Indebtedness and Ratios

Dollars in thousands

Debt Maturities and Scheduled Principal Repayments (Amortization)
June 30, 2012

	Bank Line of Credit(1)	Senior Unsecured Notes	Rates(2)	Mortgage Debt(3)	Rates(2)	Consolidated Debt	HCP's Share of Unconsolidated Debt(4)	Rates(2)	Total Debt
2012 (6 months)	$ —	$ —	—%	$ 28,148	6.02%	$ 28,148	$ 1,332	N/A%	$ 29,480
2013	—	550,000	5.80	367,374	6.04	917,374	3,271	7.04	920,645
2014	—	487,000	3.23	183,758	5.76	670,758	849	N/A	671,607
2015	—	400,000	6.64	302,102	6.02	702,102	11,347	5.82	713,449
2016	215,015	900,000	5.07	285,586	6.91	1,400,601	47,057	6.05	1,447,658
2017	—	750,000	6.04	512,460	6.10	1,262,460	41,376	5.86	1,303,836
2018	—	600,000	6.83	5,747	5.90	605,747	37,130	5.00	642,877
2019	—	450,000	3.95	1,184	N/A	451,184	—	—	451,184
2020	—	—	—	1,276	N/A	1,276	—	—	1,276
2021	—	1,200,000	5.53	4,242	5.58	1,204,242	—	—	1,204,242
Thereafter	—	300,000	6.89	47,778	5.17	347,778	—	—	347,778
Subtotal	215,015	5,637,000		1,739,655		7,591,670	142,362		7,734,032
Other debt(5)	—	—		—		84,060	—		84,060
(Discounts) and premiums, net	—	(21,021)		(12,711)		(33,732)	(162)		(33,894)
Total debt	$ 215,015	$ 5,615,979		$ 1,726,944		$ 7,641,998	$ 142,200		$ 7,784,198
Weighted average interest rate	2.07%	5.51%		6.14%		5.56%	5.85%		5.56%
Weighted average maturity in years	3.70	6.17		3.93		5.58	4.61		5.57

Ratios

	June 30, 2012	December 31, 2011
Consolidated Debt/Consolidated Gross Assets	39.4%	41.0%
Financial Leverage (Total Debt/Total Gross Assets)	39.5%	41.0%
Consolidated Secured Debt/Consolidated Gross Assets	8.9%	9.4%
Secured Debt Ratio (Total Secured Debt/Total Gross Assets)	9.5%	10.0%
Fixed and variable rate ratios(7):		
Fixed rate Total Debt	96.2%	93.1%
Variable rate Total Debt	3.8%	6.9%
	100.0%	100.0%

Covenants

The following is a summary of the financial covenants under the revolving line of credit facility at June 30, 2012.

	Bank Line of Credit	
Financial Covenants(6)	Requirement	Actual Compliance
Leverage Ratio	No greater than 60%	40%
Secured Debt Ratio	No greater than 30%	10%
Unsecured Leverage Ratio	No greater than 60%	38%
Fixed Charge Coverage Ratio (12 months)	No less than 1.50x	3.12x

(1) The amount outstanding under the Company's bank line of credit as of June 30, 2012 represents a draw of £137 million that is translated into U.S. dollars. This amount was repaid in full with proceeds from the Company's £137 million four-year unsecured term loan which closed on July 30, 2012.
(2) Senior unsecured notes and mortgage debt weighted average effective rates relate to maturing amounts.
(3) Mortgage debt attributable to non-controlling interests at June 30, 2012 was $66 million.
(4) Includes pro-rata share of mortgage and other debt in the Company's Investment Management Platform and HCR ManorCare OpCo. At June 30, 2012, 100% of the Company's Investment Management Platform's mortgage debt accrues interest at fixed rates. HCR ManorCare OpCo's debt accrues interest at LIBOR (subject to a floor of 150bps) plus 350bps.
(5) Represents non-interest bearing life care bonds and occupancy fee deposits at certain of the Company's senior housing facilities that have no scheduled maturities.
(6) Financial covenants for the revolving line of credit facility are calculated based on the definitions contained within the agreement and may be different than similar terms in the Company's Consolidated Financial Statements as provided in its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. Compliance with certain of these financial covenants requires the inclusion of the Company's consolidated amounts and its proportionate share of unconsolidated investees.
(7) $87 million of variable-rate mortgages are presented as fixed-rate debt as the interest payments under such debt have been swapped (pay fixed and receive float).

See Reporting Definitions and Reconciliations of Non-GAAP Measures

Investments and Dispositions

Dollars and square feet in thousands

Investments

Description	June 30, 2012 Three Months Ended	Six Months Ended
Purchase of marketable debt securities[1]	$ 214,859	$ 214,859
Acquisitions of real estate and land	11,050	11,050
Total fundings for development, tenant and capital improvements[2]	48,276	78,658
Construction loan commitment fundings	10,817	20,757
Total investments	$ 285,002	$ 325,324

Acquisitions of real estate and land for the six months ended June 30, 2012

Location	Date	Capacity	Property Count	Segment	Investment
Durham, NC	May 15, 2012	115 sq. ft.	1	Life science	$ 8,050
Slidell, LA	May 30, 2012	12.6 acres	—	Hospital	3,000
					$ 11,050

Dispositions for the six months ended June 30, 2012

Location	Date	Capacity	Property Count	Segment	Sales Price, Net of Costs
St. Louis, MO	February 29, 2012	44 sq. ft.	1	Medical office	$ 6,982

(1) Senior unsecured notes of Four Seasons Health Care with an aggregate par value of £138.5 million, purchased at a discount for £136.8 million, and translated into U.S. dollars as of June 30, 2012.
(2) The three months ended June 30, 2012, includes the following: (i) $25.2 million of development, (ii) $8.3 million of first generation tenant and capital improvements, and (iii) $14.8 million of second generation tenant and capital improvements (excludes $3.4 million of leasing costs). The six months ended June 30, 2012, includes the following: (i) $44.8 million of development, (ii) $14.2 million of first generation tenant and capital improvements, and (iii) $19.7 million of second generation tenant and capital improvements (excludes $7.4 million of leasing costs).

Development

As of June 30, 2012, dollars and square feet in thousands

Development Projects in Process

Name of Project	Location	Segment	Estimated/ Actual Completion Date	Estimated Rentable Square Feet	Investment to Date[1][3]	Estimated Total Investment
Development						
2019 Stierlin Ct.	Mountain View, CA	Life science	1Q 2013	70	$ 7,416	$ 22,233
Redevelopment						
1030 Massachusetts Avenue	Cambridge, MA	Life science	3Q 2012	75	34,030	39,992
Durham Research Lab	Durham, NC	Life science	3Q 2013	53	11,670	24,586
Carmichael	Durham, NC	Life science	3Q 2013	38	3,038	16,380
Knoxville	Knoxville, TN	Medical office	4Q 2011	19	5,128	5,640
Westpark Plaza	Plano, TX	Medical office	1Q 2012	70	13,457	17,159
Innovation Drive	San Diego, CA	Medical office	3Q 2012	84	27,137	33,689
Alaska	Anchorage, AK	Medical office	3Q 2012	92	14,636	16,617
Conroe	Conroe, TX	Medical office	4Q 2012	37	5,366	9,316
Folsom	Sacramento, CA	Medical office	1Q 2013	92	31,230	39,251
Fresno	Fresno, CA	Hospital	1Q 2013	N/A	10,799	20,554
	Total				$ 163,907	$ 245,417

Land Held for Development

Location	Segment	Gross Site Acreage	Estimated Rentable Square Feet
So. San Francisco, CA	Life science	50	1,666
Carlsbad, CA	Life science	41	690
Poway, CA	Life science	72	1,204
Various	Various	19	93
		182	
Investment-to-date[2][3]		$ 390,886	

Projects Placed in Service

Name of Project	Location	Segment	Date Placed in Service	Rentable Square Feet	Investment[4]	Percentage Leased
Modular Labs IV	So. San Francisco, CA	Life science	January 2012	97	$ 56,179	28
Soledad	San Diego, CA	Life science	February 2012	28	13,208	100
Knoxville[5]	Knoxville, TN	Medical office	June 2012	19	3,100	100
				144	$ 72,487	

(1) Investment-to-date of $164 million includes the following: (i) $60 million in development costs and construction in progress, (ii) $85 million of buildings and (iii) $19 million of land.
(2) Investment-to-date of $391 million includes the following: (i) $289 million in land and (ii) $102 million in development costs and construction in progress.
(3) Development costs and construction in progress of $204 million presented on the Company's consolidated balance sheet at June 30, 2012, include the following: (i) $60 million of costs for development projects in process; (ii) $102 million of costs for land held for development; and (iii) $42 million for tenant and other facility related improvement projects in process.
(4) Represents the investment as of the date the respective property was placed in service.
(5) Represents approximately 50% of the Knoxville facility placed in service in June 2012.

