



# The Aging Population:

*Driving Health Care Real Estate Investments*

Corporate Presentation | November 2016

welltower

# Forward Looking Statements

This document contains “forward-looking” statements as that term is defined in the Private Securities Litigation Reform Act of 1995. When the company uses words such as “may,” “will,” “intend,” “should,” “believe,” “expect,” “anticipate,” “project,” “pro forma,” “estimate” or similar expressions that do not relate solely to historical matters, it is making forward-looking statements. In particular, these forward-looking statements include, but are not limited to, those relating to the company’s opportunities to acquire, develop or sell properties; the company’s ability to close its anticipated acquisitions, investments or dispositions on currently anticipated terms, or within currently anticipated timeframes; the expected performance of the company’s operators/tenants and properties; the company’s expected occupancy rates; the company’s ability to declare and to make distributions to stockholders; the company’s investment and financing opportunities and plans; the company’s continued qualification as a real estate investment trust (“REIT”); the company’s ability to meet its earning guidance; and the company’s ability to access capital markets or other sources of funds.

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause the company’s actual results to differ materially from the company’s expectations discussed in the forward-looking statements. This may be a result of various factors, including, but not limited to: the status of the economy; the status of capital markets, including availability and cost of capital; issues facing the health care industry, including compliance with, and changes to, regulations and payment policies, responding to government investigations and punitive settlements and operators’/tenants’ difficulty in cost-effectively obtaining and maintaining adequate liability and other insurance; changes in financing terms; competition within the health care and seniors housing industries; negative developments in the operating results or financial condition of operators/tenants, including, but not limited to, their ability to pay rent and repay loans; the company’s ability to transition or sell properties with profitable results; the failure to make new investments or acquisitions as and when anticipated; natural disasters and other acts of God affecting the company’s properties; the company’s ability to re-lease space at similar rates as vacancies occur; the company’s ability to timely reinvest sale proceeds at similar rates to assets sold; operator/tenant or joint venture partner bankruptcies or insolvencies; the cooperation of joint venture partners; government regulations affecting Medicare and Medicaid reimbursement rates and operational requirements; liability or contract claims by or against operators/tenants; unanticipated difficulties and/or expenditures relating to future investments or acquisitions; environmental laws affecting the company’s properties; changes in rules or practices governing the company’s financial reporting; the movement of U.S. and foreign currency exchange rates; the company’s ability to maintain its qualification as a REIT; key management personnel recruitment and retention; and other risks described in the company’s reports filed from time to time with the Securities and Exchange Commission. Finally, the company assumes no obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, or to update the reasons why actual results could differ from those projected in any forward-looking statements.

# Introducing Welltower (NYSE:HCN)

Enterprise  
Value<sup>(1)</sup>

**\$41B**

**S&P 500**

**NYSE:  
HCN**

**1,464**  
TOTAL HEALTH  
CARE PROPERTIES

**260,000**  
RESIDENTS<sup>(2)</sup>

**16,000,000**  
OUTPATIENT  
MEDICAL VISITS<sup>(2)</sup>

Dividend <sup>(1)</sup>

**4.6%**  
Dividend  
Yield

August 2016:  
**181st**  
consecutive  
quarterly  
dividend

Ratings

Moody's  
**Baa1**  
Stable

S&P<sup>(3)</sup>  
**BBB+**  
Stable

Fitch  
**BBB+**  
Stable

1) Source: Bloomberg as of 9/30/2016.

2) Based on internal estimates derived from trailing twelve-month facility level data.

3) As of 11/2/16.

# Recognized For Sustainable Business Practices

One of eight real estate companies named to Dow Jones Sustainability North America Index (DSJI)

CDP Climate Change Score of A- (Leadership Band), S&P edition, 2016 Global Climate Change Report



Global Real Estate Sustainability Benchmark's (GRESB's) Green Star – two consecutive years

57 Energy Star Certified  
9 LEED Certified



# Real Estate Investment Trust (REIT) Overview

## LARGEST U.S. PUBLIC REITs by Enterprise Value <sup>(1)</sup>

Rank	Company	Sector	\$ (mm's)
1	Simon Property Group	Regional Malls	\$88,210
2	American Tower (REIT)	Wireless Towers	\$69,512
3	Crown Castle International	Wireless Towers	\$45,216
4	Public Storage	Self-Storage	\$43,113
5	Prologis Inc.	Industrial	\$42,557
6	<b>welltower</b>	Health Care	\$41,432
7	General Growth Properties	Regional Malls	\$38,708

1) Source: Bloomberg as of 9/30/2016.