See Reporting Definitions and Reconciliations of Non-GAAP Measures

Portfolio Information
June 30, 2012
(Unaudited)

Owned Portfolio Summary

As of and for the six months ended June 30, 2012, dollars and square feet in thousands

Portfolio Summary by Investment Product

Leased Properties	Property Count	Investment	NOI	Age (Years)	Capacity	Occupancy %	EBITDAR[1] Amount	EBITDAR[1] CFC	EBITDARM[1] Amount	EBITDARM[1] CFC
Senior housing	293	$ 5,167,649	$ 232,206	15	31,148 Units	85.3	$ 398,445	1.13 x	$ 477,227	1.35 x
Post-acute/skilled	313	5,610,791	268,300	33	41,605 Beds	86.3	58,460	1.58 x	78,773	2.12 x
Life science	109	3,340,155	117,936	19	7,000 Sq. Ft.	89.6	N/A	N/A	N/A	N/A
Medical office	185	2,295,609	97,178	20	12,972 Sq. Ft.	91.4	N/A	N/A	N/A	N/A
Hospital	17	648,208	40,122	26	2,410 Beds	52.6	373,339	4.67 x	408,748	5.12 x
	917	$ 17,062,412	$ 755,742	23						

Operating Properties (RIDEA)	Property Count	Investment	NOI	Age (Years)	Capacity	Occupancy %
Senior housing[2]	21	$ 752,674	$ 27,274	22	5,008 Units	86.5

Debt Investments		Investment	Interest Income
Senior housing		$ 32,001	$ 810
Post-acute/skilled[3]		224,477	707
Hospital[4]		83,903	518
		$ 340,381	$ 2,035
Total	938	$ 18,155,467	$ 785,051

Portfolio NOI, Adjusted NOI and Interest Income

Segment	Rental and RIDEA Revenues	Operating Expenses	NOI[5]	Adjusted NOI	Interest Income	Adjusted NOI and Interest Income
	Three Months Ended June 30, 2012					
Senior housing[2]	$ 152,014	$ 23,444	$ 128,570	$ 116,509	$ 527	$ 117,036
Post-acute/skilled	134,677	172	134,505	116,833	427	117,260
Life science	72,545	13,555	58,990	55,735	—	55,735
Medical office	80,905	31,979	48,926	47,682	—	47,682
Hospital	22,612	937	21,675	21,154	262	21,416
	$ 462,753	$ 70,087	$ 392,666	$ 357,913	$ 1,216	$ 359,129

Segment	Rental and RIDEA Revenues	Operating Expenses	NOI[5]	Adjusted NOI	Interest Income	Adjusted NOI and Interest Income
	Six Months Ended June 30, 2012					
Senior housing[2]	$ 304,554	$ 45,074	$ 259,480	$ 233,527	$ 810	$ 234,337
Post-acute/skilled	268,672	372	268,300	230,002	707	230,709
Life science	144,375	26,439	117,936	114,838	—	114,838
Medical office	160,861	63,683	97,178	94,604	—	94,604
Hospital	41,990	1,868	40,122	39,046	518	39,564
	$ 920,452	$ 137,436	$ 783,016	$ 712,017	$ 2,035	$ 714,052

(1) EBITDAR, EBITDARM and their respective CFC are not presented for the disaggregated HCR ManorCare senior housing and post-acute/skilled nursing portfolios as the combined portfolio is cross-collateralized under a single master lease. See HCR ManorCare Leased Portfolio Summary on page 19 of this report.
(2) Brookdale Senior Living manages 21 assets on behalf of the Company under a RIDEA structure. For the three months ended June 30, 2012, revenues and operating expenses were $35.6 million and $22.7 million, respectively. For the six months ended June 30, 2012, revenues and operating expenses were $70.7 million and $43.4 million, respectively.
(3) Includes senior unsecured notes of Four Seasons Health Care with an aggregate par value of £138.5 million, purchased at a discount for £136.8 million. The amount included above represents the carrying value translated into U.S. dollars as of June 30, 2012.
(4) Includes a senior secured loan to Delphis Operations, LP ("Delphis") that was placed on non-accrual status effective January 1, 2011 with a carrying value of $69 million at June 30, 2012. For additional information regarding the senior secured loan to Delphis see Note 7 to the Consolidated Financial Statements for the six months ended June 30, 2012 included in the Company's Quarterly Report on Form 10-Q filed with the SEC.
(5) NOI attributable to non-controlling interests for the three and six months ended June 30, 2012 was $2.3 million and $4.7 million, respectively.

Owned Portfolio Concentrations

As of and for the six months ended June 30, 2012, dollars in thousands

Geographic Diversification of Properties

Investment by State	Total Properties	Senior Housing	Post-Acute/ Skilled	Life Science	Medical Office	Hospital	Total	% of Total
CA	153	$ 647,883	$ 268,215	$ 3,214,877	$ 214,481	$ 128,545	$ 4,474,001	25
TX	96	686,736	103,520	—	693,208	227,064	1,710,528	10
FL	95	832,549	537,530	—	155,214	62,450	1,587,743	9
PA	54	260,852	1,192,667	—	—	—	1,453,519	8
IL	51	504,005	692,025	—	13,481	—	1,209,511	7
OH	72	214,422	674,939	—	9,239	—	898,600	5
MI	38	176,207	570,695	—	—	—	746,902	4
MD	34	300,028	228,283	—	29,991	—	558,302	3
VA	29	319,964	174,154	—	42,730	—	536,848	3
NJ	21	377,577	98,268	—	—	—	475,845	3
Other	295	1,600,100	1,070,495	125,278	1,137,265	230,149	4,163,287	23
Total	938	$ 5,920,323	$ 5,610,791	$ 3,340,155	$ 2,295,609	$ 648,208	$ 17,815,086	100

NOI by State	Total Properties	Senior Housing	Post-Acute/ Skilled	Life Science	Medical Office	Hospital	Total	% of Total
CA	153	$ 30,444	$ 12,774	$ 111,100	$ 6,430	$ 8,336	$ 169,084	22
TX	96	32,231	4,276	—	26,599	13,048	76,154	10
FL	95	35,966	25,087	—	7,163	3,925	72,141	9
PA	54	10,608	56,917	—	—	—	67,525	9
IL	51	21,286	31,880	—	663	—	53,829	7
OH	72	9,435	33,451	—	317	—	43,203	6
MI	38	7,995	25,895	—	—	—	33,890	4
MD	34	12,809	10,788	—	1,339	—	24,936	3
VA	29	11,780	8,623	—	1,800	—	22,203	3
CO	26	8,551	3,838	—	7,981	709	21,079	3
Other	290	78,375	54,771	6,836	44,886	14,104	198,972	24
Total	938	$ 259,480	$ 268,300	$ 117,936	$ 97,178	$ 40,122	$ 783,016	100

Operator/Tenant Diversification

Company	Primary Segment	Annualized Revenues[1] Amount	%
HCR ManorCare	Post-acute/skilled	$ 489,038	32
Brookdale Senior Living	Senior housing	142,143	9
Emeritus Corporation	Senior housing	102,037	7
Sunrise Senior Living	Senior housing	86,572	6
HCA	Hospital	48,671	3
Amgen	Life science	42,247	3
Genentech	Life science	38,387	3
Four Seasons Health Care	Post-acute/skilled	26,647	2
Kindred	Post-acute/skilled	16,758	1
Capital Senior Living	Senior housing	16,106	1
Other		517,401	33
		$ 1,526,007	100

[1] The most recent monthly base rent (including additional rent floors), cash income from direct financing leases and/or interest income annualized for 12 months. Annualized revenues for operating properties under a RIDEA structure are based on the most recent month's NOI annualized for 12 months. For additional details regarding "annualized revenues," see reporting definitions.

Owned Same Property Portfolio

As of June 30, 2012, dollars and square feet in thousands

Three-Month SPP

	Total	Senior Housing	Post-Acute/ Skilled	Life Science	Medical Office	Hospital
Property count	574	227	45	101	185	16
Investment	$ 10,682,297	$ 4,334,034	$ 246,711	$ 3,207,732	$ 2,285,357	$ 608,463
Percent of property portfolio (by investment)	60.0%	73.2%	4.4%	96.0%	99.6%	93.9%
Capacity		26,195 Units	5,321 Beds	6,685 Sq. Ft.	12,921 Sq. Ft.	2,379 Beds
Year-Over-Year Three-Month SPP						
Occupancy:						
June 30, 2012		85.9%	84.7%	91.5%	91.4%	56.3%
June 30, 2011		85.9%	85.5%	90.4%	90.9%	56.2%
% change		**—%**	**(0.8%)**	**1.1%**	**0.5%**	**0.1%**
NOI % change	0.1%	(1.5%)	0.5%	(0.2%)	2.5%	3.0%
Adjusted NOI:						
June 30, 2012	$ 224,802	$ 89,442	$ 9,426	$ 56,409	$ 48,967	$ 20,558
June 30, 2011	$ 218,047	$ 87,620	$ 9,219	$ 53,796	$ 47,555	$ 19,857
Adjusted NOI % change	**3.1%**	**2.1%**	**2.2%**	**4.9%**	**3.0%**	**3.5%**
Sequential Three-Month SPP						
Occupancy:						
June 30, 2012		85.9%	84.7%	91.5%	91.4%	56.3%
March 31, 2012		85.8%	84.7%	91.1%	91.2%	51.7%
% change		**0.1%**	**—%**	**0.4%**	**0.2%**	**4.6%**
NOI % change	1.3%	(0.9%)	(0.4%)	(0.1%)	1.6%	18.2%
Adjusted NOI:						
June 30, 2012	$ 224,802	$ 89,442	$ 9,426	$ 56,409	$ 48,967	$ 20,558
March 31, 2012	$ 223,556	$ 88,875	$ 9,401	$ 59,851	$ 48,120	$ 17,309
Adjusted NOI % change	**0.6%**	**0.6%**	**0.3%**	**(5.8%)**	**1.8%**	**18.8%**

Year-Over-Year Six-Month SPP

	Total	Senior Housing	Post-Acute/ Skilled	Life Science	Medical Office	Hospital
Property count	569	223	45	101	184	16
Investment	$ 10,555,586	$ 4,239,145	$ 246,711	$ 3,207,732	$ 2,253,535	$ 608,463
Percentage of property portfolio (by investment)	59.3%	71.6%	4.4%	96.0%	98.2%	93.9%
Capacity		25,634 Units	5,321 Beds	6,685 Sq. Ft.	12,788 Sq. Ft.	2,379 Beds
Year-Over-Year Six-Month SPP						
Occupancy:						
June 30, 2012		85.9%	84.7%	91.5%	91.3%	56.3%
June 30, 2011		85.7%	85.5%	90.4%	90.8%	56.2%
% change		**0.2%**	**(0.8%)**	**1.1%**	**0.5%**	**0.1%**
NOI % change	(0.0%)	(1.5%)	1.0%	(0.4%)	1.9%	3.1%
Adjusted NOI:						
June 30, 2012	$ 443,352	$ 174,571	$ 18,827	$ 116,260	$ 95,827	$ 37,867
June 30, 2011	$ 426,667	$ 171,005	$ 18,321	$ 107,765	$ 93,041	$ 36,535
Adjusted NOI % change	**3.9%**	**2.1%**	**2.8%**	**7.9%**	**3.0%**	**3.6%**

See Reporting Definitions and Reconciliations of Non-GAAP Measures

Owned Portfolio Lease Expirations and Debt Investment Maturities

At June 30, 2012, dollars and square feet in thousands

		Expiration Year[1]										
Segment	**Total**	**2012[2]**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Thereafter**
Lease Expirations												
Senior housing[3]:												
Properties	293	—	—	5	1	17	12	49	12	33	16	148
Annualized revenues	$ 419,533	$ —	$ —	$ 4,997	$ 204	$ 24,983	$ 20,220	$ 96,310	$ 15,521	$ 51,741	$ 17,404	$ 188,153
Post-acute/skilled:												
Properties	313	—	—	9	1	6	9	3	12	4	—	269
Annualized revenues	$ 467,778	$ —	$ —	$ 7,197	$ 439	$ 5,915	$ 8,480	$ 1,696	$ 10,071	$ 3,068	$ —	$ 430,912
Life science:												
Square feet	6,274	91	471	342	816	209	927	517	121	922	557	1,301
Annualized revenues	$ 229,760	$ 1,722	$ 11,528	$ 10,156	$ 25,985	$ 5,631	$ 30,069	$ 25,392	$ 4,106	$ 41,451	$ 31,501	$ 42,219
Medical office:												
Square feet	11,859	973	1,847	1,641	1,406	1,202	1,022	1,026	718	842	392	790
Annualized revenues	$ 257,231	$ 22,875	$ 35,547	$ 37,123	$ 31,775	$ 24,807	$ 22,432	$ 20,720	$ 14,992	$ 19,520	$ 9,776	$ 17,664
Hospital:												
Properties	17	—	1	3	—	—	2	—	5	—	1	5
Annualized revenues	$ 67,366	$ —	$ 2,611	$ 16,018	$ —	$ —	$ 4,706	$ —	$ 6,970	$ —	$ 1,650	$ 35,411
Total annualized revenues	$1,441,668	$ 24,597	$ 49,686	$ 75,491	$ 58,403	$ 61,336	$ 85,907	$ 144,118	$ 51,660	$ 115,780	$ 60,331	$ 714,359
% of Total	100	2	3	5	4	4	6	10	4	8	4	50
Debt Investment Maturities												
Senior housing:												
Annualized revenues	$ 2,535	$ —	$ —	$ —	$ —	$ 2,253	$ 282	$ —	$ —	$ —	$ —	$ —
Post-acute/skilled:												
Annualized revenues	$ 27,745	$ —	$ 932	$ 166	$ —	$ —	$ —	$ —	$ —	$ 26,647	$ —	$ —
Hospital[4]												
Annualized revenues	$ 1,052	$ —	$ —	$ —	$ 1,052	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total annualized revenues	$ 31,332	$ —	$ 932	$ 166	$ 1,052	$ 2,253	$ 282	$ —	$ —	$ 26,647	$ —	$ —

(1) The most recent monthly base rent (including additional rent floors), cash income from direct financing leases and/or interest income annualized for 12 months. For additional details regarding "annualized revenues," see reporting definitions.
(2) Includes month-to-month and holdover leases.
(3) Excludes $53.0 million related to 21 facilities operated under a RIDEA structure by Brookdale Senior Living.
(4) Effective January 1, 2011, a senior secured loan to Delphis was placed on non-accrual status. During the six months ended June 30, 2012, no revenues were recognized for this loan; consequently, no annualized revenue amounts for this loan are presented. For additional information regarding the senior secured loan to Delphis see Note 7 to the Consolidated Financial Statements for the quarter ended June 30, 2012 included in the Company's Quarterly Report on Form 10-Q filed with the SEC.

See Reporting Definitions and Reconciliations of Non-GAAP Measures

Owned Senior Housing Portfolio

As of and for the six months ended June 30, 2012, dollars in thousands

Investments

Operating Leases	Property Count	Investment	NOI	Average Age (Years)	Units	Occupancy %	EBITDAR Amount	EBITDAR CFC	EBITDARM Amount	EBITDARM CFC
Assisted living	162	$ 2,477,861	$ 113,957	14	14,615	85.2	$ 225,575	1.12 x	$ 269,087	1.34 x
Independent living	26	626,125	30,644	22	4,662	85.5	59,197	1.05 x	67,745	1.20 x
CCRCs	12	607,925	27,708	23	3,779	88.1	63,644	1.17 x	77,092	1.41 x
	200	$ 3,711,911	$ 172,309	15	23,056	85.7	$ 348,416	1.12 x	$ 413,924	1.33 x

Direct Financing Leases	Property Count	Investment	NOI	Average Age (Years)	Units	Occupancy %	EBITDAR[1] Amount	EBITDAR[1] CFC	EBITDARM[1] Amount	EBITDARM[1] CFC
Assisted living	27	$ 622,123	$ 24,725	15	3,139	85.6	$ 50,029	1.21 x	$ 63,303	1.53 x
HCR ManorCare[1]	66	833,615	35,172	16	4,953	82.9	N/A	N/A	N/A	N/A
	93	$ 1,455,738	$ 59,897	16	8,092	84.0				
Leased Properties	293	$ 5,167,649	$ 232,206	15	31,148	85.3	$ 398,445	1.13 x	$ 477,227	1.35 x

Operating Properties (RIDEA)	Property Count	Investment	NOI	Average Age (Years)	Units	Occupancy %
Assisted living	3	$ 23,566	$ 1,245	22	213	83.5
Independent living	18	729,108	26,029	22	4,795	86.7
	21	$ 752,674	$ 27,274	22	5,008	86.5

Debt Investments		Investment	Interest Income			
Assisted living[2]		$ 32,001	$ 810			
Total	314	$ 5,952,324	$ 260,290		36,156	85.4

Operator Concentration[3]

Operator	Properties Count	Properties % Pooled	Investment Amount	Investment %	NOI and Interest Income Amount	NOI and Interest Income %	Units	Occupancy %	EBITDAR CFC[1]	EBITDARM CFC[1]
Brookdale Senior Living[4]	59	61	$ 1,682,356	28	$ 74,907	29	11,607	87.6	1.23 x	1.46 x
Sunrise Senior Living[5]	48	98	1,322,176	22	46,945	18	5,566	87.0	1.19 x	1.46 x
Emeritus Corporation	69	96	1,142,811	19	62,492	24	7,741	84.1	1.15 x	1.36 x
HCR ManorCare[1]	66	100	833,615	14	35,172	14	4,953	82.9	N/A	N/A
Harbor Retirement Associates	14	100	211,103	4	8,090	3	1,346	85.3	0.99 x	1.25 x
Aegis Senior Living	10	80	182,152	3	7,871	3	701	87.1	1.02 x	1.20 x
Other	48	94	578,111	10	24,813	9	4,242	85.6	0.99 x	1.16 x
	314	90	$ 5,952,324	100	$ 260,290	100	36,156	85.4	1.13 x	1.35 x

[1] EBITDAR, EBITDARM and their respective CFC are not presented for the disaggregated HCR ManorCare senior housing and post-acute/skilled nursing portfolios as the combined portfolio is cross-collateralized under a single master lease. See HCR ManorCare Leased Portfolio Summary on page 19 of this report.
[2] During the quarter ended June 30, 2012, the Company funded $10.8 million related to construction financing commitments totaling $119 million to build six Class A assisted living facilities. For each of these facilities, the Company holds a one-time purchase option upon the earlier of stabilized occupancy or the fourth anniversary of the loan closing.
[3] Property count, units, occupancy and CFCs are presented for leased and operating properties, if applicable, and exclude debt investments.
[4] Occupancy for 35 assets (formerly operated by Horizon Bay Retirement Living prior to September 2011) and the CFC for 14 of these 35 assets are reported in "other" until the requisite periods have elapsed to allow the Company to report such measures completely under the new operator. CFC for the remaining 21 assets operated under a RIDEA structure is excluded as CFC is not applicable.
[5] Sunrise Senior Living's percentage pooled consists of 47 assets under 6 separate pools.

Dollars in thousands

Portfolio Trends

	Same Property Leased Portfolio					Total Property Portfolio[1]		
	As of and for the Quarter Ended			As of and for the YTD Period Ended		As of and for the Twelve Months Ended		
	06/30/12	03/31/12	06/30/11	06/30/12	06/30/11	06/30/12	03/31/12[2]	06/30/11[2]
Property count	227	227	227	223	223	314	314	317
Investment	$ 4,334,034	$ 4,326,485	$ 4,313,400	$ 4,239,145	$ 4,218,510	$ 5,920,323	$ 5,906,471	$ 5,899,283
Units	26,195	26,191	26,177	25,634	25,626	36,156	36,154	36,424
3-Month Occupancy %	85.9	85.8	85.9	85.9	85.7	85.5	85.8	85.9
12-Month Occupancy %	85.7	85.7	86.3	85.5	86.1	85.6	85.7	86.3
EBITDAR	$ 398,445	$ 399,773	$ 381,890	$ 389,688	$ 373,127	$ 398,445	$ 399,773	$ 395,939
EBITDAR CFC	1.13 x	1.14 x	1.17 x	1.13 x	1.18 x	1.13 x	1.14 x	1.18 x
EBITDARM	$ 477,227	$ 475,716	$ 457,759	$ 466,947	$ 457,578	$ 477,227	$ 475,716	$ 473,821
EBITDARM CFC	1.35 x	1.36 x	1.40 x	1.36 x	1.41 x	1.35 x	1.36 x	1.41 x
NOI:								
Rental and related revenues	$ 86,587	$ 87,253	$ 86,790	$ 169,591	$ 170,710			
DFL income	12,181	12,580	13,499	24,761	26,893			
Operating expenses	(42)	(241)	(100)	(279)	(611)			
	$ 98,726	$ 99,592	$ 100,189	$ 194,073	$ 196,992			
Adjusted NOI:								
Straight-line rents	(7,027)	(8,147)	(9,590)	(14,675)	(19,701)			
Below market lease intangibles, net	(631)	(631)	(631)	(1,262)	(1,262)			
DFL interest accretion	(1,626)	(1,939)	(2,348)	(3,565)	(5,024)			
	$ 89,442	$ 88,875	$ 87,620	$ 174,571	$ 171,005			

(1) EBITDAR, EBITDARM and their respective CFC are not presented for the disaggregated HCR ManorCare senior housing and post-acute/skilled nursing portfolios as the combined portfolio is cross-collateralized under a single master lease. See HCR ManorCare Leased Portfolio Summary on page 19 of this report. Additionally, EBITDAR, EBITDARM and their respective CFC are not presented for the 21 properties operated under a RIDEA structure.
(2) Amounts are presented without giving effect to discontinued operations.