# Performance Driven Strategy

welltower



Investment in the “Silver Economy” and Aging



Best-in-Class  
Real Estate &  
Operating Partners



Superior Internal  
& External Growth



Significant and Stable  
Dividend Income

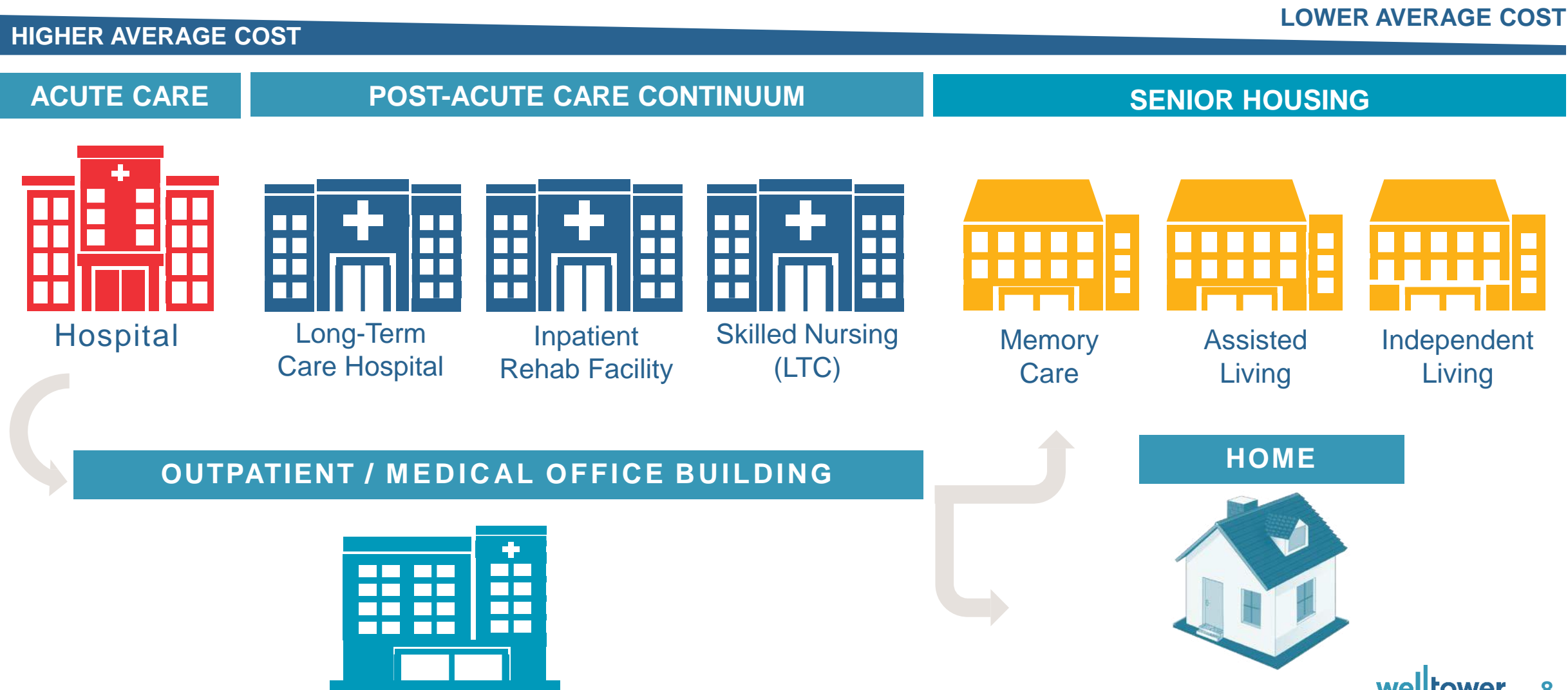


Investment Grade Balance  
Sheet & Outstanding  
Access to Capital

# Powerful Growth Trends for Health Care Real Estate

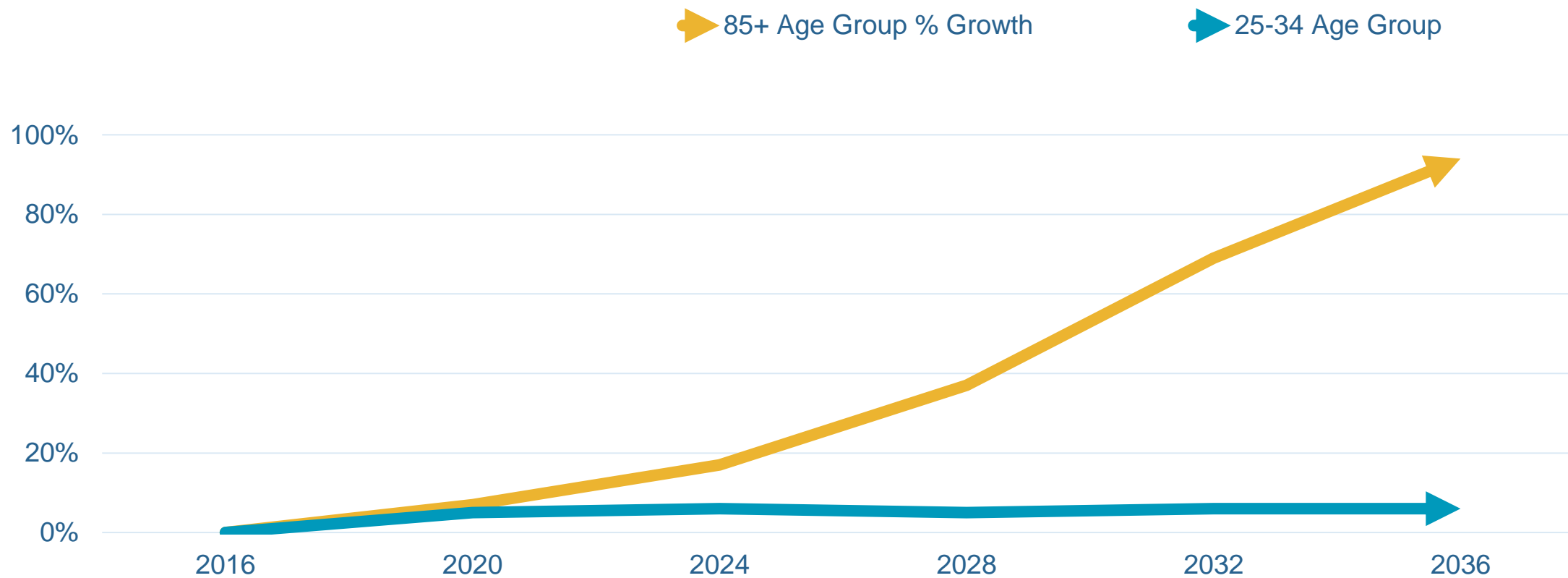


# Health Care is Moving To Lower Cost Settings



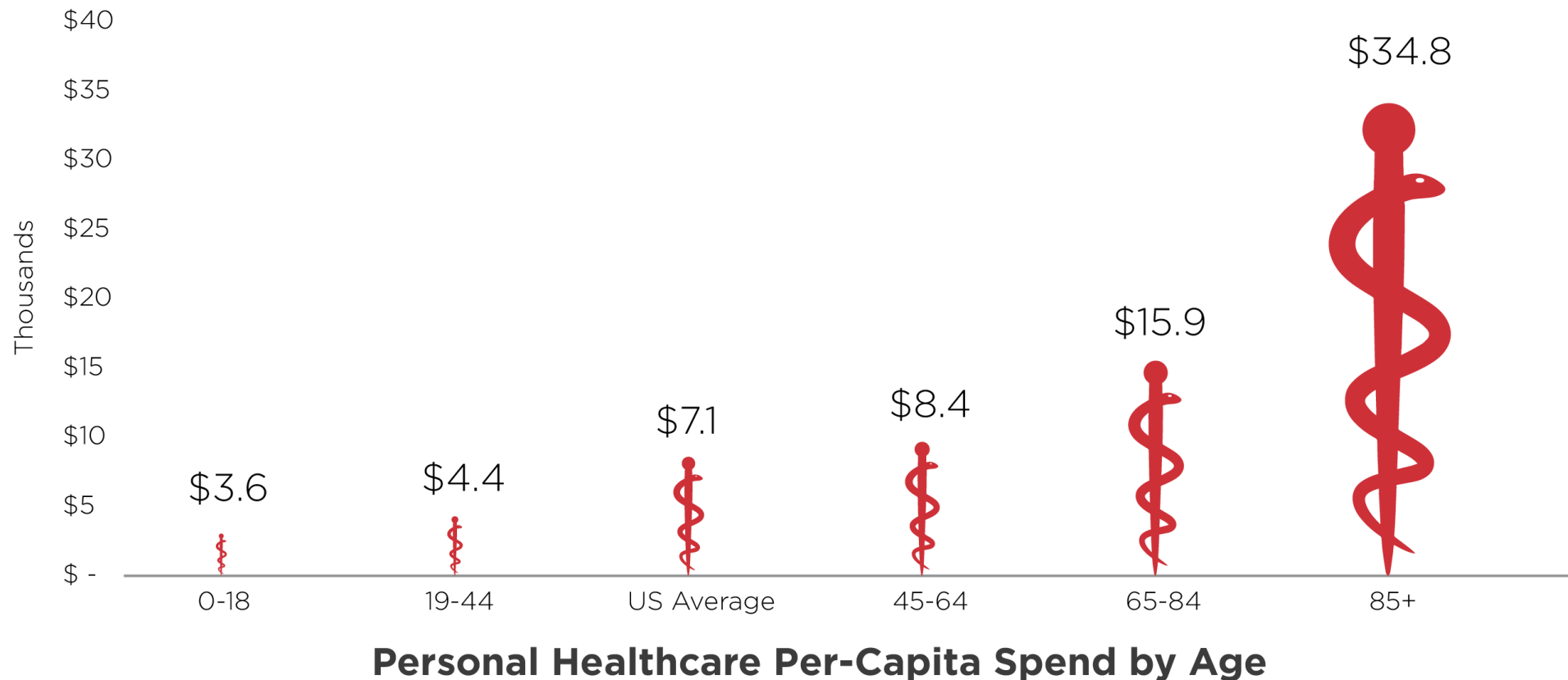


# Powerful Demographic Tailwinds



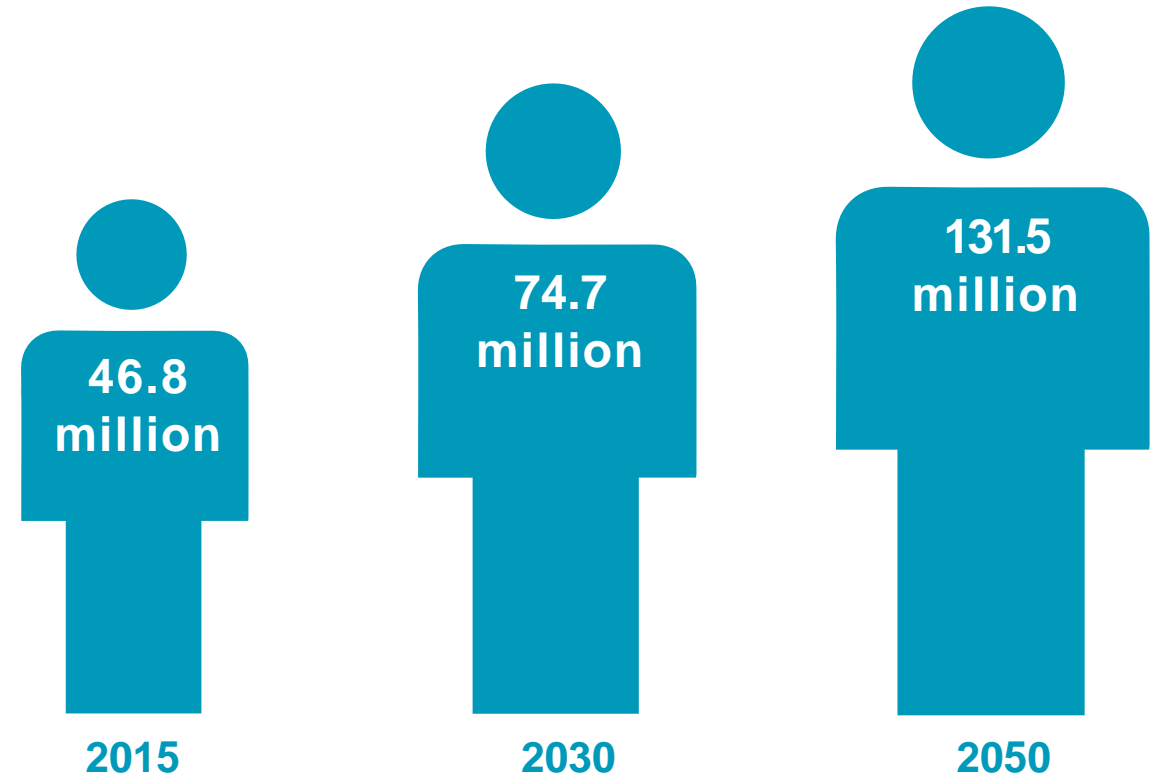
**85+ Population to Double in 20 Years**

# Aging Population Drives Health Care Spending



# Dementia / Alzheimer's: Residential Memory Care is the Answer

- Alzheimer's Disease is the only "Top 10 Cause of Death" in the U.S. that cannot be prevented, slowed or cured
- Number of people with dementia globally will almost double every 20 years
- Total estimated worldwide cost of dementia care will be \$1 trillion by 2018



# Welltower's Unique Growth Platform

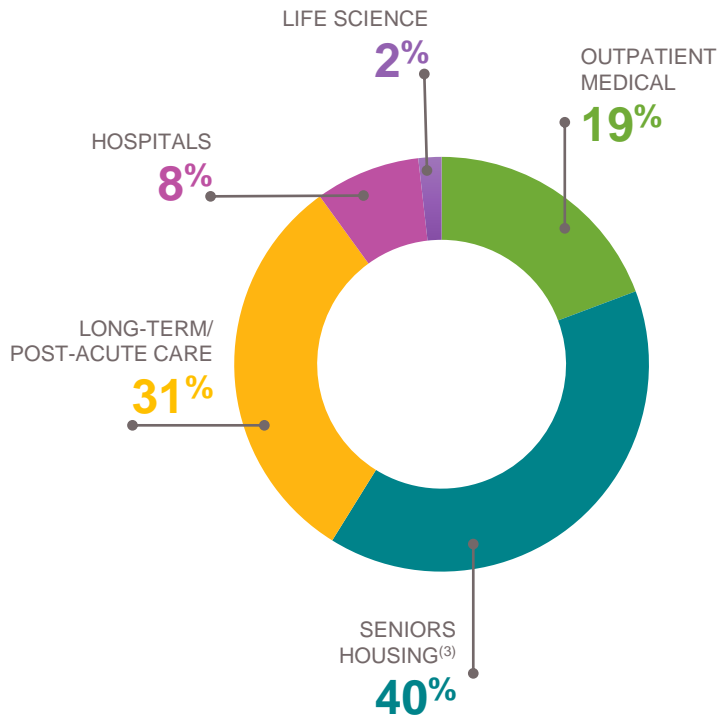


# Portfolio Transformation<sup>(1)</sup>

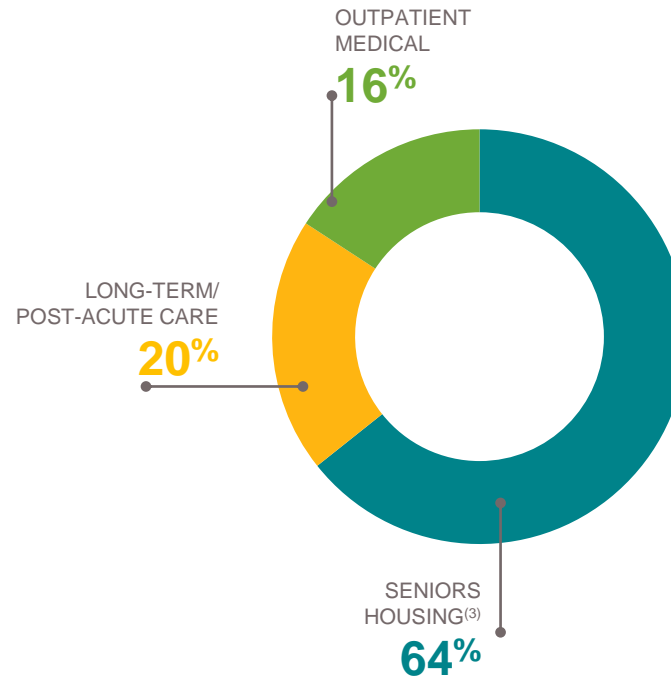
1Q10

3Q16

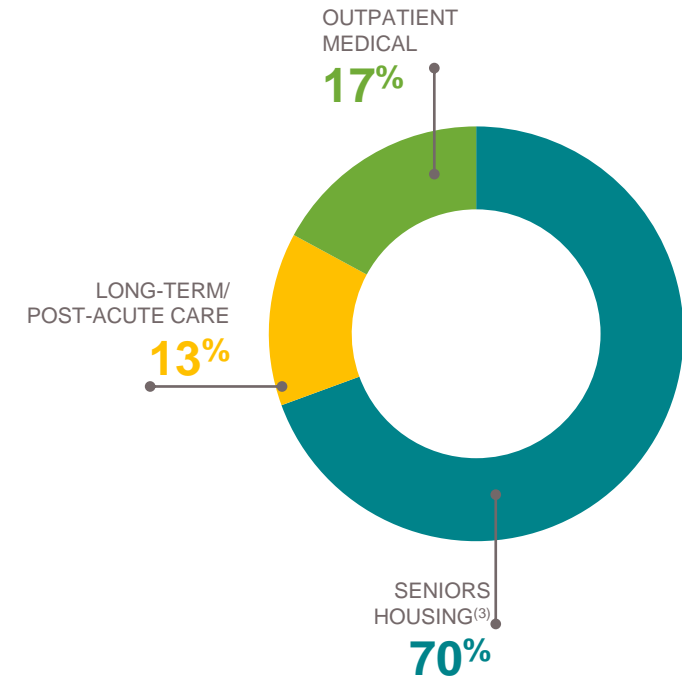
Pro Forma <sup>(2)</sup>



**Private Pay: 69%**



**Private Pay: 89%**



**Private Pay: 92%**

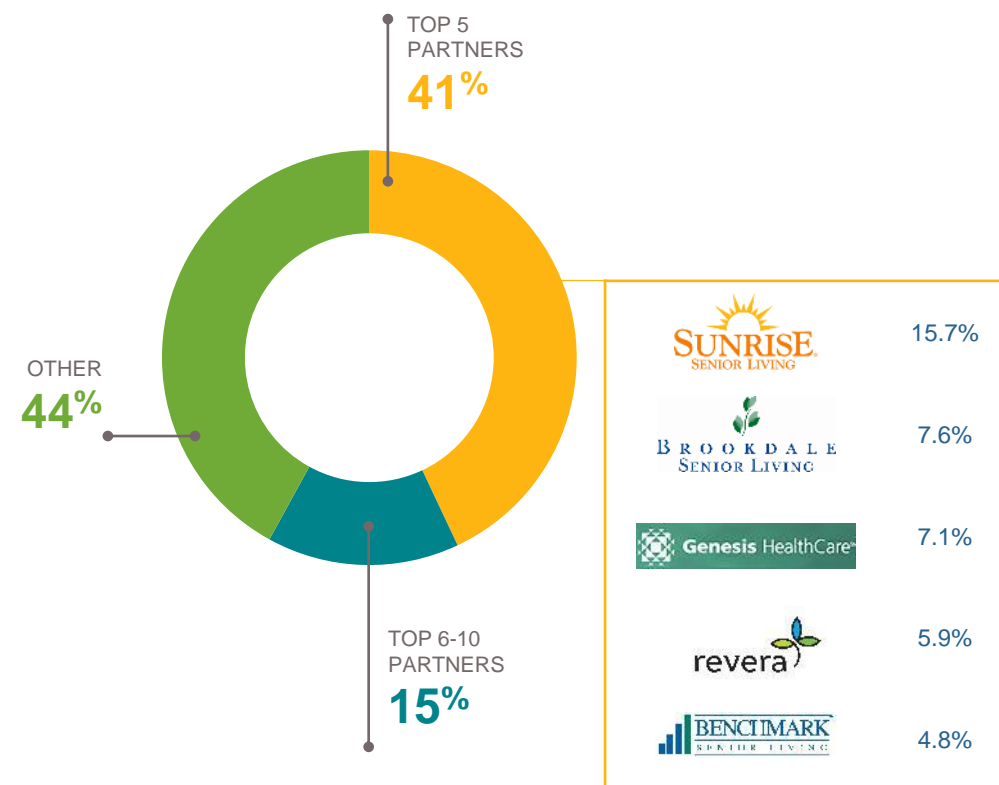
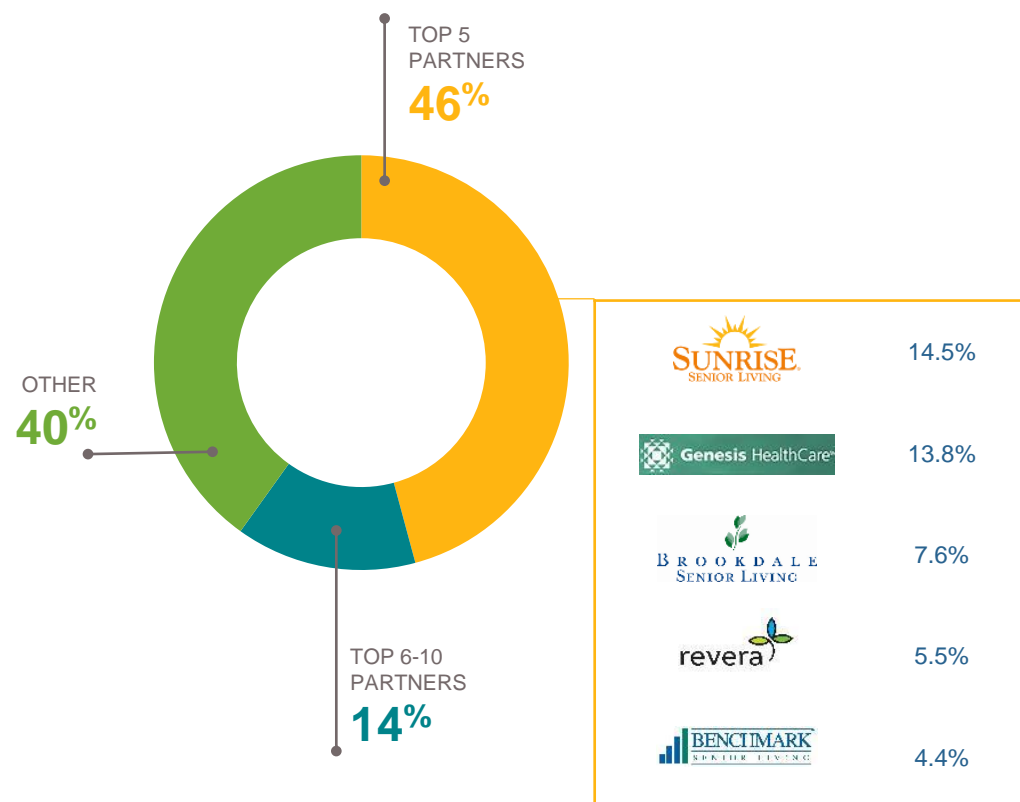
1. Based on NOI for 1Q10 and IN-Place NOI for 3Q16 and Pro forma. Please see non-GAAP financial measures and reconciliations at the end of this presentation.
2. Based on estimated 4Q16 dispositions and acquisitions per the company's "Welltower Announces Significant Portfolio Repositioning" press release issued November 2, 2016.
3. Comprises Seniors Housing Triple-Net and Seniors Housing Operating properties.



# Partner Diversification<sup>(1)</sup>

3Q16

Pro Forma <sup>(2)</sup>



1. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

2. Based on estimated 4Q16 dispositions and acquisitions per the company's "Welltower Announces Significant Portfolio Repositioning" press release issued November 2, 2016.

# The Definition of a “Class A” Health Care Portfolio

High Barrier to Entry Premier  
Markets



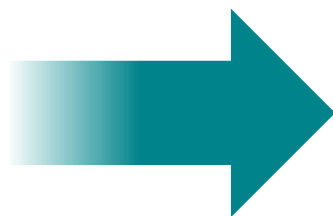
Newer Assets with Low  
Capex Needs



Best-In-Class  
Operating  
Partners



Active Portfolio  
Management



Midtown Manhattan Development



Merrill Gardens at the University, Seattle, WA



Chartwell Toronto Development



Welltower Outpatient Center,  
Beverly Hills, CA



Sunrise Connecticut Avenue,  
Washington, D.C.