Owned Post-Acute/Skilled Nursing Portfolio

As of and for the six months ended June 30, 2012, dollars in thousands

Investments

Leased Properties	Property Count	Investment	NOI	Average Age (Years)	Beds	Occupancy %	EBITDAR Amount	EBITDAR CFC	EBITDARM Amount	EBITDARM CFC
Operating leases	45	$ 246,711	$ 19,089	27	5,321	84.8	$ 58,460	1.58 x	$ 78,773	2.12 x
HCR ManorCare DFLs[1]	268	5,364,080	249,211	34	36,284	86.5	N/A	N/A	N/A	N/A
Leased properties	313	$ 5,610,791	$ 268,300	33	41,605	86.3				

Debt Investments	Investment	Interest Income
Four Seasons Health Care[2]	$ 214,860	$ 149
Other	9,617	558
	224,477	707
Total	$ 5,835,268	$ 269,007

Operator Concentration[3]

Operator	Properties Count	Properties % Pooled	Investment Amount	Investment %	NOI and Interest Income Amount	NOI and Interest Income %	Beds	Occupancy %	EBITDAR CFC[1]	EBITDARM CFC[1]
HCR ManorCare[1]	268	100	$ 5,364,080	92	$ 249,211	93	36,284	86.5	N/A	N/A
Four Seasons Health Care[2]	—	—	214,860	4	149	—	—	—	N/A	N/A
Formation Capital	9	100	63,100	1	3,427	1	934	94.3	1.99 x	2.51 x
Covenant Care	12	100	64,291	1	5,319	2	1,328	85.1	1.76 x	2.33 x
Kindred Healthcare	9	100	38,117	1	4,199	2	1,288	84.4	1.02 x	1.66 x
Other	15	60	90,820	1	6,702	2	1,771	79.7	1.57 x	2.06 x
	313	99	$ 5,835,268	100	$ 269,007	100	41,605	86.3	1.58 x	2.12 x

(1) EBITDAR, EBITDARM and their respective CFC are not presented for the disaggregated HCR ManorCare senior housing and post-acute/skilled nursing portfolios as the combined portfolio is cross-collateralized under a single master lease. See HCR ManorCare Leased Portfolio Summary on page 19 of this report.
(2) On June 28, 2012, the Company purchased senior unsecured notes of Four Seasons Health Care with an aggregate par value of £138.5 million at a discount for £136.8 million. The amount represents the carrying value translated into U.S. dollars as of June 30, 2012. For additional information see Note 10 to the Consolidated Financial Statements for the six months ended June 30, 2012 included in the Company's Quarterly Report on Form 10-Q filed with the SEC.
(3) Property count, beds, occupancy and CFCs are presented for leased properties and exclude debt investments.

Owned Post-Acute/Skilled Nursing Portfolio

Dollars in thousands, except HCR ManorCare information

Portfolio Trends

	Same Property Leased Portfolio					Total Leased Portfolio[1]		
	As of and for the Quarter Ended			As of and for the YTD Period Ended		As of and for the Twelve Months Ended		
	06/30/12	03/31/12	06/30/11	06/30/12	06/30/11	06/30/12	03/31/12[2]	06/30/11[2]
Property count	45	45	45	45	45	313	313	313
Investment	$ 246,711	$ 245,834	$ 244,738	$ 246,711	$ 244,738	$ 5,610,791	$ 5,579,365	$ 5,480,734
Beds	5,321	5,321	5,286	5,321	5,286	41,605	41,746	41,773
3-Month Occupancy %	84.7	84.7	85.5	84.7	85.5	85.9	85.5	88.2
12-Month Occupancy %	84.8	84.8	85.3	84.8	85.3	86.3	86.8	87.5
EBITDAR	$ 58,460	$ 60,749	$ 61,545	$ 58,460	$ 61,545	58,460	60,749	61,545
EBITDAR CFC	1.58 x	1.64 x	1.69 x	1.58 x	1.69 x	1.58 x	1.64 x	1.69 x
EBITDARM	$ 78,773	$ 81,309	$ 81,209	$ 78,773	$ 81,209	78,773	81,309	81,209
EBITDARM CFC	2.12 x	2.20 x	2.24 x	2.12 x	2.24 x	2.12 x	2.20 x	2.24 x
Quality Mix	65.4%	65.9%	63.8%	65.4%	63.8%	65.4%	65.9%	63.8%
NOI:								
Rental revenues	$ 9,560	$ 9,616	$ 9,507	$ 19,176	$ 18,947			
Operating expenses	(32)	(51)	(26)	(83)	(41)			
	9,528	9,565	9,481	19,093	18,906			
Adjusted NOI:								
Straight-line rents	(102)	(164)	(262)	(266)	(585)			
	$ 9,426	$ 9,401	$ 9,219	$ 18,827	$ 18,321			

HCR ManorCare Leased Portfolio Summary

As of and for the six months ended June 30, 2012, dollars in thousands

Investment Summary	Property Count	Investment[3]	NOI[4]	Adjusted NOI	Occupancy	Facility EBITDAR Amount	Facility EBITDAR CFC	Facility EBITDARM Amount	Facility EBITDARM CFC
Assisted living	66	$ 833,615	$ 35,172	$ 29,221	82.9%	N/A	N/A	N/A	N/A
Post-acute/skilled	268	5,364,080	249,211	211,180	86.5%	N/A	N/A	N/A	N/A
Total	334	$ 6,197,695	$ 284,383	$ 240,401	86.1%	$ 572,154	1.21 x	$ 747,893	1.58 x

	06/30/12	03/31/12	06/30/11
Quality mix	69.9%[5]	70.4%	70.8%

HCR ManorCare OpCo (guarantor) fixed charge coverage[6] 1.44 x

(1) EBITDAR, EBITDARM, their respective CFC and quality mix are not presented for the disaggregated HCR ManorCare senior housing and post-acute/skilled nursing portfolios as the combined portfolio is cross-collateralized under a single master lease. For additional information see HCR ManorCare Leased Portfolio Summary.
(2) Amounts are presented as originally reported, without giving effect to discontinued operations.
(3) The Company's total investment in HCR ManorCare includes aggregated accumulated DFL accretion of $180.7 million as of June 30, 2012.
(4) Assisted living and post-acute/skilled NOI includes reductions of $3.7 million and $25.9 million, respectively, related to HCP's equity interest in HCR ManorCare OpCo.
(5) Private-pay and Medicare revenues as a percentage of total revenues are 31.4% and 38.5% respectively.
(6) HCR ManorCare OpCo (guarantor) fixed charge coverage is based on EBITDAR for the trailing 12 months, is one quarter in arrears from the date presented and includes home health and hospice EBITDAR and corporate general and administrative expenses, excluding HCR ManorCare's non-recurring expenses associated with the sale of its real estate to HCP. The fixed charges include cash rent annualized and cash interest expense based on the trailing 12 months and are one quarter in arrears from the date presented.

Owned Life Science Portfolio

As of and for the six months ended June 30, 2012, dollars and square feet in thousands

Investments

Leased Properties	Property Count	Investment	NOI	Average Age (Years)	Square Feet	Occupancy %
San Francisco	77	$ 2,624,513	$ 92,313	19	4,673	88.1
San Diego	21	590,364	18,787	19	1,581	89.3
Other	11	125,278	6,836	19	746	100.0
	109	$ 3,340,155	$ 117,936	19	7,000	89.6

Tenant Concentration

Tenant	Annualized Revenues Amount	Annualized Revenues %	Square Feet Amount	Square Feet %
Amgen	$ 42,247	18	684	11
Genentech	38,387	17	794	13
Rigel Pharmaceuticals	13,316	6	147	2
Exelixis, Inc.	13,144	6	295	5
Takeda	10,781	5	229	4
LinkedIn Corporation	9,642	4	303	5
Google	8,319	4	270	4
Myriad Genetics	7,217	3	310	5
General Atomics	5,713	2	281	4
ARUP	5,418	2	324	5
Other	75,576	33	2,637	42
	$ 229,760	100	6,274	100

Portfolio Trends

	Same Property Leased Portfolio					Total Leased Portfolio		
	As of and for the Quarter Ended			As of and for the YTD Period Ended		At the Period Ended		
	06/30/12	03/31/12	06/30/11	06/30/12	06/30/11	06/30/12	03/31/12[(1)]	06/30/11[(1)]
Property count	101	101	101	101	101	109	108	104
Investment	$ 3,207,732	$ 3,204,642	$ 3,200,225	$ 3,207,732	$ 3,200,225	$ 3,340,155	$ 3,331,015	$ 3,251,372
Square feet	6,685	6,685	6,685	6,685	6,685	7,000	6,924	6,798
Occupancy %	91.5	91.1	90.4	91.5	90.4	89.6	89.1	89.2
NOI:								
Rental and related revenues	$ 60,697	$ 60,830	$ 61,266	$ 121,527	$ 122,321			
Tenant recoveries	11,016	10,279	9,833	21,295	20,547			
Operating expenses	(12,351)	(11,687)	(11,609)	(24,038)	(23,622)			
	$ 59,362	$ 59,422	$ 59,490	$ 118,784	$ 119,246			
Adjusted NOI:								
Straight-line rents	(3,081)	340	(3,765)	(2,741)	(7,922)			
Above (below) market lease intangibles, net	128	89	(340)	217	(381)			
Lease termination fees	—	—	(1,589)	—	(3,178)			
	$ 56,409	$ 59,851	$ 53,796	$ 116,260	$ 107,765			

(1) Amounts are presented as originally reported, without giving effect to discontinued operations.

Owned Life Science Portfolio

Dollars and square feet in thousands, except dollars per square foot

Selected Lease Expirations Data (next 3 years):

	Total				San Francisco		San Diego		Other	
	Square Feet		Annualized Revenues		Square	Annualized	Square	Annualized	Square	Annualized
Year	Amount	%	Amount	%	Feet	Revenues	Feet	Revenues	Feet	Revenues
2012[1]	91	1	$ 1,722	1	42	$ 166	49	$ 1,556	—	$ —
2013	471	8	11,528	5	365	10,214	29	628	77	686
2014	342	5	10,156	4	215	6,565	127	3,591	—	—
Thereafter	5,370	86	206,354	90	3,494	155,625	1,207	37,609	669	13,120
	6,274	100	$ 229,760	100	4,116	$ 172,570	1,412	$ 43,384	746	$ 13,806

Leasing Activity	Leased Square Feet	Annualized Base Rent Per Square Foot	% Change In Rents	HCP Tenant Improvements Per Square Foot	Leasing Costs Per Square Foot	Average Lease Term (Months)	Retention Rate YTD
Leased Square Feet as of December 31, 2011	**6,113**	**$ 36.24**					
Redevelopments placed in service	54	27.68					
Expirations	(194)	31.44					
Renewals, amendments and extensions	160	28.45	(9.0)	$ 5.63	$ 9.38	110	82.3
New leases and expansions	75	29.39		18.91	7.90	67	
Terminations	(41)	33.84					
Leased Square Feet as of March 31, 2012	**6,167**	**$ 36.74**					
Acquisitions	77	9.79					
Expirations	(83)	21.13					
Renewals, amendments and extensions	65	23.91	0.1	$ —	$ 1.12	20	81.1
New leases and expansions	48	11.82		—	1.92	81	
Leased Square Feet as of June 30, 2012	**6,274**	**$ 36.62**					

[1] Includes month-to-month and holdover leases.

See Reporting Definitions and Reconciliations of Non-GAAP Measures

Owned Medical Office Portfolio

As of and for the six months ended June 30, 2012, dollars and square feet in thousands

Investments

Leased Properties	Property Count	Investment	NOI	Average Age (Years)	Square Feet	Occupancy %
On-Campus	141	$ 1,832,746	$ 78,478	20	10,737	91.3
Off-Campus	44	462,863	18,700	19	2,235	92.1
	185	$ 2,295,609	$ 97,178	20	12,972	91.4

Portfolio Trends

	Same Property Leased Portfolio					Total Leased Portfolio		
	As of and for the Quarter Ended			As of and for the YTD Period Ended		At the Period Ended		
	06/30/12	03/31/12	06/30/11	06/30/12	06/30/11	06/30/12	03/31/12[1]	06/30/11[1]
Property count	185	185	185	184	184	185	186	188
Investment	$ 2,285,357	$ 2,274,301	$ 2,247,469	$ 2,253,535	$ 2,215,983	$ 2,295,609	$ 2,286,122	$ 2,272,818
Square feet	12,921	12,871	12,884	12,788	12,752	12,972	12,950	13,097
Occupancy %	91.4	91.2	90.9	91.3	90.8	91.4	91.2	91.1
NOI:								
Rental and related revenues	$ 68,856	$ 67,727	$ 67,234	$ 135,235	$ 132,905			
Tenant recoveries	11,806	11,593	11,869	22,646	23,380			
Operating expenses	(30,483)	(29,935)	(30,135)	(59,667)	(59,893)			
	$ 50,179	$ 49,385	$ 48,968	$ 98,214	$ 96,392			
Adjusted NOI:								
Straight-line rents	(1,044)	(1,354)	(1,494)	(2,298)	(3,539)			
Above market lease intangibles, net	83	89	81	162	188			
Lease termination fees	(251)	—	—	(251)	—			
	$ 48,967	$ 48,120	$ 47,555	$ 95,827	$ 93,041			

[1] Amounts are presented as originally reported, without giving effect to discontinued operations.

Owned Medical Office Portfolio

Square feet in thousands

Leasing Activity

	Leased Square Feet	Annualized Base Rent Per Square Foot	% Change In Rents[1]	HCP Tenant Improvements Per Square Foot	Leasing Costs Per Square Foot	Average Lease Term (Months)	Retention Rate YTD
Leased Square Feet as of December 31, 2011	**12,001**	**$ 22.13**					
Dispositions/redevelopment	(143)	15.59					
Expirations	(462)	22.81					
Renewals, amendments and extensions	376	23.16	0.8	$ 12.64	$ 2.55	58	81.4
New leases	64	19.75		14.38	3.63	50	
Terminations	(23)	21.31					
Leased Square Feet as of March 31, 2012	**11,813**	**$ 22.41**					
Dispositions/redevelopment	(70)	17.50					
Expirations	(449)	22.32					
Renewals, amendments and extensions	338	22.39	0.5	$ 8.55	$ 2.77	50	78.4
New leases	247	19.30		19.69	3.33	56	
Terminations	(20)	20.68					
Leased Square Feet as of June 30, 2012	**11,859**	**$ 22.50**					

[1] For comparative purposes, the calculation reflects adjustments for leases that converted to a different lease type upon renewal, amendment or extension of the original lease.

Owned Hospital Portfolio

As of and for the six months ended June 30, 2012, dollars in thousands

Investments

Leased Properties	Property Count	Investment	NOI	Average Age (Years)	Beds	Occupancy %[1]	EBITDAR[1] Amount	EBITDAR[1] CFC	EBITDARM[1] Amount	EBITDARM[1] CFC
Acute care	5	$ 452,672	$ 28,835	35	1,578	50.6	$ 319,454	5.46 x	$ 345,558	5.90 x
Rehab	7	96,606	4,663	22	520	59.2	28,881	3.23 x	33,002	3.69 x
Specialty	2	63,725	2,533	28	68	—	19,181	3.71 x	21,196	4.10 x
LTACH	3	35,205	4,091	18	244	48.4	5,823	0.80 x	8,992	1.24 x
	17	$ 648,208	$ 40,122	26	2,410	52.6	$ 373,339	4.67 x	$ 408,748	5.12 x

Debt Investments	Investment	Interest Income
Acute care	$ 15,119	$ 518
Specialty[2]	68,784	—
	$ 83,903	$ 518
Total	$ 732,111	$ 40,640

Operator Concentration[3]

Operator[1]	Properties Count	Properties % Pooled	Investment Amount	Investment %	NOI and Interest Income Amount	NOI and Interest Income %	Beds
Tenet Healthcare	3	—	$ 196,709	27	$ 11,574	28	756
HCA	1	—	167,164	23	10,453	26	668
Delphis	2	—	132,509	18	2,533	6	68
Hoag Memorial Hospital Presbyterian	1	—	88,800	12	6,811	17	154
Other	10	70	146,929	20	9,269	23	764
	17	41	$ 732,111	100	$ 40,640	100	2,410

[1] Certain operators in HCP's hospital portfolio are not required under their respective leases to provide operational data.
[2] Represents a senior secured loan to Delphis that was placed on non-accrual status effective January 1, 2011. For additional information regarding the senior secured loan to Delphis see Note 7 to the Consolidated Financial Statements for the quarter ended June 30, 2012 included in the Company's Quarterly Report on Form 10-Q filed with the SEC.
[3] Property count and beds are presented for leased properties and exclude debt investments.

See Reporting Definitions and Reconciliations of Non-GAAP Measures

Owned Hospital Portfolio

Dollars in thousands

Portfolio Trends

	Same Property Leased Portfolio					Total Leased Portfolio		
	As of and for the Quarter Ended			As of and for the YTD Period Ended		As of and for the Twelve Months Ended		
	06/30/12	03/31/12	06/30/11	06/30/12	06/30/11	06/30/12	03/31/12[1]	06/30/11[1]
Property count	16	16	16	16	16	17	17	17
Investment	$ 608,463	$ 607,456	$ 608,641	$ 608,463	$ 608,641	$ 648,208	$ 647,201	$ 648,386
Beds	2,379	2,379	2,361	2,379	2,361	2,410	2,410	2,361
3-Month Occupancy %	56.3	51.7	56.2	56.3	56.2	56.3	51.7	56.2
12-Month Occupancy %	52.6	52.5	54.5	52.6	54.5	52.6	52.5	54.5
EBITDAR	$ 364,098	$ 346,009	$ 296,542	$ 364,098	$ 296,542	$ 373,339	$ 355,101	$ 305,868
EBITDAR CFC	4.73 x	4.52 x	4.68 x	4.73 x	4.68 x	4.67 x	4.46 x	4.62 x
EBITDARM	$ 398,473	$ 380,531	$ 328,263	$ 398,473	$ 328,263	$ 408,748	$ 390,744	$ 338,984
EBITDARM CFC	5.18 x	4.97 x	5.18 x	5.18 x	5.18 x	5.12 x	4.91 x	5.12 x
NOI:								
Rental and related revenues	$ 21,848	$ 18,614	$ 21,524	$ 40,462	$ 39,635			
Operating expenses	(936)	(929)	(1,221)	(1,865)	(2,186)			
	$ 20,912	$ 17,685	$ 20,303	$ 38,597	$ 37,449			
Adjusted NOI:								
Straight-line rents	(161)	(184)	(254)	(345)	(529)			
Below market lease intangibles, net	(193)	(192)	(192)	(385)	(385)			
	$ 20,558	$ 17,309	$ 19,857	$ 37,867	$ 36,535			

[1] Amounts are presented as originally reported, without giving effect to discontinued operations.