# Welltower Family of Brands

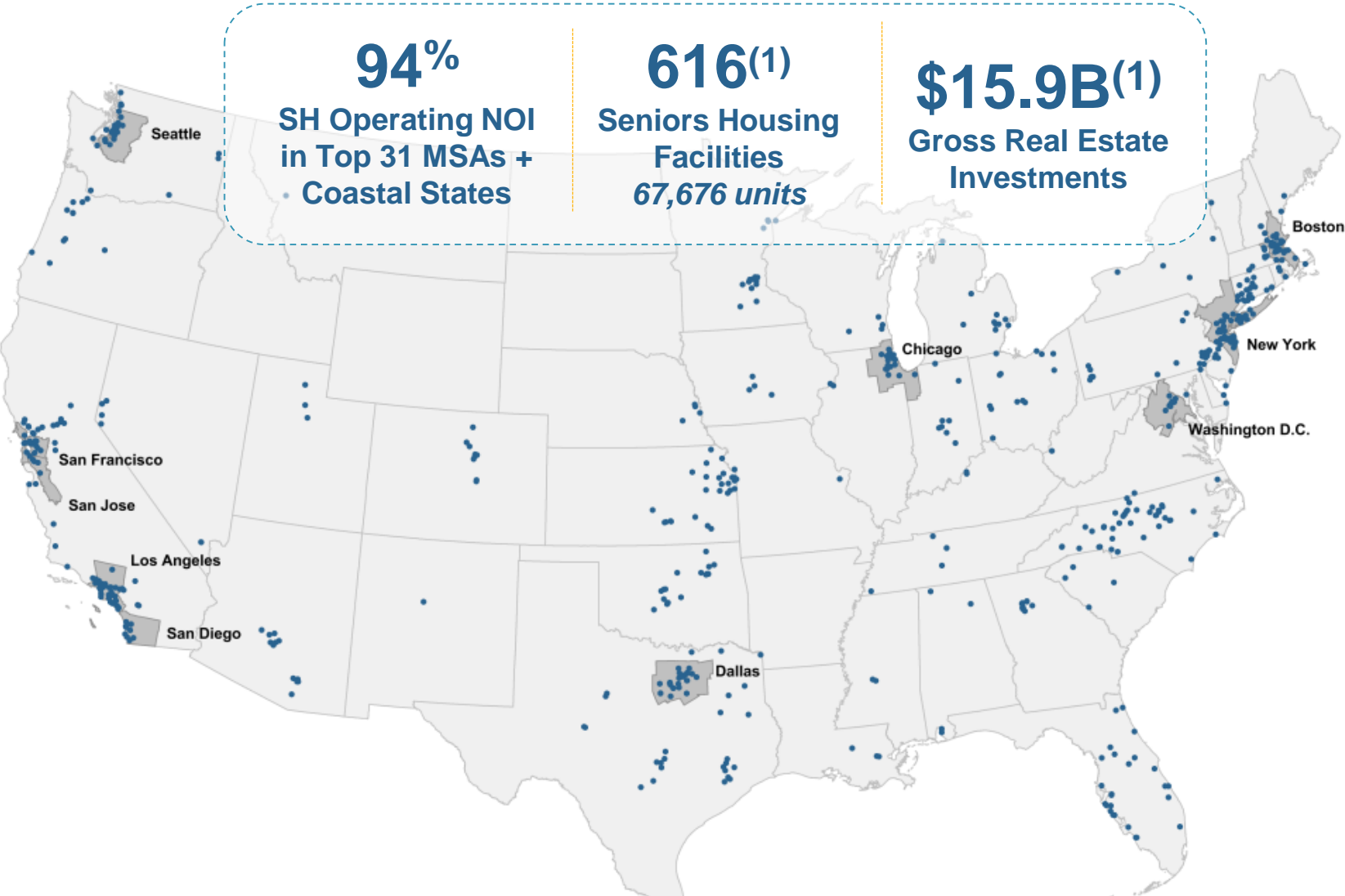


**\$819mm<sup>(1)</sup>**

**PER QUARTER OF REPEAT  
BUSINESS WITH EXISTING  
PARTNERS**

1. Quarterly average of gross investments with existing partners from 1/1/2012 - 9/30/2016.

# U.S. Seniors Housing Portfolio: Major Urban Market Focus



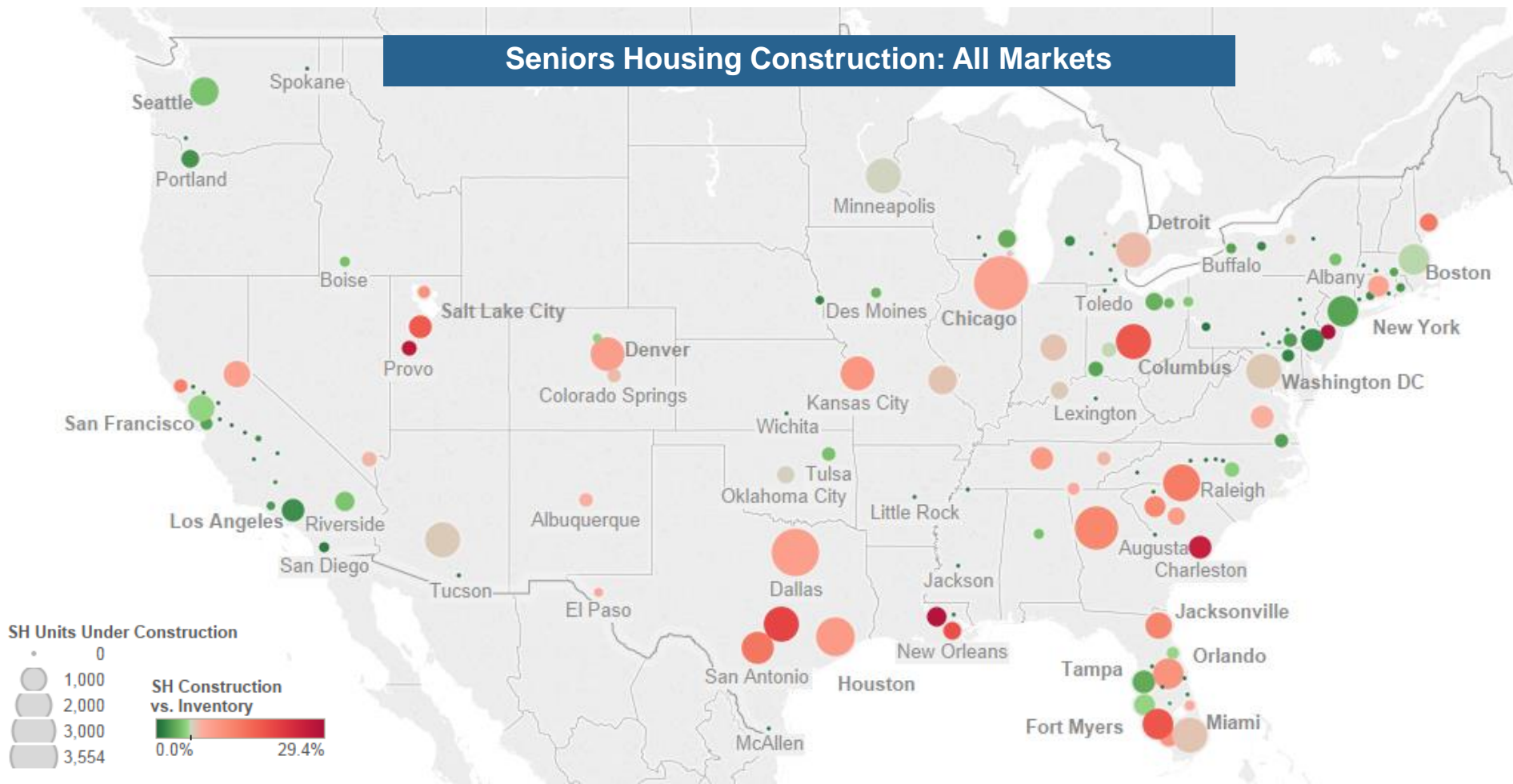
## TOP US MARKETS (% OF SH OPERATING NOI)

Los Angeles	14.9%
Boston	9.1%
New York	8.5%
San Francisco	5.5%
San Diego	4.8%
Chicago	4.5%
Washington DC	3.7%
Seattle	3.2%
San Jose	2.7%
Dallas	2.3%

Data as of 9/30/2016. NOI data based on In-Place US SH Operating NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

1) Comprises Seniors Housing Triple-Net and Seniors Housing Operating properties.

# Strategic Focus: Urban, High Barrier to Entry Markets



**TOP US MARKETS<sup>(1)</sup>**  
(% OF SH OPERATING NOI)

Los Angeles	14.9%
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New York	8.5%
San Francisco	5.5%
San Diego	4.8%
Chicago	4.5%
Washington DC	3.7%
Seattle	3.2%
San Jose	2.7%
Dallas	2.3%

Source: NIC MAP® Data Service data as of 9/30/2016

1. Data as of 9/30/2016. NOI data based on In-Place US SH Operating NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation



# UK Portfolio | Urban, High Barrier to Entry Markets



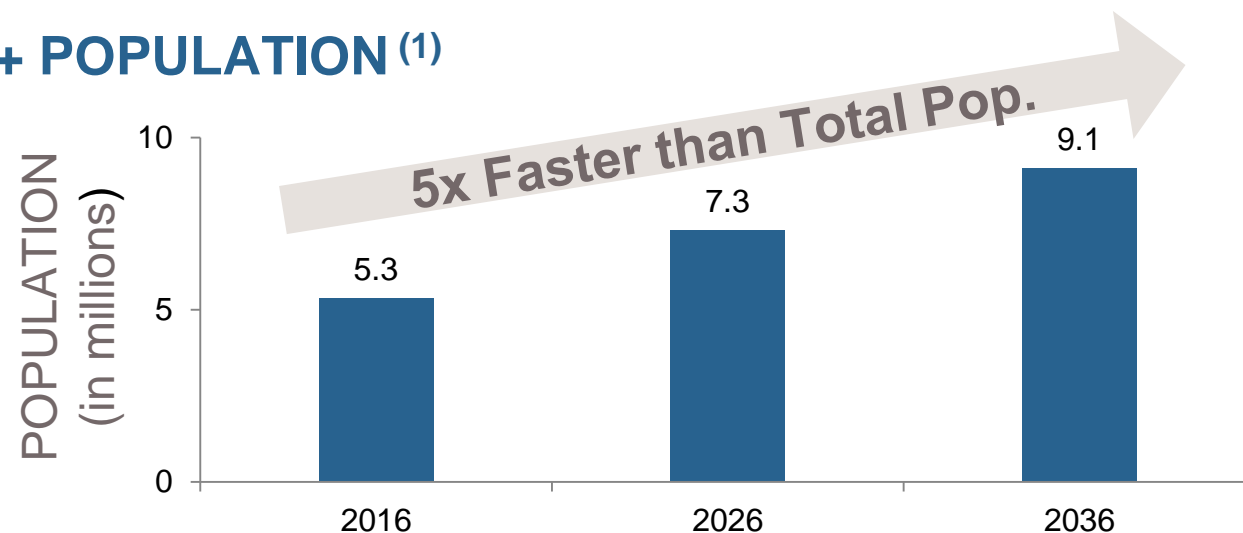
UK

**91%**  
SH Operating NOI in  
Greater London &  
Southern England

**89<sup>(2)</sup>**  
Facilities

**\$2.2B<sup>(2)</sup>**  
Gross Real Estate  
Investments

## 75+ POPULATION <sup>(1)</sup>

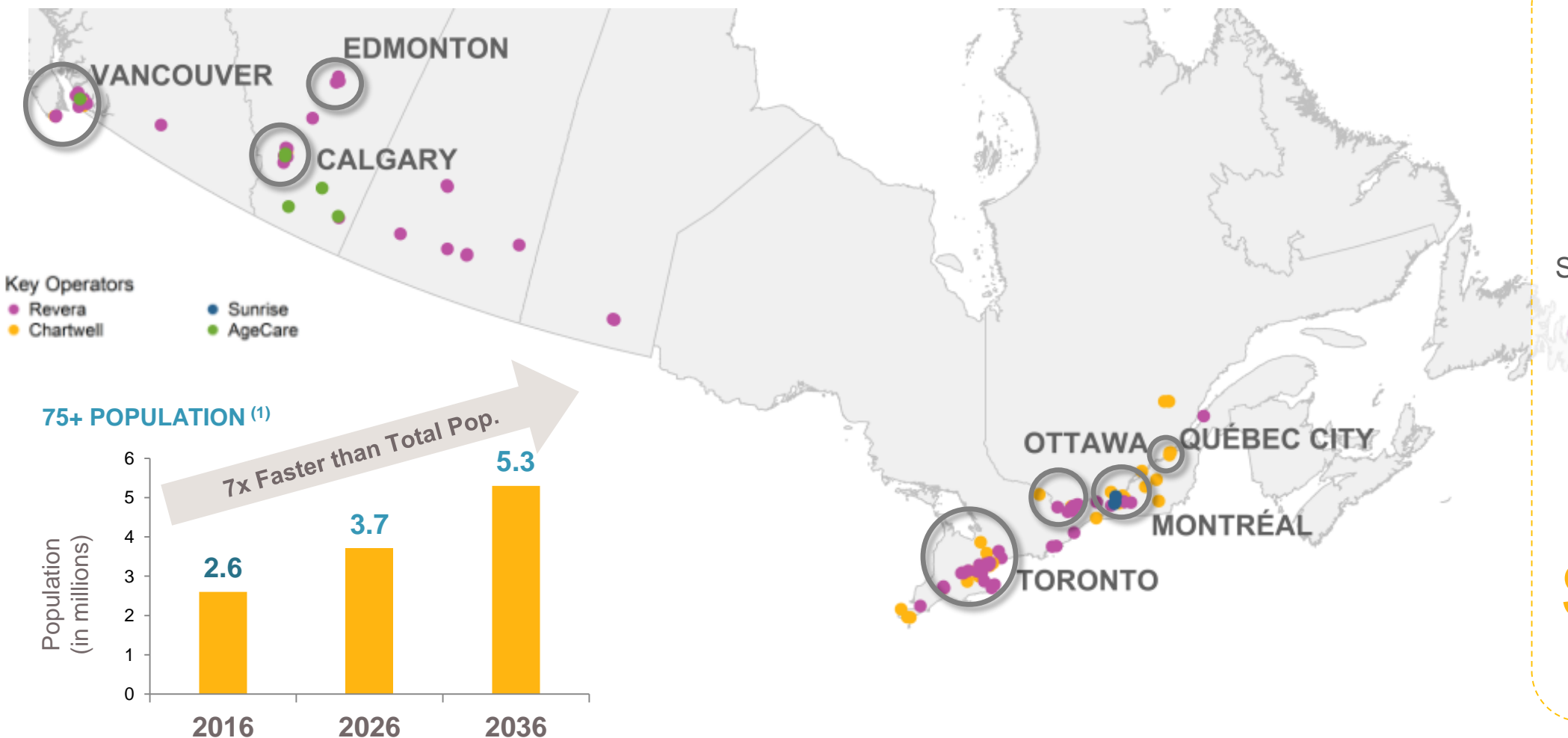


Data as of 9/30/2016. NOI data based on In-Place UK SH Operating NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

1. UK data, source: Office for National Statistics.

2. Comprises Seniors Housing Triple-Net and Seniors Housing Operating properties.

# Canadian Portfolio | Urban, High Barrier to Entry Markets



CN

76%

SH Operating NOI in  
Top 10 Canadian  
MSAs

145<sup>(2)</sup>

Facilities

\$2.8B<sup>(2)</sup>

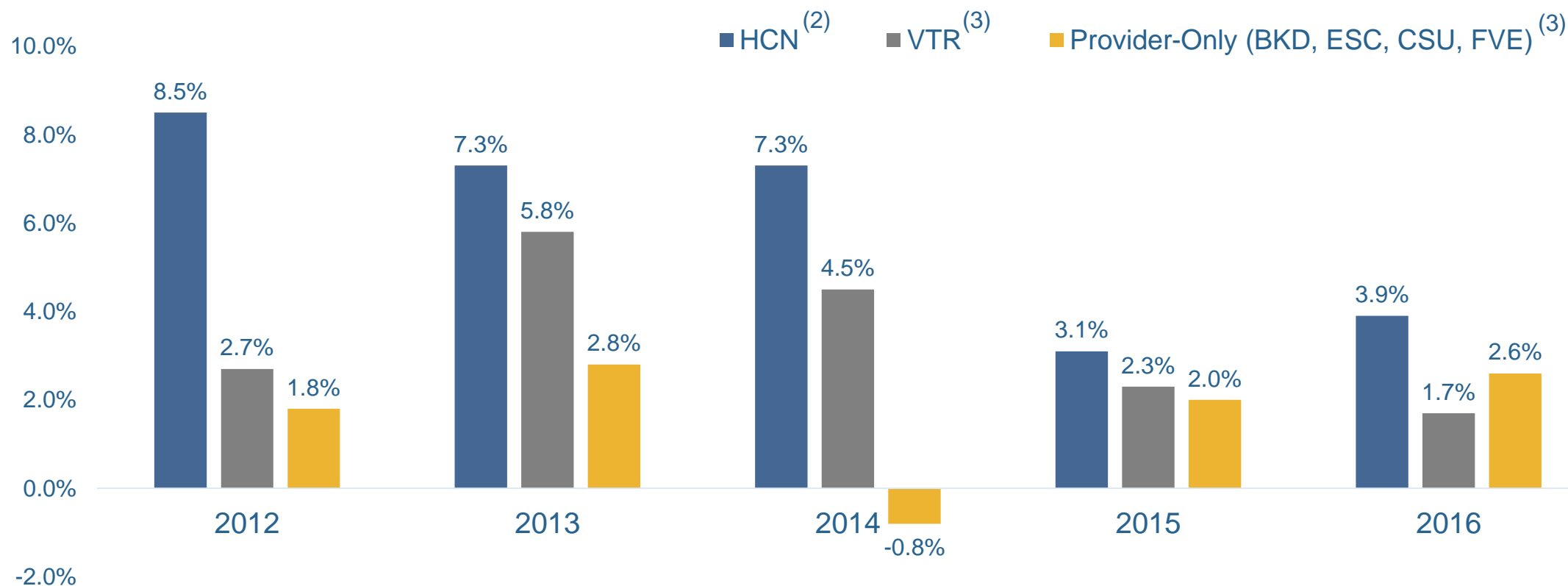
Gross Real Estate  
Investments

Data as of 9/30/2016. NOI data based on In-Place Canadian SH Operating NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

1. Canadian data, source: Statistics Canada.

2. Comprises Seniors Housing Triple-Net and Seniors Housing Operating properties.

# Superior Seniors Housing Operating Growth: Welltower vs. Peers



## Same Store NOI Growth<sup>(1)</sup>

(1) Simple average of quarterly growth for comparability.

(2) Please see Non-GAAP Financial Measures and reconciliations at the end of this presentation.

(3) Information from most recent public filings.

# Urban Market Focus: Midtown Manhattan Development



## DEMAND FACTORS

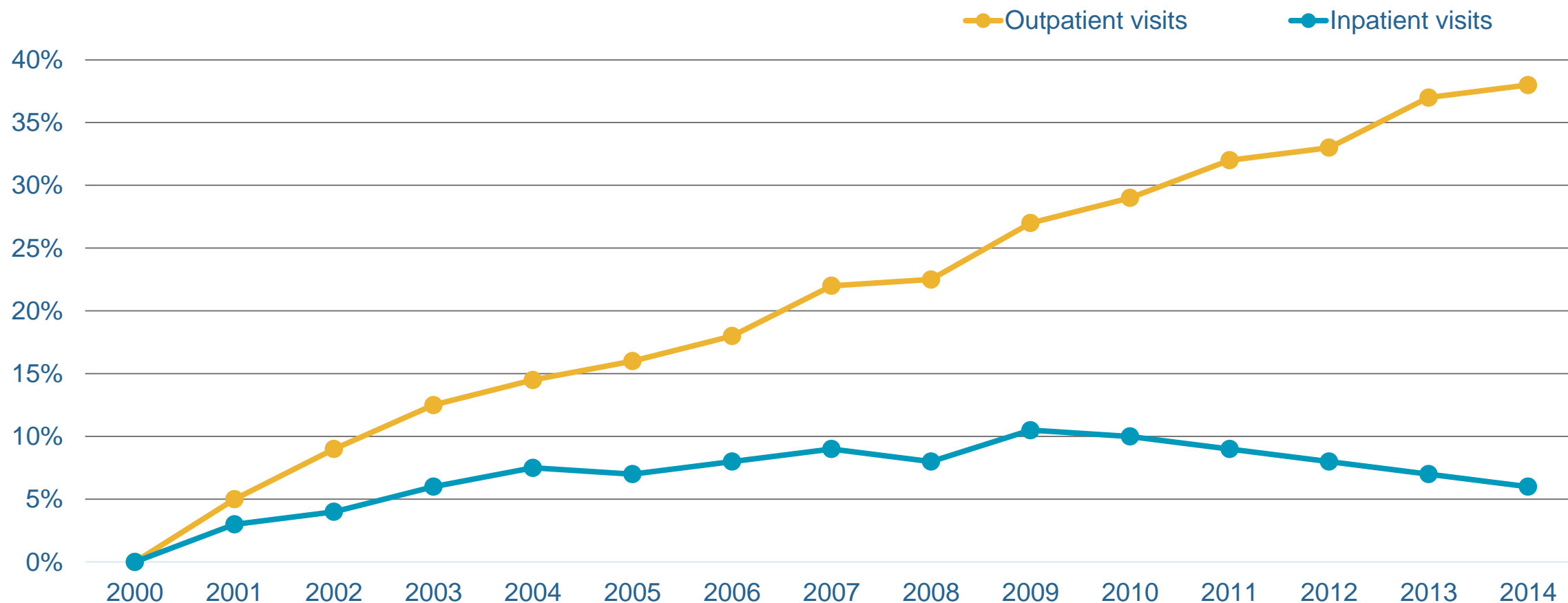
- Manhattan has a vast, highly under-served population of aging New Yorkers
- Current availability of assisted living is 5x less than national average
- Currently, only 70 fully licensed memory care beds in Manhattan
- >30,000 geriatric patients discharged annually to health care facilities
- Demographic trends point to significant elderly population growth
- Anticipated opening: 2019

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SUNRISE  
EAST  
56

Hines

# Outpatient Will Continue to Dominate Care Delivery



**36% Increase in total outpatient visits since 1999,  
Compared with 6% rise in inpatient visits**

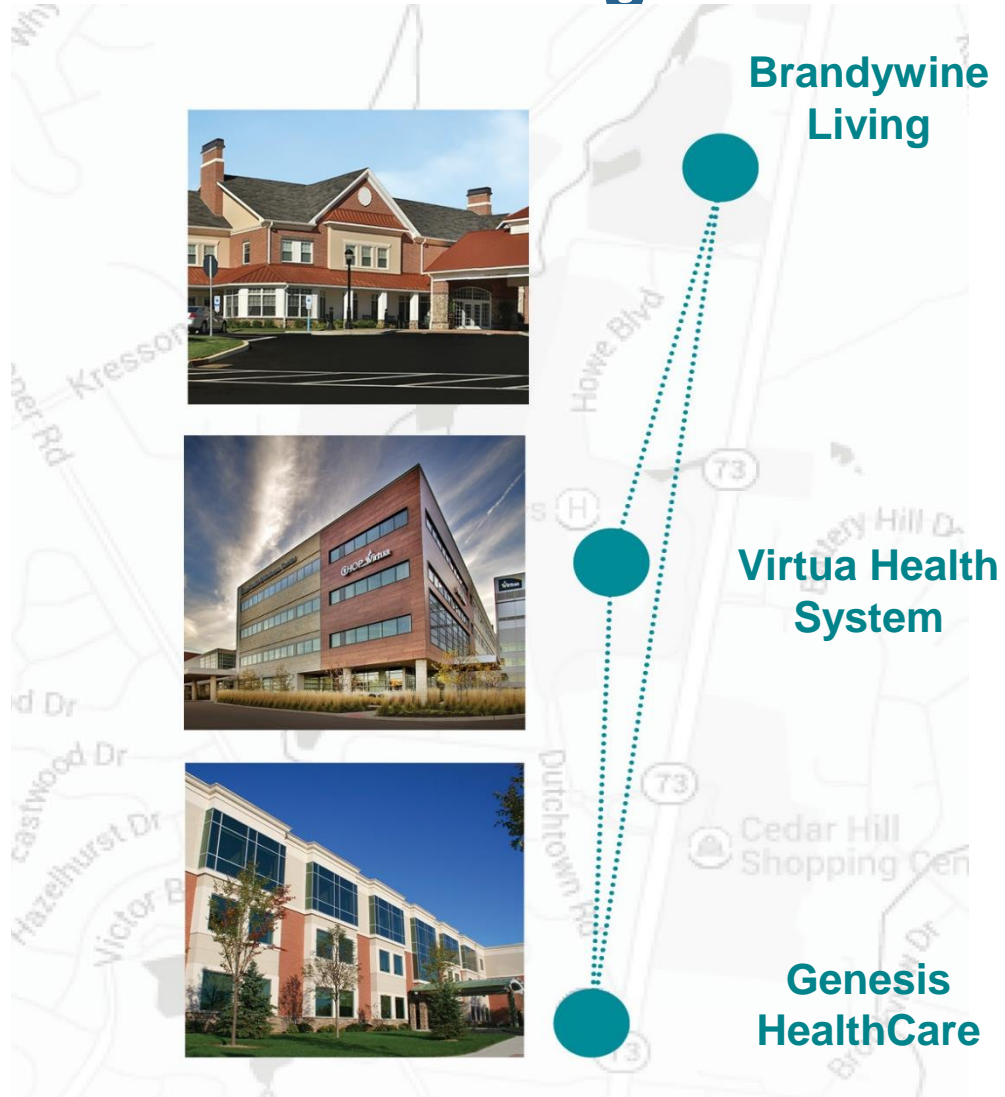




# Growing Outpatient with the Best Health Systems, Medical Groups and Capital Partners



# Connecting Outpatient Medical, Post Acute Care and Seniors Housing

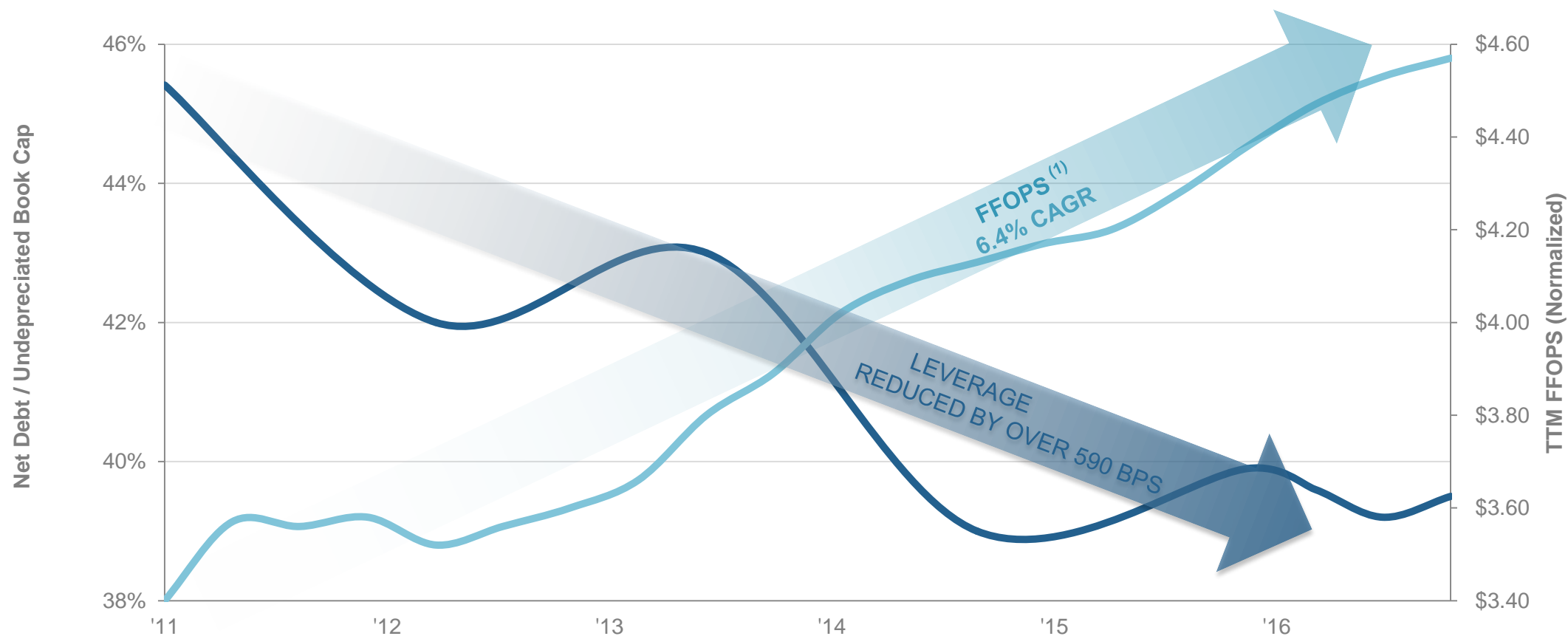


- In Voorhees, New Jersey, a suburb of Philadelphia, Welltower has connected three of its partners to create a collaborative care model known in the local community as the “Medical Mile.”
- Three innovative health facilities are located within one mile of each other along the Route 73 corridor:
  - A new outpatient facility for Virtua Voorhees Hospital
  - A post acute care Genesis PowerBack Rehabilitation Facility
  - Brandywine Living Community

# Financial Summary



# Increasing Earnings While Driving Down Leverage



Data between 12/31/2011 and 9/30/2016. "Leverage" represents net debt to undepreciated book capitalization ratio.

1. "FFOPS" represents rolling four quarter total of normalized FFO per share results. Please see non-GAAP financial measures and reconciliations at the end of this presentation.