Investment Management Platform

As of and for the six months ended June 30, 2012, dollars and square feet in thousands

Unconsolidated Institutional Joint Ventures	Primary Segment	Date Established/ Acquired	HCP's Ownership Percentage	Joint Venture's Investment	Joint Venture's Mortgage Debt	HCP's Net Equity Investment[1]	HCP's Investment Management Fee Income	Initial Term (in years)
HCP Ventures III	Medical office	October-06	30%[2]	$ 143,557	$ 91,730	$ 8,012	$ 193	10
HCP Ventures IV	Medical office	April-07	20%	659,965	374,055	33,964	768	10
HCP Life Science	Life science	August-07	50%-63%	144,481	4,830	66,883	2	97-98
				$ 948,003	$ 470,615	$ 108,859	$ 963	

Selected Financial Data[3]

	Three Months Ended June 30, 2012		Six Months Ended June 30, 2012	
	Medical Office	Life Science	Medical Office	Life Science
Total revenues	$ 19,101	$ 2,741	$ 38,801	$ 5,475
Operating expenses	(8,096)	(403)	(15,915)	(801)
NOI	$ 11,005	$ 2,338	$ 22,886	$ 4,674
Depreciation and amortization	(7,173)	(396)	(14,167)	(790)
General and administrative	(999)	(8)	(1,815)	(25)
Interest expense and other	(6,769)	(97)	(13,500)	(209)
Net income (loss)	$ (3,936)	$ 1,837	$ (6,596)	$ 3,650
Depreciation and amortization	7,173	396	14,167	790
FFO	$ 3,237	$ 2,233	$ 7,571	$ 4,440
Amortization of above and below market lease intangibles, net	(186)	—	(370)	—
Amortization of deferred financing costs, net	162	9	352	17
Straight-line rents	(156)	98	(562)	178
Leasing costs and tenant and capital improvements	(2,670)	(10)	(4,134)	(2)
FAD	$ 387	$ 2,330	$ 2,857	$ 4,633
HCP's pro rata share of net income (loss)	$ (792)	$ 1,074	$ (1,325)	$ 2,135
HCP's pro rata share of FFO	$ 769	$ 1,291	$ 1,759	$ 2,567
HCP's pro rata share of FAD	$ 177	$ 1,343	$ 768	$ 2,672

HCP Ventures III	Property Count	Investment	NOI	Adjusted NOI	Average Age (Years)	Square Feet	Occupancy %[4]
Medical office:							
On-Campus	9	$ 109,779	$ 4,581	$ 4,502	12	619	98.6
Off-Campus	4	33,778	1,109	1,106	11	183	86.9
	13	$ 143,557	$ 5,690	$ 5,608	11	802	95.9
HCP Ventures IV							
Medical office:							
On-Campus	22	$ 216,897	$ 5,393	$ 5,397	24	1,103	75.9
Off-Campus	31	361,685	9,874	9,215	20	1,487	83.1
Hospital:							
LTACH	1	12,193	24	24	6	N/A	N/A
Specialty	3	69,190	1,905	1,670	7	N/A	N/A
	57	$ 659,965	$ 17,196	$ 16,306	21		
HCP Life Science							
San Francisco	2	$ 74,700	$ 2,362	$ 2,526	15	147	100.0
San Diego	2	69,781	2,312	2,324	16	131	90.3
	4	$ 144,481	$ 4,674	$ 4,850	16	278	95.4
Total	74	$ 948,003	$ 27,560	$ 26,764			

(1) The carrying value of investments in unconsolidated joint ventures is based on the amount the Company paid to purchase the joint venture interest, which is different from the Company's capital balance as reflected at the joint venture level as the records of the unconsolidated joint venture are reflected at their historical cost. These differences in basis are generally amortized over the lives of the related assets and liabilities and included in the Company's share of equity in earnings of the respective joint venture.
(2) The Company owns an 85% interest in HCP Birmingham Portfolio LLC, which owns a 30% interest in HCP Ventures III.
(3) Financial information is combined by primary segment of each joint venture (i.e., HCP Ventures III and HCP Ventures IV are combined under the medical office column).
(4) Certain operators in the Investment Management Platform hospital portfolio are not required under their respective leases to provide operational data.

See Reporting Definitions and Reconciliations of Non-GAAP Measures

Adjusted Fixed Charge Coverage. Adjusted EBITDA divided by Fixed Charges. The Company uses Adjusted Fixed Charge Coverage, a non-GAAP financial measure, as a measure of liquidity. The Company believes Adjusted Fixed Charge Coverage provides investors, particularly fixed income investors, relevant and useful information because it measures the Company's ability to meet its interest payments on outstanding debt and pay dividends to its preferred stockholders. The Company's various debt agreements contain covenants that require the Company to maintain ratios similar to Adjusted Fixed Charge Coverage, and credit rating agencies utilize similar ratios in evaluating and determining the credit rating on certain debt instruments of the Company. However, since this ratio is derived from Adjusted EBITDA and Fixed Charges, its usefulness is limited by the same factors that limit the usefulness of Adjusted EBITDA and Fixed Charges. Further, the Company's computation of Adjusted Fixed Charge Coverage may not be comparable to similar fixed charge coverage ratios reported by other companies. The Company has provided reconciliations of this measure to the most comparable GAAP measure in this supplemental information package and for certain historical trend information on page 6, such reconciliations are available in the Company's Current Reports on Form 8-K filed with the SEC dated February 14, 2012 (2011 metrics), February 15, 2011 (2010 metrics), February 12, 2010 (2009 metrics), February 10, 2009 (2008 metrics), February 11, 2008 (2008 and 2007 metrics) and July 30, 2007 (Pre-CNL Acquisition metrics).

The following table details the calculation of Adjusted Fixed Charge Coverage (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Adjusted EBITDA	$ 399,116	$ 432,365	$ 790,062	$ 701,834
Interest expense:				
Continuing operations	$ 103,225	$ 105,129	$ 207,793	$ 213,705
HCP's share of interest expense from the Investment Management Platform	1,553	1,584	3,106	3,159
Capitalized interest	6,812	6,550	13,495	12,538
Preferred stock dividends	—	5,283	6,574	10,566
Fixed charges	$ 111,590	$ 118,546	$ 230,968	$ 239,968
Adjusted fixed charge coverage	3.6x	3.6x	3.4x	2.9x

Annualized Revenues. The most recent month's (or subsequent month's if acquired in the most recent month) base rent including additional rent floors, cash income from direct financing leases and/or interest income annualized for 12 months. Annualized Revenues for operating properties under a RIDEA structure are calculated based on the most recent monthly NOI annualized for 12 months. Annualized Revenues do not include tenant recoveries, additional rents in excess of floors and non-cash revenue adjustments (i.e., straight-line rents, amortization of above and below market lease intangibles, DFL interest accretion and deferred revenues). The Company uses Annualized Revenues for the purpose of determining Operator/Tenant Diversification, Lease Expirations and Debt Investment Maturities.

Assets Held for Sale. Assets of discontinued operations in accordance with Accounting Standards Codification Topic 360.

Assisted Living Facility ("ALF"). A senior housing facility that predominantly consists of assisted living units is classified by the Company as an ALF.

Cash Flow Coverage ("CFC"). Facility EBITDAR or Facility EBITDARM for the trailing 12 months and one quarter in arrears from the date reported divided by the Same Period Rent. Cash Flow Coverage is a supplemental measure of a property's ability to generate cash flows for the operator/tenant (not the Company) to meet the operator's/tenant's related rent and other obligations to the Company. However, its usefulness is limited by, among other things, the same factors that limit the usefulness of Facility EBITDAR or Facility EBITDARM. The coverages shown exclude newly completed facilities under start-up, vacant facilities and facilities for which data is not available or meaningful.

Consolidated Assets. Total assets as reported in the Company's consolidated financial statements.

Consolidated Debt. The carrying amount of bank line of credit, bridge and term loans (if applicable), senior unsecured notes, mortgage and other secured debt, and other debt as reported in the Company's consolidated financial statements.

Consolidated Gross Assets. The carrying amount of total assets, excluding investments in and advances to unconsolidated joint ventures, after adding back accumulated depreciation and amortization, as reported in the Company's consolidated financial statements.

Consolidated Secured Debt. Mortgage and other debt secured by real estate, excluding debt on assets held for sale as reported in the Company's consolidated financial statements.

Continuing Care Retirement Community ("CCRC"). A senior housing facility which provides at least three levels of care (i.e., independent living, assisted living and skilled nursing) is classified by the Company as a CCRC.

Debt Investments. Loans secured by a direct interest in real estate and mezzanine loans.

Debt Service. The periodic payment of interest expense and principal amortization on secured loans.

Development. Includes ground-up construction and redevelopments.

Direct Financing Lease ("DFL"). The Company uses the direct finance method of accounting to record income from DFLs. For leases accounted for as DFLs, future minimum lease payments are recorded as a receivable. The difference between the future minimum lease payments and the estimated residual values less the cost of the properties is recorded as unearned income. Unearned income is deferred and amortized to income over the lease terms to provide a constant yield.

Estimated Completion Date. For development projects, management's estimate of the date the core and shell structure improvements are expected to be or have been completed. For redevelopment projects, management's estimate of the time in which major construction activity in relation to the scope of the project has been substantially completed.

EBITDA and Adjusted EBITDA. The real estate industry uses earnings before interest, taxes, depreciation and amortization ("EBITDA"), a non-GAAP financial measure, as a measure of both operating performance and liquidity. Adjusted EBITDA is calculated as EBITDA excluding impairments, gains or losses from real estate dispositions, and litigation settlement charge. The Company uses EBITDA and Adjusted EBITDA to measure both its operating performance and liquidity. The Company considers Adjusted EBITDA to provide investors relevant and useful information because it permits investors to view income from its operations on an unleveraged basis before the effects of taxes, non-cash depreciation and amortization, impairments, impairment recoveries, and gains or losses from real estate dispositions. By excluding interest expense, Adjusted EBITDA allows investors to measure the Company's operating performance independent of its capital structure and indebtedness and, therefore, allows for a more meaningful comparison of its operating performance between quarters as well as annual periods and to compare its operating performance to that of other companies, both in the real estate industry and in other industries. As a liquidity measure, the Company believes that EBITDA and Adjusted EBITDA help investors analyze the Company's ability to meet its interest payments on outstanding debt and to make preferred dividend payments. The Company believes investors should consider EBITDA and Adjusted EBITDA, in conjunction with net income (the primary measure of the Company's performance) and the other required GAAP measures of its performance and liquidity, to improve their understanding of the Company's operating results and liquidity, and to make more meaningful comparisons of its performance between periods and against other companies. EBITDA and Adjusted EBITDA have limitations as analytical tools and should be used in conjunction with the Company's required GAAP presentations. EBITDA and Adjusted EBITDA do not reflect the Company's historical cash expenditures or future cash requirements for capital expenditures or contractual commitments. While Adjusted EBITDA is a relevant and widely used measure of operating performance and liquidity, it does not represent net income or cash flow from operations as defined by GAAP, and it should not be considered as an alternative to those indicators in evaluating operating performance or liquidity. Further, the Company's computation of EBITDA and Adjusted EBITDA may not be comparable to similar measures reported by other companies.