# Significant Balance Sheet Strength

Moody's

**Baa1**

Stable

S&P

**BBB+**

Stable

Fitch

**BBB+**

Stable



RATIO	4Q13 <sup>(2)</sup>	3Q16 <sup>(2)</sup>	Pro Forma <sup>(3)</sup>	Improvement 4Q13 vs Pro Forma
NET DEBT / UNDEPRECIATED BOOK CAP <sup>(1)</sup>	42.6%	39.5%	34.4%	↓ 820 bps
NET DEBT / ENTERPRISE VALUE <sup>(1)</sup>	38.3%	30.9%	26.6%	↓ 1170 bps
NET DEBT / ADJUSTED EBITDA <sup>(1)</sup>	6.1x	5.7x	5.1x	↓ 1.0x
ADJUSTED INTEREST COVERAGE	3.4x	4.3x	4.4x	↑ 1.0x
ADJUSTED FIXED CHARGE COVERAGE	2.7x	3.4x	3.6x	↑ 0.9x

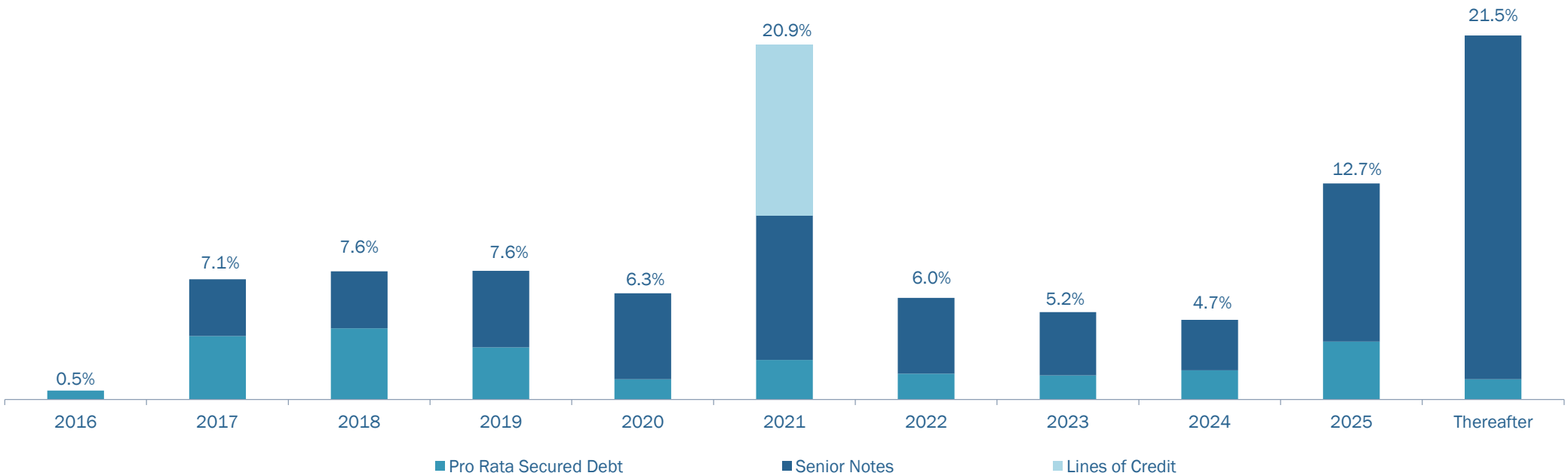
1. Net debt represents total debt minus cash.

2. Represents three months ended 4Q13 and 3Q16. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

3. Based on adjustments to reflect transactions described in the company's "Welltower Announces Significant Portfolio Repositioning" press release issued November 2, 2016.

# Balanced and Manageable Debt Maturity Profile

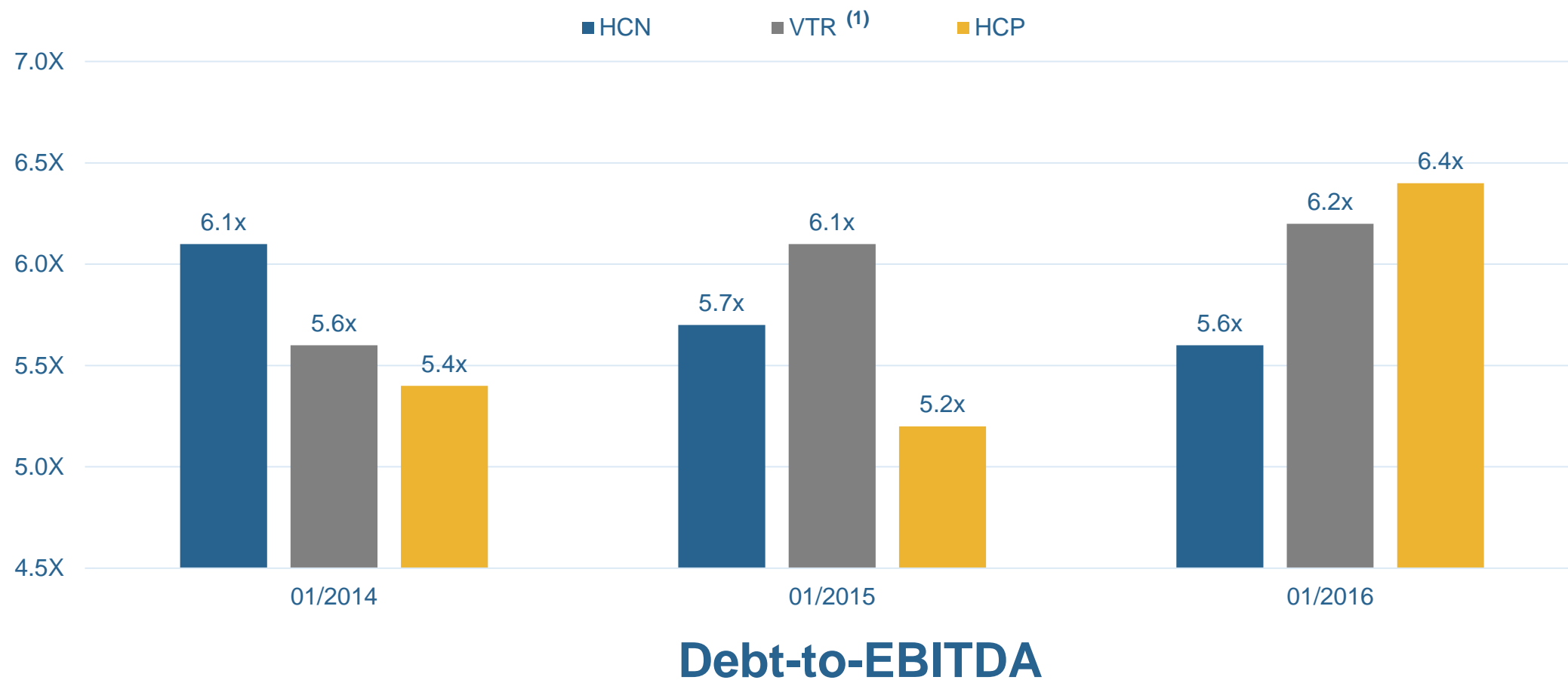
Weighted average maturity of 7.3 years



Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Thereafter
Unsecured Debt	-	\$450	\$450	\$605	\$679	\$2,491	\$600	\$500	\$400	\$1,250	\$2,716
Secured Debt	\$71	\$501	\$564	\$412	\$160	\$312	\$204	\$191	\$230	\$457	\$161
Total (\$mm)	\$71	\$951	\$1,014	\$1,017	\$839	\$2,803	\$804	\$691	\$630	\$1,707	\$2,877

Data as of 9/30/2016 in USD. Represents pro rata principal amounts due excluding unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet.

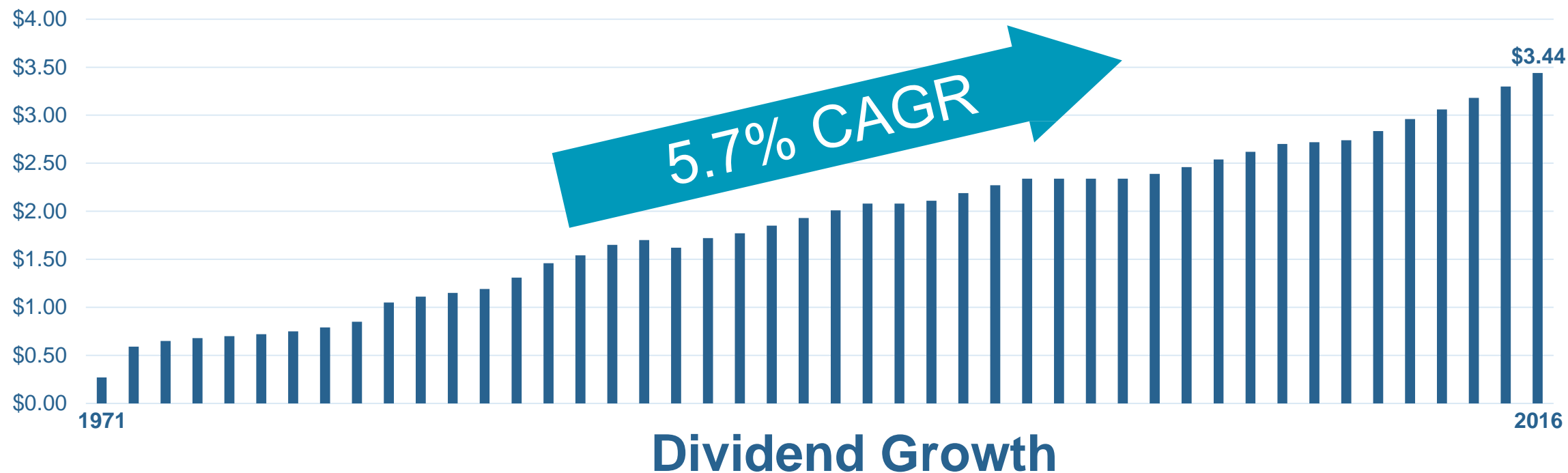
# We Have Delivered Stronger, More Capital-Efficient Growth and Value Creation Than Peers



Source: Green Street Advisors data.

(1) VTR is inclusive of CCP.

# Focus On Delivering Outstanding Returns



**4.6%**  
Dividend Yield <sup>(1)</sup>

**74%**  
FFO Payout Ratio <sup>(2)</sup>

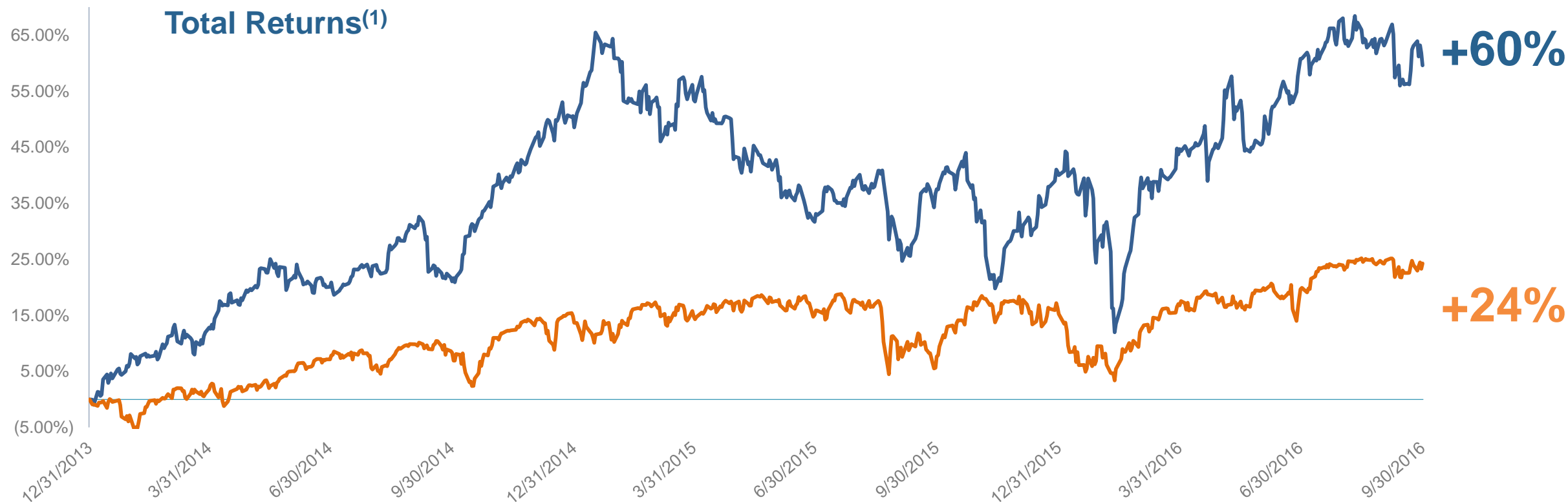
**83%**  
FAD Payout Ratio <sup>(2)</sup>

1. Data as of 9/30/2016, adjusted for stock splits. The 2016 dividend represents the approved dividend rate for 2016, subject to quarterly review by the Board of Directors.

2. Data for three months ended 9/30/2016. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

# Consistently Outperforming S&P 500

Welltower  
S&P 500



**15.6%**

Average Annual Return  
Since Inception <sup>(1)</sup>

1. Data as of 9/30/2016, adjusted for stock splits. Total return assumes reinvestment of dividends.

# Appendix

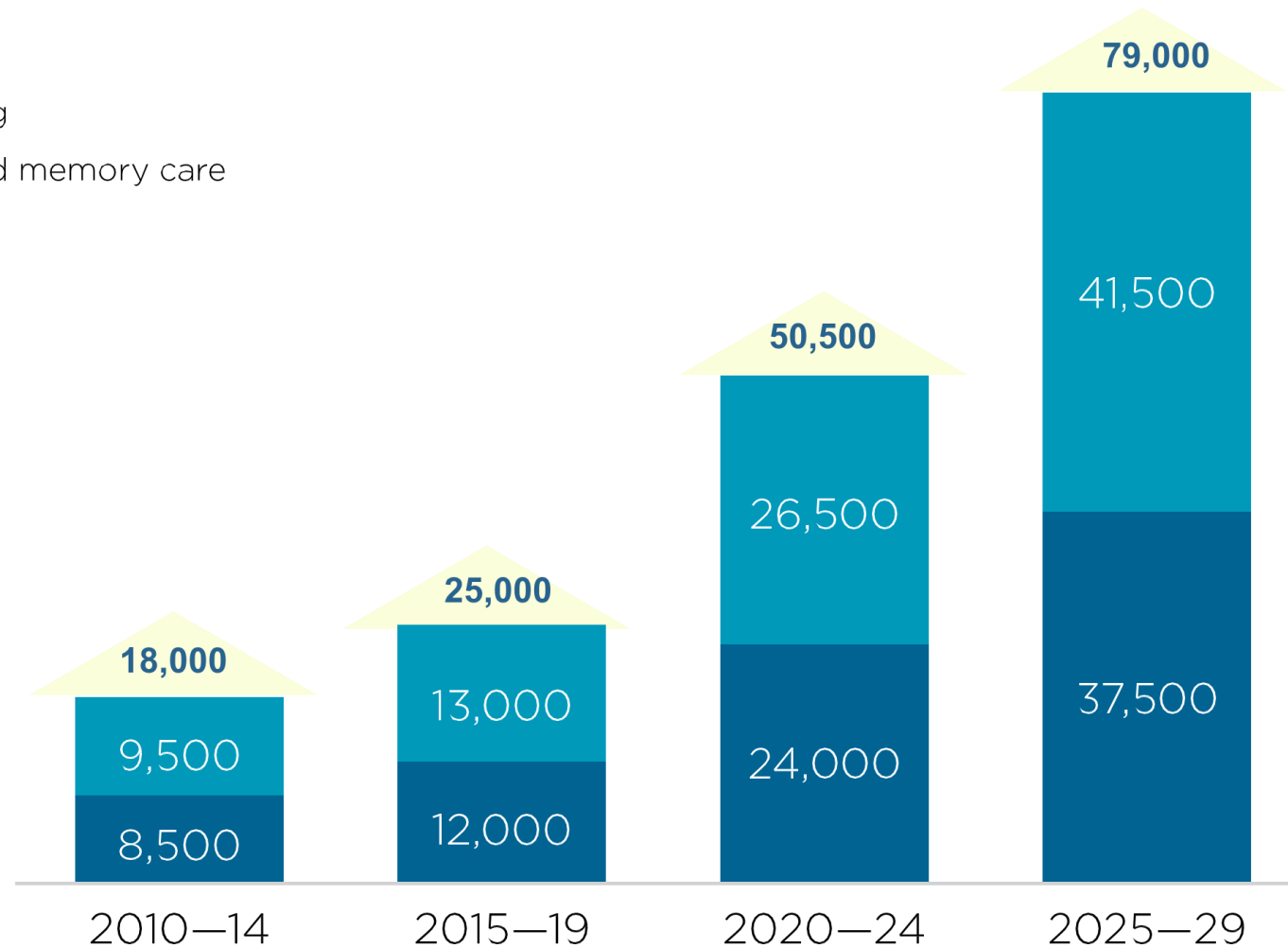




# Strong Growth in Projected Demand for Seniors Housing

## PROJECTED ANNUAL DEMAND GROWTH FOR SENIORS HOUSING UNITS

- Independent living
- Assisted living and memory care



# Growth Platform at the Intersection of Aging and Health Care

## welltower Pro Forma Portfolio Mix<sup>(1)</sup>



### 70% Seniors Housing<sup>(2)</sup> (Independent Living, Assisted Living & Memory Care)

- Invest in top metro markets with high barriers to entry, concentrated along U.S. coastlines
- Strategic partnerships with best-in-class, privately held operators
- Scale that drives efficiencies across assisted living and memory care platforms
- Increased NOI and operational upside from partnership management philosophy