The following table reconciles Adjusted EBITDA from net income (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net income	$ 204,975	$ 234,252	$ 401,539	$ 308,236
Interest expense:				
Continuing operations	103,225	105,129	207,793	213,705
Income taxes:				
Continuing operations	176	248	(533)	285
Discontinued operations	—	—	103	—
Depreciation and amortization of real estate, in-place lease and other intangibles:				
Continuing operations	87,924	89,814	176,165	180,996
Discontinued operations	—	238	35	476
Equity income from unconsolidated joint ventures	(15,732)	(14,950)	(29,407)	(15,748)
HCP's share of EBITDA from the Investment Management Platform	3,612	3,872	7,432	7,969
Other joint venture adjustments	14,936	13,492	29,791	13,684
EBITDA	$ 399,116	$ 432,095	$ 792,918	$ 709,603
Gain on sales of real estate	—	—	(2,856)	—
Gain upon consolidation of joint venture	—	270	—	(7,769)
Adjusted EBITDA	$ 399,116	$ 432,365	$ 790,062	$ 701,834

Facility EBITDAR ("EBITDAR"). Earnings before interest, taxes, depreciation, amortization and rent for a particular facility accruing to the operator/tenant of the property (not the Company), for the trailing 12 months and one quarter in arrears from the date reported. The Company uses Facility EBITDAR in determining Cash Flow Coverage and Debt Service Coverage. Facility EBITDAR has limitations as an analytical tool. Facility EBITDAR does not reflect historical cash expenditures or future cash requirements for facility capital expenditures or contractual commitments. In addition, Facility EBITDAR does not represent a property's net income or cash flow from operations and should not be considered an alternative to those indicators. However, the Company receives periodic financial information from operators/tenants regarding the performance of the Company's facilities under the operator's/tenant's management. The Company utilizes Facility EBITDAR as a supplemental measure of the ability of those properties to generate sufficient liquidity to meet related obligations to the Company. Facility EBITDAR includes the greater of (i) contractual management fees or (ii) an imputed management fee of 5% for senior housing facilities and post-acute/skilled nursing facilities and 2% for acute care hospitals which the Company believes represents typical management fees in their respective industries. All facility financial performance data was derived solely from information provided by operators/tenants and borrowers without independent verification by the Company.

Facility EBITDARM ("EBITDARM"). Earnings before interest, taxes, depreciation, amortization, rent and management fees for a particular facility accruing to the operator/tenant of the property (not the Company), for the trailing 12 months and one quarter in arrears from the date reported. The Company uses Facility EBITDARM in determining Cash Flow Coverage and Debt Service Coverage. Facility EBITDARM has limitations as an analytical tool. Facility EBITDARM does not reflect historical cash expenditures or future cash requirements for facility capital expenditures or contractual commitments. In addition, Facility EBITDARM does not represent a property's net income or cash flow from operations and should not be considered an alternative to those indicators. However, the Company receives periodic financial information from operators/tenants regarding the performance of the Company's facilities under the operator's/tenant's management. The Company utilizes Facility EBITDARM as a supplemental measure of the ability of those properties to generate sufficient liquidity to meet related obligations to the Company. All facility financial performance data was derived solely from information provided by operators/tenants and borrowers without independent verification by the Company.

Financial Leverage. Total Debt divided by Total Gross Assets. The Company believes that its Financial Leverage is a meaningful supplemental measure of its financial position, which enables both management and investors to analyze its leverage and to compare its leverage to that of other companies. The Company believes that the ratio of Consolidated Debt to Consolidated Gross Assets is the most directly comparable GAAP measure to Financial Leverage. The Company's computation of its Financial Leverage may not be identical to the computations of financial leverage reported by other companies. The Company's pro rata share of total debt from the Investment Management Platform is not intended to reflect its actual liability or ability to access assets should there be a default under any or all such loans or a liquidation of the joint ventures. The Company has provided reconciliations of this measure to the most comparable GAAP measure in this supplemental information package and for certain historical trend information on page 6, such reconciliations are available in the Company's Current Reports on Form 8-K filed with the SEC dated February 14, 2012 (2011 metrics), February 15, 2011 (2010 metrics), February 12, 2010 (2009 metrics), February 10, 2009 (2008 metrics), February 11, 2008 (2008 and 2007 metrics) and July 30, 2007 (Pre-CNL Acquisition metrics).

Fixed Charges. Total interest expense plus capitalized interest plus preferred stock dividends. The Company uses Fixed Charges to measure its interest payments on outstanding debt and dividends to its preferred stockholders for purposes of presenting Fixed Charge Coverage and Adjusted Fixed Charge Coverage. However, the usefulness of Fixed Charges is limited as, among other things, it does not include all contractual obligations. The Company's computation of Fixed Charges should not be considered an alternative to fixed charges as defined by Item 503(d) of Regulation S-K and may not be comparable to fixed charges reported by other companies.

Funds Available for Distribution ("FAD"). Funds Available for Distribution is defined as FFO as adjusted after excluding the impact of the following: (i) amortization of acquired above/below market lease intangibles, net; (ii) amortization of deferred compensation expense; (iii) amortization of deferred financing costs, net; (iv) straight-line rents; (v) accretion and depreciation related to DFLs; and (vi) deferred revenues. Further, FAD is computed after deducting recurring capital expenditures, including leasing costs and second generation tenant and capital improvements, and includes similar adjustments to compute the Company's share of FAD from its unconsolidated joint ventures. Other real estate investment trusts ("REITs") or real estate companies may use different methodologies for calculating FAD, and accordingly, the Company's FAD may not be comparable to those reported by other REITs. Although the Company's FAD computation may not be comparable to that of other REITs, management believes FAD provides a meaningful supplemental measure of the Company's ability to fund its ongoing dividend payments. In addition, management believes that in order to further understand and analyze the Company's liquidity, FAD should be compared with cash flows as determined in accordance with GAAP and presented in its consolidated financial statements. FAD does not represent cash generated from operating activities determined in accordance with GAAP, and FAD should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of the Company's performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP), or as a measure of the Company's liquidity.

Funds From Operations ("FFO"). The Company believes that net income as defined by GAAP is the most appropriate earnings measure. The Company also believes that Funds From Operations, or FFO, as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), FFO applicable to common shares, Diluted FFO applicable to common shares, and Basic and Diluted FFO per common share are important non-GAAP supplemental measures of operating performance for a REIT. Because the historical cost accounting convention used for real estate assets utilizes straight-line depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time. However, since real estate values have historically risen or fallen with market and other conditions, presentations of operating results for a REIT that use historical cost accounting for depreciation could be less informative. Thus, NAREIT created FFO as a supplemental measure of operating performance for REIT that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. FFO is defined as net income (determined in accordance with GAAP), excluding gains or losses from acquisition and dispositions of depreciable real estate or related interests, impairments of, or related to, depreciable real estate, plus real estate and DFL depreciation and amortization, with adjustments to derive the Company's pro rata share of FFO from consolidated and unconsolidated joint ventures. Adjustments for joint ventures are calculated to reflect FFO on the same basis. The Company believes that the use of FFO, combined with the required GAAP presentations, improves the understanding of operating results of REITs among investors and makes comparisons of operating results among such companies more meaningful. The Company considers FFO to be a useful measure for reviewing comparative operating and financial performance because, by excluding gains or losses related to sales of previously depreciated operating real estate assets and real estate and DFL depreciation and amortization, FFO can help investors compare the operating performance of a REIT between periods or as compared to other companies. While FFO is a relevant and widely used measure of operating performance of REITs, it does not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating the Company's liquidity or operating performance. FFO also does not consider the costs associated with capital expenditures related to the Company's real estate assets, nor is FFO necessarily indicative of cash available to fund the Company's future cash requirements. The Company's computation of FFO may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently from the Company. For a reconciliation of FFO to net income, please refer to the slide in this supplemental information package captioned "Consolidated Funds From Operations."

FFO as adjusted represents FFO before the impact of litigation settlement charges, preferred stock redemption charges, impairments (recoveries) of non-depreciable assets and merger-related items. Merger-related items include estimated acquisition pursuit costs that consist primarily of professional fees and the impact of common stock offerings which increase the weighted average shares outstanding, when such proceeds will be used to fund a portion of the cash consideration of the Company's pending acquisitions. Management believes FFO as adjusted is a useful alternative measurement. This measure is a modification of the NAREIT definition of FFO and should not be used as an alternative to net income (determined in accordance with GAAP).

FAD Payout Ratio. Dividends declared per common share divided by Diluted FAD per common share for a given period. The Company believes the FAD Payout Ratio per Common Share provides investors relevant and useful information because it measures the portion of FAD being declared as dividends to common stockholders. FAD Payout Ratio per Common Share is subject to the same limitations noted in the definition of FAD above.

FFO Payout Ratio. Dividends declared per common share divided by Diluted FFO per common share for a given period. The Company believes the FFO Payout Ratio per Common Share provides investors relevant and useful information because it measures the portion of FFO being declared as dividends to common stockholders. FFO Payout Ratio per Common Share is subject to the same limitations noted in the definition of FFO above.

HCP Life Science. Includes three unconsolidated joint ventures between the Company and an institutional capital partner for which the Company is the managing member. HCP Life Science includes the following partnerships: (i) Torrey Pines Science Center LP (50%), (ii) Britannia Biotech Gateway LP (55%) and (iii) LASDK LP (63%). The unconsolidated joint ventures were acquired as part of the Company's purchase of Slough Estates USA Inc. on August 1, 2007.

HCP Ventures III. An unconsolidated joint venture formed on October 27, 2006 between the Company and an institutional capital partner, for which the Company is the managing member and has an effective 25.5% interest.

HCP Ventures IV. An unconsolidated joint venture formed on April 30, 2007 between the Company and an institutional capital partner, for which the Company is the managing member and has a 20% interest.

Independent Living Facility ("ILF"). A senior housing facility that predominantly consists of independent living units.

Investment. Represents (i) the carrying amount of real estate assets, including intangibles, after adding back accumulated depreciation and amortization, excluding assets held for sale and classified as discontinued operations and (ii) the carrying amount of DFLs and debt investments.

Investment Management Platform. Includes the following unconsolidated joint ventures: (i) HCP Life Science, (ii) HCP Ventures III and (iii) HCP Ventures IV.