### 13% Long Term, Post-Acute Care

- Selective investments in higher acuity/higher impact skilled nursing facilities (e.g., Powerback model)
- Right size exposure to NOI and balance sheet

### 17% Outpatient Medical

- Full service outpatient medical group overseeing 16.6M square feet of space
- 96% affiliated with health systems as a percentage of NOI<sup>(3)</sup>
- Growing MOB portfolio at the forefront of evolving care delivery

Capital-efficient,  
sustainable  
growth supporting  
long term stable  
income.

1. Based on estimated 4Q16 dispositions and acquisitions per the company's "Welltower Announces Significant Portfolio Repositioning" press release issued November 2, 2016.

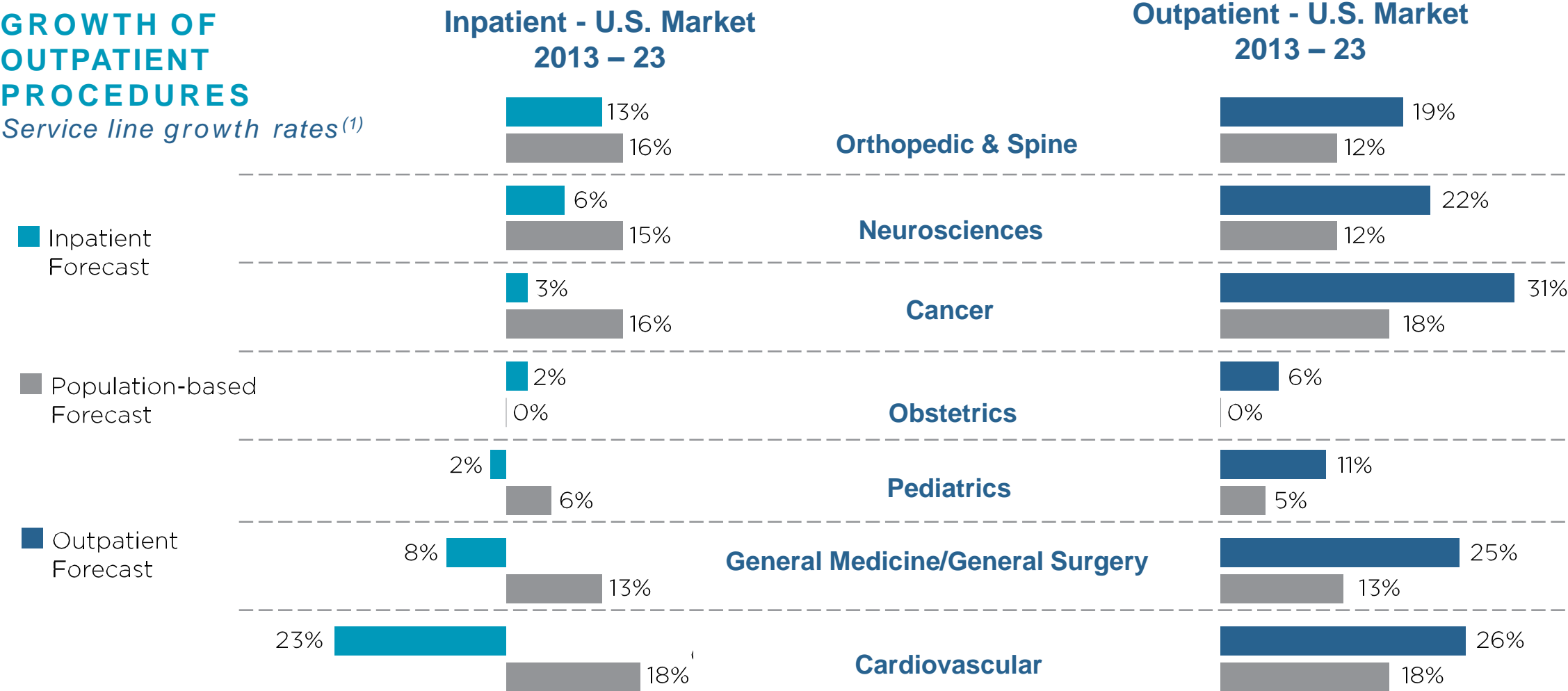
2. Comprises Seniors Housing Triple-Net and Seniors Housing Operating properties.

3. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

# Procedures Driving Outpatient Medical Growth

## GROWTH OF OUTPATIENT PROCEDURES

Service line growth rates<sup>(1)</sup>



(1) Source: Sg2 Analytics

# Superior Assets Lead to Superior Operating Results

## Outpatient Medical

	Welltower <sup>(1)</sup>	Outpatient Medical Peers <sup>(2)</sup>
<b>Occupancy</b>	95%	91%
<b>Property Size</b> <i>Square Feet</i>	67,082	62,782
<b>Health System Affiliation<sup>(3)</sup></b>	96%	95%
<b>NOI Margin</b>	70%	67%
<b>NOI per Square Foot</b> <i>Annualized</i>	\$22.50	\$18.37
<b>Lease Expirations<sup>(4)</sup></b> <i>Through 2020</i>	31%	48%
<b>In-house Managed<sup>(5)</sup></b>	99%	Data Not Available

1. Data as of 9/30/2016. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

2. Peers include HCP, HR, HTA, VTR. Peer data is as of 6/30/16.

3. Welltower percentage based on NOI. Peers based on square feet.

4. As a percentage of revenue.

5. As a percentage of square feet. Includes only multi-tenant properties.

# Superior Assets Lead to Superior Operating Results

## Post-Acute and Long-Term Care

	WELLTOWER PAC/LTC <sup>(1)</sup>	HC REIT Peers <sup>(2)</sup>	Public Operators <sup>(3)</sup>	Industry Benchmarks <sup>(4)</sup>
<b>Property Age</b> <i>Years</i>	22	36	32	38
<b>Occupancy</b>	86%	82%	81%	82%
<b>Quality Mix</b> <i>Private &amp; Medicare Revenue %</i>	58% <sup>(5)</sup>	52%	52%	47%
<b>EBITDARM Coverage</b>	1.65x	1.7x	<i>Data Not Available</i>	<i>Data Not Available</i>
<b>EBITDARM per Bed</b> <i>Annual</i>	\$19,716	\$16,555	\$14,438	<i>Data Not Available</i>

1. Welltower data as of 9/30/2016. EBITDARM Coverage and EBITDARM per bed figures represent trailing twelve months results. EBITDARM represents earnings before interest, taxes, depreciation, amortization, rent and management fees. The company uses unaudited, periodic financial information provided solely by tenants/borrowers to calculate EBITDARM and has not independently verified the information.

2. Average T4Q 2Q16 results obtained from publicly available documents for the following peers: OHI/AVIV, VTR (SNF only), HCP, CCP, LTC and SBRA.

3. Average T4Q 2Q16 results obtained from publicly available documents for the following publicly traded skilled nursing operators: GEN, DVCR, ENSG, NHC and KND (SNF only).

4. Property age per 3Q16 NIC MAP for Majority NC Properties in the primary and secondary markets; occupancy and quality mix per NIC Skilled Nursing Data Report, June 30, 2016 and reported in days. Quality Mix derived by Weight of Revenue per Patient Day [1-(Medicaid PPD Mix \* Revenue PPD)] per NIC Skilled Nursing Data report as of June 30<sup>th</sup>.

5. Per page 1 of 3Q16 Supplement.

# Superior Assets Lead to Superior Operating Results

	US Seniors Housing				UK Seniors Housing	
	Welltower US RIDEA <sup>(1)</sup>	HC REIT Peers <sup>(2)</sup>	Public Operators <sup>(3)</sup>	Industry Benchmarks	Welltower UK RIDEA <sup>(9)</sup>	Industry Benchmarks
<b>Property Age</b> <i>Years</i>	14	18 <sup>(4)</sup>	17 <sup>(4)</sup>	20 <sup>(5)</sup>	9	20 <sup>(10)</sup>
<b>Housing Value</b> <i>Median</i>	\$472,932	\$221,390 <sup>(4)</sup>	\$190,797 <sup>(4)</sup>	\$192,432 <sup>(6)</sup>	£340,265	£250,473 <sup>(11)</sup>
<b>Household Income</b> <i>Median</i>	\$81,239	\$53,996 <sup>(4)</sup>	\$52,694 <sup>(4)</sup>	\$55,551 <sup>(6)</sup>	Data Not Available	<i>Data Not Available</i>
<b>REVPOR</b> <i>Monthly</i>	\$6,830	\$4,666 <sup>(7)</sup>	\$4,131 <sup>(7)</sup>	\$4,439 <sup>(5)</sup>	£6,321	£3,015 <sup>(12)</sup>
<b>SSREVPOR Growth</b> <i>Year-over-year</i>	4.2%	2.9% <sup>(7)</sup>	2.0% <sup>(7)</sup>	3.0% <sup>(5)</sup>	3.5%	2.8% <sup>(12)</sup>
<b>SSNOI per Unit</b> <i>Annual</i>	\$23,525	\$15,090 <sup>(7)</sup>	\$12,764 <sup>(7)</sup>	\$16,271 <sup>(8)</sup>	£21,415	£8,339 <sup>(12)</sup>
<b>SSNOI Growth</b> <i>Year-over-year</i>	3.7%	4.7% <sup>(7)</sup>	2.2% <sup>(7)</sup>	Data Not Available	1.9%	<i>Data Not Available</i>



# Detailed Footnotes

1. Data as of 9/30/2016 for properties included in the seniors housing segment. Property age, housing value and household income are NOI-weighted as of September 30, 2016. The median housing value and household income is used for the US, and the average housing value and household income is used for the UK and Canada. Housing value, household income and population growth are based on a 3-mile radius. Growth figures represent average performance of Welltower's same store portfolio over the past four quarters. REVPOR is based on total 3Q16 results. See pages 28 and 30 for reconciliation. Represents the annual NOI per unit available based on trailing twelve months for those properties in the portfolio for 15 months preceding the end of the portfolio performance period. NOI per unit for UK portfolio in GBP calculated by taking NOI per unit in USD divided by a standardized GBP/USD rate of 1.4950. NOI per unit for Canadian portfolio in CAD calculated by taking NOI per unit in USD divided by a standardized USD/CAD rate of 1.3495. See page 30 for reconciliation.
2. Average Trailing 4 quarters as of 6/30/2016 results for the following peers: HCP, NHI, SNH, and VTR. Housing value and household income are based on 5-mile radius median data.
3. Average Trailing 4 quarters as of 6/30/2016 results for the following publicly traded seniors housing operators: BKD, CSU and FVE. Housing value and household income are based on 5-mile radius median data.
4. Derived or obtained from BofAML research reports, NIC, Nielsen, and/or publicly available documents.
5. Per NIC 3Q16 Majority AL properties in primary and secondary markets.
6. US Median per Nielsen 2016.
7. Derived or obtained from publicly available documents.
8. The State of Seniors Housing 2016. Represents 2015 results
9. Data as of 9/30/2016 for properties included in the seniors housing operating segment, pg 9 3Q16 Supplement. Property age, housing value and household income are NOI-weighted as of September 30, 2016. The median housing value and household income is used for the US, and the average housing value and household income is used for the UK and Canada. Housing value, household income and population growth are based on a 3-mile radius. Growth figures represent average performance of Welltower's same store portfolio over the past four quarters. REVPOR is based on total 3Q16 results. Represents the annual NOI per unit available based on trailing twelve months for those properties in the portfolio for 15 months preceding the end of the portfolio performance period. NOI per unit for UK portfolio in GBP calculated by taking NOI per unit in USD divided by a standardized GBP/USD rate of 1.4950. NOI per unit for Canadian portfolio in CAD calculated by taking NOI per unit in USD divided by a standardized USD/CAD rate of 1.3495. See page 30 for reconciliation.
10. Property age per LaingBuisson, Care of Older People 27th Edition.
11. UK Average, CACI 2015 CI.
12. Knight Frank 2016 Care Homes Trading Performance Review and assumes a 5% management fee.

# Financial Disclosures



# Non-GAAP Financial Measures

Welltower Inc. believes that net income attributable to common stockholders (NICS), as defined by U.S. generally accepted accounting principles (U.S. GAAP), is the most appropriate earnings measurement. However, the company considers Net Operating Income (NOI), In-Place NOI (IPNOI), Same Store NOI (SSNOI), Revenues per Occupied Room (REVPOR), Same Store REVPOR (SS REVPOR), Normalized Funds From Operations (FFO), Normalized Funds Available for Distribution (FAD), Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) and Adjusted EBITDA to be useful supplemental measures of its operating performance. Excluding EBITDA and A-EBITDA, these supplemental measures are disclosed on a Welltower pro rata ownership basis.

Pro rata amounts are derived by reducing consolidated amounts for minority partners' noncontrolling ownership interests and adding Welltower's minority ownership share of unconsolidated amounts. Welltower does not control unconsolidated investments. While the company considers pro rata disclosures useful, they may not accurately depict the legal and economic implications of Welltower's joint venture arrangements and should be used with caution.