Life Science. Laboratory and office space primarily for biotechnology and pharmaceutical companies, scientific research institutions, government agencies and other entities involved in the life science industry.

Long-Term Acute Care Hospitals ("LTACHs"). LTACHs provide care for patients with complex medical conditions that require longer stays and more intensive care, monitoring or emergency back-up than that available in most skilled nursing-based programs.

Net Operating Income from Continuing Operations ("NOI"). A non-GAAP supplemental financial measure used to evaluate the operating performance of real estate properties and SPP. The Company defines NOI as rental and related revenues, including tenant recoveries, resident fees and services, and income from DFLs, less property level operating expenses. NOI excludes interest income, investment management fee income, interest expense, depreciation and amortization, general and administrative expenses, litigation settlement, impairments, impairment recoveries, other income, net, income taxes, equity income from and impairments of unconsolidated joint ventures, and discontinued operations. The Company believes NOI provides investors relevant and useful information because it reflects only income and operating expense items that are incurred at the property level and presents them on an unleveraged basis. Adjusted NOI is calculated as NOI eliminating the effects of straight-line rents, DFL accretion, amortization of above and below market lease intangibles, and lease termination fees. Adjusted NOI is sometimes referred to as "cash NOI." The Company uses NOI and adjusted NOI to make decisions about resource allocations, to assess and compare property level performance, and evaluate SPP. The Company believes that net income is the most directly comparable GAAP measure to NOI. NOI should not be viewed as an alternative measure of operating performance to net income (determined in accordance with GAAP) since it does not reflect the aforementioned excluded items. Further, NOI may not be comparable to that of other REITs, as they may use different methodologies for calculating NOI.

The following table reconciles NOI from net income (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net income	$ 204,975	$ 234,252	$ 401,539	$ 308,236
Interest income	(1,216)	(60,526)	(2,035)	(98,622)
Investment management fee income	(470)	(504)	(963)	(1,111)
Interest expense	103,225	105,129	207,793	213,705
Depreciation and amortization	87,924	89,814	176,165	180,996
General and administrative	14,812	34,872	34,914	56,824
Other income, net	(1,028)	(7,518)	(1,464)	(17,827)
Income taxes	176	248	(533)	285
Equity income from unconsolidated joint ventures	(15,732)	(14,950)	(29,407)	(15,748)
Total discontinued operations, net of taxes	—	(337)	(2,993)	(678)
NOI	$ 392,666	$ 380,480	$ 783,016	$ 626,060
Straight-line rents	(11,860)	(15,612)	(21,787)	(32,912)
DFL accretion	(22,017)	(22,262)	(47,639)	(24,937)
Amortization of above and below market lease intangibles, net	(625)	(1,187)	(1,322)	(2,093)
Lease termination fees	(251)	(1,589)	(399)	(3,178)
NOI adjustments related to discontinued operations	—	—	148	—
Adjusted NOI	$ 357,913	$ 339,830	$ 712,017	$ 562,940

Occupancy. For life science facilities and medical office buildings, occupancy represents the percentage of total rentable square feet leased where rental payments have commenced, including month-to-month leases, as of the end of the period reported. For senior housing facilities, post-acute/skilled nursing facilities and hospitals, occupancy represents the facilities' average operating occupancy for the trailing three-month and 12-month periods and one quarter in arrears from the date reported. The percentages are calculated based on units, licensed beds and available beds for senior housing facilities, post-acute/skilled nursing facilities and hospitals, respectively. The percentages shown exclude newly completed facilities under lease-up, vacant facilities and facilities for which data is not available or meaningful. All facility financial performance data was derived solely from information provided by operators/tenants and borrowers without independent verification by the Company. For the SPP, occupancy for senior housing facilities, post-acute/skilled nursing facilities and hospitals are presented based on the average operating occupancy for the trailing three-month and 12-month periods and one quarter in arrears from the date reported.

Owned Portfolio. Represents owned properties subject to operating leases and DFLs, properties operated under a RIDEA structure and debt investments, and excludes properties under development, including redevelopment, land held for development and real estate owned by the Company's unconsolidated joint ventures.

Pooled Leases. Two or more leases to the same operator/tenant or their subsidiaries under which their obligations are combined by virtue of a master lease or multiple master leases, a pooling agreement or multiple pooling agreements, or cross-guaranties. For example, Sunrise Senior Living percentage pooled consists of 47 assets under 6 separate pools.

Quality Mix. Represents non-Medicaid revenues as a percent of total revenues for the trailing 12 months and is one quarter in arrears from the period presented.

Redevelopment Projects. Properties that require significant capital expenditures (generally more than 25% of acquisition cost or existing basis) to achieve stabilization or to change the use of the properties.

Rehabilitation Hospitals ("Rehab"). Rehabilitation hospitals provide inpatient and outpatient care for patients who have sustained traumatic injuries or illnesses, such as spinal cord injuries, strokes, head injuries, orthopedic problems, work-related disabilities and neurological diseases.

Rental and RIDEA Revenues. Represents rental and related revenues, tenant recoveries, resident fees and services, and income from direct financing leases.

Retention Rate. Represents the ratio of total renewed square feet to the total square feet expiring and available for lease, excluding the square feet for tenant leases terminated for default or buy-out prior to the expiration of their lease.

RIDEA. The Housing and Economic Recovery Act of 2008 (commonly referred to as "RIDEA").

Same Period Rent. The base rent plus additional rent due to the Company over the trailing 12 months and one quarter in arrears from the date reported. The Company uses Same Period Rent for purposes of determining property-level Cash Flow Coverage.

Same Property Portfolio ("SPP"). SPP statistics allow management to evaluate the performance of the Company's real estate portfolio under a consistent population, which eliminates the changes in the composition of the Company's portfolio of properties. The Company identifies its SPP as stabilized properties that remained in operations and were consistently reported as leased properties or operating properties (RIDEA) for the duration of the year-over-year comparison periods presented. Accordingly, it takes a stabilized property a minimum of 12 months in operations under a consistent reporting structure to be included in the Company's SPP. SPP NOI excludes certain non-property specific operating expenses that are allocated to each operating segment on a consolidated basis.

Secured Debt Ratio. Total Secured Debt divided by Total Gross Assets. The Company believes that its Secured Debt Ratio is a meaningful supplemental measure of its financial position, which enables both management and investors to analyze its leverage and to compare its leverage to that of other companies. The Company believes that the ratio of Consolidated Secured Debt to Consolidated Gross Assets is the most directly comparable GAAP measure to Secured Debt Ratio. The Company's computation of its Secured Debt Ratio may not be identical to the computations of Secured Debt Ratio reported by other companies. The Company's pro rata share of total secured debt from the Investment Management Platform is not intended to reflect its actual liability or ability to access assets should there be a default under any or all such loans or a liquidation of the joint ventures. The Company has provided reconciliations of this measure to the most comparable GAAP measure in this supplemental information package and for certain historical trend information on page 6, such reconciliations are available in the Company's Current Reports on Form 8-K filed with the SEC dated February 14, 2012 (2011 metrics), February 15, 2011 (2010 metrics), February 12, 2010 (2009 metrics), February 10, 2009 (2008 metrics), February 11, 2008 (2008 and 2007 metrics) and July 30, 2007 (Pre-CNL Acquisition metrics).

Senior Housing. ALFs, ILFs and CCRCs.

Specialty Hospitals. Specialty hospitals are licensed as acute care hospitals but focus on providing care in specific areas such as cardiac, orthopedic and women's conditions, or specific procedures such as surgery, and are less likely to provide emergency services.

Square Feet. The square footage for properties, excluding square footage for development or redevelopment properties prior to completion.

Stabilized. Newly acquired operating assets are generally considered stabilized at the earlier of lease up (typically when the tenant(s) controls the physical use of 80% of the space) or 12 months from the acquisition date. Newly completed developments, including redevelopments, are considered stabilized at the earlier of lease-up or 24 months from the date the property is placed in service.

Total Debt. Consolidated Debt at book value plus the Company's pro rata share of total debt from the Investment Management Platform.

Total Gross Assets. Consolidated Gross Assets plus the Company's pro rata share of total assets from the Investment Management Platform, after adding back accumulated depreciation and amortization.

The following table details the calculation of Total Gross Assets (in thousands):

	June 30, 2012	December 31, 2011	June 30, 2011
Consolidated total assets	$ 17,789,768	$ 17,408,475	$ 17,693,058
Investments in and advances to unconsolidated joint ventures	(219,877)	(224,052)	(224,625)
Accumulated depreciation and amortization	1,827,357	1,672,501	1,570,997
Accumulated depreciation and amortization from assets held for sale	—	1,705	7,114
Consolidated gross assets	$ 19,397,248	$ 18,858,629	$ 19,046,544
HCP's share of unconsolidated total assets[1]	267,782	269,606	297,427
HCP's share of unconsolidated accumulated depreciation and amortization[1]	43,383	40,104	37,603
Total gross assets	$ 19,708,413	$ 19,168,339	$ 19,381,574

[1] Reflects the Company's pro rata share of amounts from the Investment Management Platform and its equity interest in HCR ManorCare OpCo.

Total Market Capitalization. Total Debt plus Total Market Equity.

Total Market Equity. The total number of outstanding shares of the Company's common stock multiplied by the closing price per share of its common stock on the New York Stock Exchange as of period end, plus the total number of convertible partnership units multiplied by the closing price per share of its common stock on the New York Stock Exchange as of period end (adjusted for stock splits), plus the total number of outstanding shares of the Company's preferred stock multiplied by the closing price of its preferred stock on the New York Stock Exchange as of period end.

Total Secured Debt. Consolidated Secured Debt plus the Company's pro rata share of mortgage debt from the Investment Management Platform.

Units/Square Feet/Beds. Senior housing facilities are measured in units (e.g., studio, one or two bedroom units). Life science facilities and medical office buildings are measured in square feet. Post-acute/skilled nursing facilities and hospitals are measured in licensed bed count.

Yield. Yield is calculated as Net Operating Income, as adjusted, divided by Investment. For acquisitions, initial yields are calculated as projected Net Operating Income, 12 months forward, as adjusted, as of the closing date divided by total acquisition cost basis. The total acquisition cost basis includes the initial purchase price, the effects of adjusting assumed debt to market, lease intangible adjustments and all transaction costs.