Certain metrics are presented on a pro forma basis which are based on expectations for dispositions and uses of proceeds described in the company's "Welltower Announces Significant Portfolio Repositioning" press release issued November 2, 2016. Pro forma estimates are subject to change and should be used with caution.

Welltower's supplemental reporting measures and similarly entitled financial measures are widely used by investors, equity and debt analysts and rating agencies in the valuation, comparison, rating and investment recommendations of companies. Welltower's management uses these financial measures to facilitate internal and external comparisons to historical operating results and in making operating decisions. Additionally, these measures are utilized by the Board of Directors to evaluate management.

None of the supplemental reporting measures represent net income or cash flow provided from operating activities as determined in accordance with U.S. GAAP and should not be considered as alternative measures of profitability or liquidity. Finally, the supplemental reporting measures, as defined by Welltower, may not be comparable to similarly entitled items reported by other real estate investment trusts or other companies. Multi-period amounts may not equal the sum of the individual quarterly amounts due to rounding.

# NOI, IPNOI, SSNOI, REVPOR and SS REVPOR

Net operating income (NOI) is used to evaluate the operating performance of our properties. We define NOI as total revenues, including tenant reimbursements, less property operating expenses. Property operating expenses represent costs associated with managing, maintaining and servicing tenants for our seniors housing operating and outpatient medical properties. These expenses include, but are not limited to, property-related payroll and benefits, property management fees, marketing, housekeeping, food service, maintenance, utilities, property taxes and insurance. General and administrative expenses represent costs unrelated to property operations or transaction costs. These expenses include, but are not limited to, payroll and benefits, professional services, office expenses and depreciation of corporate fixed assets.

In-Place NOI (IPNOI) represents NOI excluding interest income, other income and non-cash NOI and adjusted for timing of current quarter portfolio changes such as acquisitions, development conversions, segment transitions, dispositions and investments held for sale.

Revenues per occupied room (REVPOR) is used to evaluate the revenue-generating capacity and profit potential of our seniors housing operating portfolio independent of fluctuating occupancy rates. It is calculated as total resident fees and services revenues divided by average monthly occupied room days. REVPOR is also used in comparison against industry and competitor statistics, if known, to evaluate the quality of our seniors housing operating portfolio.

Same store NOI (SSNOI) and same store REVPOR (SS REVPOR) are used to evaluate the cash-based performance of our properties under a consistent population which eliminates changes in the composition of our portfolio. For purposes of SSNOI and SS REVPOR, same store is generally defined as those revenue-generating properties in the portfolio for the relevant reporting periods. Land parcels, loans, sub-leases, and entrance fee communities for periods prior to 1Q15 as well as any properties acquired, developed/re-developed, transitioned, sold or classified as held for sale during those periods are generally excluded from the same store amounts. Normalizers include adjustments and reclassifications that in management's opinion are appropriate in considering SSNOI or SS REVPOR, which are supplemental, non-GAAP performance measures. None of these adjustments or reclassifications, which may increase or decrease SSNOI, are reflected in our financial statements prepared in accordance with U.S. GAAP.

We believe NOI, IPNOI, SSNOI, REVPOR and SS REVPOR provide investors relevant and useful information because they measure the operating performance of our properties at the property level on an unleveraged basis. We use these metrics to make decisions about resource allocations and to assess the property level performance of our properties.

# In-Place NOI Reconciliations

\$s in thousands at Welltower pro rata ownership	% of SHO by Country	% of SHO	Seniors housing operating	Seniors housing triple-net	Long-term/post-acute	Outpatient medical	Total	% of Total	% of Country
Annualized three months ended September 30, 2016									
New York	8.5%	6.1%	\$ 50,169	\$ 63,427	\$ 26,879	\$ 4,740	\$ 145,215	6.9%	8.1%
Los Angeles	14.9%	10.7%	87,630	3,570	-	21,020	112,220	5.3%	6.3%
Philadelphia	1.5%	1.1%	8,973	24,970	55,614	20,858	110,415	5.3%	6.2%
Boston	9.1%	6.5%	53,665	1,690	18,967	1,068	75,390	3.6%	4.2%
Dallas	2.3%	1.7%	13,582	25,157	5,235	28,932	72,906	3.5%	4.1%
Seattle	3.2%	2.3%	18,697	24,155	-	12,638	55,490	2.6%	3.1%
Washington DC	3.7%	2.6%	21,776	3,578	21,378	-	46,732	2.2%	2.6%
Chicago	4.5%	3.2%	26,607	11,286	4,985	3,424	46,302	2.2%	2.6%
San Francisco	5.5%	3.9%	32,248	12,453	-	-	44,701	2.1%	2.5%
Houston	1.4%	1.0%	8,105	2,470	-	24,719	35,294	1.7%	2.0%
San Diego	4.8%	3.5%	28,365	-	2,641	1,546	32,552	1.5%	1.8%
San Jose	2.7%	1.9%	16,012	-	-	1,676	17,688	0.8%	1.0%
Other Top 31 US MSAs and Coastal States	31.8%	22.7%	186,941	177,196	154,557	113,683	632,377	30.1%	35.5%
Other United States	6.1%	4.4%	35,692	120,252	120,852	79,036	355,832	17.0%	20.0%
Total United States	100.0%	71.6%	588,462	470,204	411,108	313,340	1,783,114	84.8%	100.0%
London	67.5%	6.5%	53,093	18,165	-	18,908	90,166	4.3%	59.1%
Other Southern England	23.2%	2.2%	18,240	27,308	-	-	45,548	2.2%	29.8%
Other United Kingdom	9.3%	0.9%	7,367	9,522	-	-	16,889	0.8%	11.1%
Total United Kingdom	100.0%	9.6%	78,700	54,995	-	18,908	152,603	7.3%	100.0%
Toronto	24.0%	4.5%	37,128	-	-	-	37,128	1.8%	22.5%
Calgary	6.5%	1.2%	10,084	-	6,684	-	16,768	0.8%	10.2%
Montreal	0.0%	0.0%	-	-	-	-	-	0.0%	0.0%
Ottawa	13.5%	2.5%	20,924	-	-	-	20,924	1.0%	12.7%
Vancouver	8.1%	1.5%	12,556	1,424	-	-	13,980	0.7%	8.5%
Other Top 10 Canadian MSAs	23.9%	4.5%	37,042	-	-	-	37,042	1.8%	22.5%
Remaining Canada	24.0%	4.6%	37,124	1,993	-	-	39,117	1.8%	23.6%
Total Canada	100.0%	18.8%	154,858	3,417	6,684	-	164,959	7.9%	100.0%
Total In-Place NOI <sup>(1)</sup>		100.0%	\$ 822,020	\$ 528,616	\$ 417,792	\$ 332,248	\$ 2,100,676	100.0%	
% of Total			39.1%	25.2%	19.9%	15.8%	100.0%		
Notes:									
(1) Please refer to "In-Place NOI by Partner Reconciliations" for a reconciliation of In-Place NOI to net income attributable to common stockholders.									

# In-Place NOI by Partner Reconciliations

\$ s in thousands	Three months ended 9/30/16	
Annualized In-P lace NOI by partner <sup>(1)</sup>		
Sunrise Senior Living North America	\$ 226,918	10.8%
Sunrise Senior Living United Kingdom	78,700	3.7%
Genesis Healthcare	289,286	13.8%
Brookdale Senior Living	159,303	7.6%
Revera	114,504	5.5%
Benchmark Senior Living	92,842	4.4%
Partners # 6-# 10	294,524	14.0%
Remaining partners	844,599	40.2%
Total annualized in-place NOI	2,100,676	100.0%
	x 1/4	
Total current quarter in-place NOI	525,169	
Interest income	25,080	
Other income	2,761	
Held for sale & dispositions	30,284	
Non-cash NOI	21,979	
Timing adjustments <sup>(2)</sup>	(9,765)	
Total current quarter NOI <sup>(1)</sup>	595,508	
Pro rata adjustments <sup>(3)</sup>	9,945	
Consolidated NOI	\$ 605,453	
Notes :		
(1) Amounts reflected at Welltower pro rata ownership.		
(2) Represents timing adjustments for current quarter acquisitions , construction conversions and segment transitions .		
(3) Represents NOI amounts attributable to joint venture partners , both majority and minority.		



# Historical In-Place NOI Reconciliations

\$s in thousands	Three months ended 9/30/16		
In-P lace NOI by country <sup>(1)</sup>			
United States	\$	445,779	84.8%
United Kingdom		38,150	7.3%
Canada		41,240	7.9%
Total In-P lace NOI	\$	525,169	100.0%
In-P lace NOI by property type <sup>(1)</sup>			
Long-Term/Post-Acute	\$	104,448	19.9%
Seniors Housing Triple-Net		132,154	25.2%
Outpatient Medical		83,062	15.8%
Seniors Housing Operating		205,505	39.1%
Hospital		-	0.0%
Life Science		-	0.0%
Total In-P lace NOI	\$	525,169	100.0%
Interest income		25,080	
Other income		2,761	
Held for sale & dispositions		30,284	
Non-cash NOI		21,979	
Timing adjustments <sup>(2)</sup>		(9,765)	
Total current quarter NOI <sup>(1)</sup>		595,508	
Interest expense		(129,699)	
Depreciation and amortization		(218,061)	
General & administrative		(36,828)	
Transaction costs		(19,842)	
Impairment of assets		(9,705)	
Gain (loss) on derivatives, net		2,516	
Income tax benefit (expense)		305	
Pro rata adjustments <sup>(3)</sup>		8,196	
Gain (loss)/impairment on sales of properties, net		162,351	
Preferred dividends		(16,352)	
Loss (income) attributable to noncontrolling interests		(3,479)	
Net income attributable to common stockholders	\$	334,910	
Notes:			
(1) Amounts reflected at Welltower pro rata ownership.			
(2) Represents timing adjustments for current quarter acquisitions, construction conversions and segment transitions.			
(3) Represents NOI amounts attributable to joint venture partners, both majority and minority.			

\$s in thousands	Three months ended 3/31/10	
NOI by country <sup>(1)</sup>		
United States	\$	127,480 100.0%
United Kingdom		- 0.0%
Canada		- 0.0%
Total NOI	\$	127,480 100.0%
NOI by property type <sup>(1)</sup>		
Long-Term/Post-Acute	\$	39,638 31.1%
Seniors Housing Triple-Net		50,433 39.6%
Outpatient Medical		24,660 19.3%
Seniors Housing Operating		- 0.0%
Hospital		10,456 8.2%
Life Science <sup>(2)</sup>		2,293 1.8%
Total NOI	\$	127,480 100.0%
Interest income		9,048
Other income		996
Held for sale & dispositions		-
Non-cash NOI		5,346
Timing adjustments		-
Total current quarter NOI <sup>(1)</sup>		142,870
Interest expense		(29,791)
Depreciation and amortization		(43,387)
General & administrative		(16,821)
Transaction costs		(7,714)
Gain (loss) on extinguishment of debt, net		(18,038)
Income (loss) from discontinued operations, net		(203)
Income tax benefit (expense)		(84)
Pro rata adjustments <sup>(3)</sup>		(1,856)
Gain (loss)/impairment on sales of properties, net		6,718
Preferred dividends		(5,509)
Loss (income) attributable to noncontrolling interests		(373)
Net income attributable to common stockholders	\$	25,812
Notes:		
(1) Amounts reflected at 100% ownership except as noted.		
(2) Represents NOI expenses attributable to unconsolidated life science joint venture.		
(3) Represents non-NOI expenses attributable to unconsolidated life science joint venture.		

# Pro Forma In-Place NOI Reconciliations

\$s in thousands at Welltower pro rata ownership	Three months ended 9/30/16 <sup>(1)</sup>	Adjustments <sup>(2)</sup>	Pro Forma	%
<b>In-Place NOI by country</b>				
United States	\$ 1,783,114	\$ (161,367)	\$ 1,621,747	83.5%
United Kingdom	152,603	7,085	159,688	8.2%
Canada	164,959	(2,697)	162,262	8.3%
Total annualized in-place NOI	\$ 2,100,676	\$ (156,979)	\$ 1,943,697	100.0%
<b>In-Place NOI by property type</b>				
Long-Term/Post-Acute	\$ 417,792	\$ (155,431)	\$ 262,361	13.5%
Seniors Housing Triple-Net	528,616	(3,870)	524,746	27.0%
Outpatient Medical	332,248	-	332,248	17.1%
Seniors Housing Operating	822,020	2,322	824,342	42.4%
Total annualized in-place NOI	\$ 2,100,676	\$ (156,979)	\$ 1,943,697	100.0%
<b>In-Place NOI by property type</b>				
Sunrise Senior Living North America	\$ 226,918	\$ -	\$ 226,918	11.7%
Sunrise Senior Living United Kingdom	78,700	-	78,700	4.0%
Genesis Healthcare	289,286	(151,649)	137,637	7.1%
Brookdale Senior Living	159,303	(11,700)	147,603	7.6%
Revera	114,504	890	115,394	5.9%
Benchmark Senior Living	92,842	-	92,842	4.8%
Partners #6-#10	294,524	5,019	299,543	15.4%
Remaining partners	844,599	461	845,060	43.5%
Total annualized in-place NOI	\$ 2,100,676	\$ (156,979)	\$ 1,943,697	100.0%
<b>Notes:</b>				
(1) Please refer to "In-Place NOI by Partner Reconciliations" for a reconciliation of In-Place NOI to net income attributable to common stockholders.				
(2) Represents adjustments to reflect 4Q16 dispositions and acquisitions. Please refer to "Welltower Announces Significant Portfolio Repositioning" press release dated November 2, 2016 for additional information.				

# SS NOI Reconciliations

In thousands	Three months ended																					
SS NOI Reconciliations:	6/30/11	6/30/10	9/30/11	9/30/10	12/31/11	12/31/10	3/31/12	3/31/11	6/30/12	6/30/11	9/30/12	9/30/11	12/31/12	12/31/11	3/31/13	3/31/12	6/30/13	6/30/12	9/30/13	9/30/12	12/31/13	12/31/12
Net income (loss) attributable to common stockholders	\$ 69,847	\$ 45,646	\$ 36,607	\$ (4,563)	\$ 27,282	\$ 39,988	\$ 39,307	\$ 23,372	\$ 54,735	\$ 69,847	\$ 37,269	\$ 36,607	\$ 90,576	\$ 27,282	\$ 55,058	\$ 39,307	\$ (8,508)	\$ 54,735	\$ 20,691	\$ 37,269	\$ 11,473	\$ 90,576
Interest expense <sup>(1)</sup>	84,773	37,550	87,811	44,985	90,084	48,440	93,722	59,330	96,762	84,773	96,243	87,811	96,573	90,084	100,734	93,722	100,844	96,762	116,542	96,243	124,485	96,573
Depreciation and amortization <sup>(1)</sup>	111,053	47,451	115,640	52,393	122,144	59,119	127,422	74,768	132,963	111,053	132,858	115,640	140,342	122,144	187,122	127,422	200,477	132,963	242,981	132,858	243,380	140,342
General & administrative	19,561	11,878	19,735	11,628	20,190	14,298	27,751	17,714	25,870	19,561	23,679	19,735	20,039	20,190	27,179	27,751	23,902	25,870	28,718	23,679	28,519	20,039
Transaction costs	13,738	752	6,739	21,235	13,682	16,959	5,579	36,065	28,691	13,738	8,264	6,739	19,074	13,682	65,980	5,579	28,136	28,691	23,591	8,264	15,693	19,074
Loss (gain) on derivatives, net	-	-	-	-	-	-	555	-	(2,676)	-	409	-	(113)	-	2,309	555	(2,716)	(2,676)	4,872	409	6	(113)
Loss (gain) on extinguishment of debt, net	-	7,035	-	9,099	(979)	-	-	-	576	-	215	-	(1,566)	(979)	(308)	-	-	576	(4,068)	215	3,467	(1,566)
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for loan losses	168	-	132	28,918	1,463	766	-	248	-	168	27,008	132	-	1,463	-	-	-	-	-	27,008	2,110	-
Income tax expense (benefit)	211	188	223	52	825	38	1,470	129	1,447	211	836	223	3,858	825	2,763	1,470	1,215	1,447	3,077	836	435	3,858
Non-operating expenses from unconsolidated entities & noncontrolling interests	2,111	4,569	1,262	4,260	917	4,013	(297)	3,547	5,471	2,111	9,251	1,262	8,018	917	12,477	(297)	18,664	5,471	4,419	9,251	9,195	8,018
Loss (gain) on sales of properties, net	(30,224)	(3,314)	(185)	(10,526)	(4,594)	(15,557)	(769)	(26,156)	(32,450)	(30,224)	(12,827)	(185)	(54,502)	(4,594)	(82,492)	(769)	29,997	(32,450)	(4,707)	(12,827)	8,064	(54,502)
Impairment of assets	-	-	-	947	11,992	-	-	202	-	-	6,952	-	22,335	11,992	-	-	-	-	-	6,952	-	22,335
Preferred dividends	17,353	5,484	17,234	5,347	17,234	5,305	19,207	8,680	16,719	17,353	16,602	17,234	16,602	17,234	16,602	19,207	16,602	16,719	16,602	16,602	16,531	16,602
Preferred stock redemption	-	-	-	-	-	-	-	-	6,242	-	-	-	-	-	-	-	-	6,242	-	-	-	-
Income (loss) attributable to noncontrolling interests	(992)	(66)	(1,488)	(690)	(2,173)	(740)	(1,056)	(242)	(821)	(992)	(365)	(1,488)	(174)	(2,173)	139	(1,056)	(913)	(821)	(3,688)	(365)	(2,308)	(174)
Net operating income (NOI)	\$ 287,599	\$ 157,173	\$ 283,710	\$ 163,085	\$ 298,067	\$ 172,629	\$ 312,891	\$ 197,657	\$ 333,529	\$ 287,599	\$ 346,394	\$ 283,710	\$ 361,062	\$ 298,067	\$ 397,563	\$ 312,891	\$ 417,700	\$ 333,529	\$ 449,030	\$ 346,394	\$ 461,050	\$ 361,062
Non-cash NOI attributable to same store properties <sup>(2)</sup>	(5,158)	(3,701)	(6,516)	(4,181)	(6,746)	(3,660)	(5,910)	(5,486)	(9,498)	(9,457)	(9,072)	(10,469)	(12,227)	(10,827)	(8,760)	(9,139)	(8,376)	(9,971)	(10,239)	(11,980)	(9,522)	(13,999)
NOI attributable to non same store properties	(132,971)	(41,491)	(114,121)	(30,622)	(126,651)	(31,580)	(118,277)	(31,042)	(74,993)	(48,736)	(80,929)	(35,485)	(100,214)	(54,077)	(129,744)	(53,952)	(138,629)	(62,443)	(162,736)	(68,313)	(161,645)	(65,912)
Same store cash NOI pre-Welltower ownership <sup>(3)</sup>	-	30,215	-	27,949	-	20,910	-	19,945	-	9,623	-	10,125	-	6,328	-	1,099	-	-	-	-	-	-
Same store cash NOI (SSNOI)	\$ 149,470	\$ 142,196	\$ 163,073	\$ 156,231	\$ 164,670	\$ 158,299	\$ 188,704	\$ 181,074	\$ 249,038	\$ 239,029	\$ 256,393	\$ 247,881	\$ 248,621	\$ 239,491	\$ 259,059	\$ 250,899	\$ 270,695	\$ 261,115	\$ 276,055	\$ 266,101	\$ 289,883	\$ 281,151
Year-over-year SSNOI growth	5.1%		4.4%		4.0%		4.2%		4.2%		3.4%		3.8%		3.3%		3.7%		3.7%		3.1%	
SSNOI attributable to long-term/post-acute and medical facilities	(71,464)	(70,056)	(82,197)	(80,304)	(81,653)	(80,093)	(84,177)	(82,808)	(137,158)	(132,666)	(138,491)	(134,912)	(136,872)	(133,176)	(140,953)	(136,772)	(146,808)	(142,845)	(152,599)	(149,087)	(152,445)	(149,221)
SSNOI attributable to seniors housing operating & triple-net	\$ 78,006	\$ 72,140	\$ 80,876	\$ 75,927	\$ 83,017	\$ 78,206	\$ 104,527	\$ 98,266	\$ 111,880	\$ 106,363	\$ 117,902	\$ 112,969	\$ 111,749	\$ 106,315	\$ 118,106	\$ 114,127	\$ 123,887	\$ 118,270	\$ 123,456	\$ 117,014	\$ 137,438	\$ 131,930
Y-o-Y SH SSNOI growth	8.1%		6.5%		6.2%		6.4%		5.2%		4.4%		5.1%		3.5%		4.7%		5.5%		4.2%	
SSNOI attributable to seniors housing triple-net	(43,623)	(41,925)	(46,086)	(44,125)	(48,622)	(46,441)	(61,601)	(59,612)	(64,263)	(62,082)	(70,187)	(68,389)	(63,909)	(62,196)	(69,263)	(67,534)	(72,218)	(70,463)	(73,236)	(71,267)	(84,387)	(82,018)
SSNOI attributable to seniors housing operating (SHO)	\$ 34,383	\$ 30,215	\$ 34,790	\$ 31,802	\$ 34,395	\$ 31,765	\$ 42,926	\$ 38,654	\$ 47,617	\$ 44,281	\$ 47,715	\$ 44,580	\$ 47,840	\$ 44,119	\$ 48,843	\$ 46,593	\$ 51,669	\$ 47,807	\$ 50,220	\$ 45,747	\$ 53,051	\$ 49,912
Y-o-Y SHO SSNOI growth	13.8%		9.4%		8.3%		11.1%		7.5%		7.0%		8.4%		4.8%		8.1%		9.8%		6.3%	
Full year avg. SHO SSNOI growth				2011		10.5%						2012		8.5%						2013		7.3%
Notes:																						
(1) Includes amounts related to discontinued operations.																						
(2) Includes normalizing adjustments as described in relevant quarter's Earnings Supplement including, normalization of foreign currency exchange rates for properties in the UK and Canada.																						
(3) Represents the performance of certain seniors housing operating properties that were not owned by Welltower in the prior year period.																						

Continued on next page.

# SSNOI Reconciliations (Continued)

In thousands		Three months ended																					
SSNOI Reconciliations:		3/31/14	3/31/13	6/30/14	6/30/13	9/30/14	9/30/13	12/31/14	12/31/13	3/31/15	3/31/14	6/30/15	6/30/14	9/30/15	9/30/14	12/31/15	12/31/14	3/31/16	3/31/15	6/30/16	6/30/15	9/30/16	9/30/15
Net income (loss) attributable to common stockholders		\$ 50,022	\$ 55,058	\$ 71,829	\$ (8,508)	\$ 136,255	\$ 20,691	\$ 188,636	\$ 114,73	\$ 190,799	\$ 50,022	\$ 312,573	\$ 71,829	\$ 182,043	\$ 136,255	\$ 132,931	\$ 188,636	\$ 148,969	\$ 190,799	\$ 195,474	\$ 312,573	\$ 334,910	\$ 182,043
Interest expense <sup>(1)</sup>		120,956	110,734	121,099	110,844	118,435	116,542	120,707	124,485	121,080	120,956	118,861	121,099	121,130	118,435	131,097	120,707	132,960	121,080	132,326	118,861	129,699	121,130
Depreciation and amortization <sup>(1)</sup>		233,318	187,122	214,449	200,477	200,970	242,981	195,393	243,380	188,829	233,318	208,802	214,449	205,799	200,970	222,809	195,393	228,696	188,829	226,569	208,802	218,061	205,799
General & administrative		32,865	27,179	51,660	23,902	30,803	28,718	27,616	28,519	34,755	32,865	38,474	51,660	36,950	30,803	36,854	27,616	45,691	34,755	39,914	38,474	36,828	36,950
Transaction costs		952	65,980	7,040	28,136	13,554	23,591	47,991	15,693	48,937	952	12,491	7,040	9,333	13,554	40,547	47,991	8,208	48,937	5,157	12,491	19,842	9,333
Loss (gain) on derivatives, net		-	2,309	351	(2,716)	49	4,872	(1,895)	6	(58,427)	-	-	351	-	49	-	(1,895)	-	(58,427)	-	-	(2,516)	-
Loss (gain) on extinguishment of debt, net		(148)	(308)	531	-	2,692	(4,068)	6,484	3,467	15,401	(148)	18,887	531	584	2,692	(195)	6,484	(24)	15,401	33	18,887	-	584
Other expenses		-	-	-	-	10,262	-	-	-	-	-	10,583	-	-	10,262	35,648	-	-	3,161	10,583	-	-	-
Provision for loan losses		-	-	-	-	-	-	-	2,110	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax expense (benefit)		2,260	2,763	1,569	1,215	(10,198)	3,077	5,101	435	(304)	2,260	7,417	1,569	(3,344)	(10,198)	2,682	5,101	(1,725)	(304)	(513)	7,417	(305)	(3,344)
Non-operating expenses from unconsolidated entities & noncontrolling interests		11,060	12,477	20,354	18,664	11,073	4,419	16,057	9,195	20,834	11,060	8,212	20,354	(974)	11,073	2,172	16,057	(4,978)	20,834	(7,887)	8,212	(8,196)	(974)
Loss (gain) on sales of properties, net		-	(82,492)	(13,079)	29,997	(29,604)	(4,707)	(110,839)	8,064	(56,845)	-	(190,111)	(13,079)	(2,046)	(29,604)	(31,385)	(110,839)	-	(56,845)	(1,959)	(190,111)	(162,351)	(2,046)
Impairment of assets		-	-	-	-	-	-	-	-	2,220	-	-	-	-	-	-	-	14,314	2,220	-	-	9,705	-
Preferred dividends		16,353	16,602	16,352	16,602	16,352	16,602	16,352	16,531	16,352	16,353	16,352	16,352	16,352	16,352	16,352	16,352	16,352	16,352	16,352	16,352	16,352	16,352
Preferred stock redemption		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income (loss) attributable to noncontrolling interests		(1,175)	139	(327)	(913)	164	(3,688)	1,486	(2,308)	2,271	(1,175)	1,534	(327)	862	164	(4,165)	1,486	153	2,271	(1,077)	1,534	3,479	862
Net operating income (NOI)		\$ 466,463	\$ 397,563	\$ 491,828	\$ 417,700	\$ 500,807	\$ 449,030	\$ 513,089	\$ 461,050	\$ 525,902	\$ 466,463	\$ 564,075	\$ 491,828	\$ 566,689	\$ 500,807	\$ 585,347	\$ 513,089	\$ 588,616	\$ 525,902	\$ 607,550	\$ 564,075	\$ 595,508	\$ 566,689
Non-cash NOI attributable to same store properties <sup>(2)</sup>		(10,257)	(9,352)	(16,137)	(8,631)	(14,991)	(8,678)	(13,303)	(9,735)	(18,431)	(15,679)	(24,127)	(27,331)	(22,472)	(29,426)	(21,749)	(28,154)	(24,133)	(27,998)	(29,008)	(35,921)	(16,156)	(25,945)
NOI attributable to non same store properties		(78,938)	(43,102)	(86,635)	(50,663)	(76,372)	(48,928)	(78,833)	(44,840)	(93,434)	(49,458)	(108,805)	(46,997)	(103,362)	(43,904)	(122,084)	(56,826)	(96,944)	(47,614)	(90,858)	(56,094)	(96,841)	(70,317)
Same store cash NOI pre-Welltower ownership <sup>(3)</sup>		-	16,394	-	14,207	-	986	87	289	-	223	-	321	-	566	531	242	-	-	-	-	-	-
Same store cash NOI (SSNOI)		\$ 377,268	\$ 361,503	\$ 389,056	\$ 372,613	\$ 409,444	\$ 392,410	\$ 421,040	\$ 406,764	\$ 414,037	\$ 401,549	\$ 431,143	\$ 417,821	\$ 440,855	\$ 428,043	\$ 442,045	\$ 428,351	\$ 467,539	\$ 450,290	\$ 487,684	\$ 472,060	\$ 482,511	\$ 470,427
Year-over-year SSNOI growth		4.4%		4.4%		4.3%		3.5%		3.1%		3.2%		3.0%		3.2%		3.8%		3.3%		2.6%	3.7%
SSNOI attributable to long-term/post-acute and outpatient medical		(160,551)	(157,275)	(162,012)	(158,074)	(154,575)	(151,335)	(153,773)	(150,833)	(152,852)	(148,437)	(154,302)	(149,961)	(158,462)	(153,854)	(163,100)	(158,232)	(177,657)	(172,423)	(176,804)	(171,604)	(180,528)	(175,283)
SSNOI attributable to seniors housing operating & triple-net		\$ 216,717	\$ 204,228	\$ 227,044	\$ 214,539	\$ 254,869	\$ 241,075	\$ 267,267	\$ 255,931	\$ 261,185	\$ 253,112	\$ 276,841	\$ 267,860	\$ 282,393	\$ 274,189	\$ 278,945	\$ 270,119	\$ 289,882	\$ 277,867	\$ 310,880	\$ 300,456	\$ 301,983	\$ 295,144
Y-o-Y SH SSNOI growth		6.1%		5.8%		5.7%		4.4%		3.2%		3.4%		3.0%		3.3%		4.3%		3.5%		2.3%	4.8%
SSNOI attributable to seniors housing triple-net		(87,276)	(84,511)	(88,683)	(86,129)	(94,619)	(92,126)	(110,121)	(107,282)	(114,983)	(111,180)	(115,873)	(112,031)	(119,998)	(116,133)	(119,406)	(115,708)	(127,676)	(124,171)	(130,959)	(127,435)	(121,811)	(118,769)
SSNOI attributable to seniors housing operating (SHO)		\$ 129,441	\$ 119,717	\$ 138,361	\$ 128,410	\$ 160,250	\$ 148,949	\$ 157,146	\$ 148,649	\$ 146,202	\$ 141,932	\$ 160,968	\$ 155,829	\$ 162,395	\$ 158,056	\$ 159,539	\$ 154,411	\$ 162,206	\$ 153,696	\$ 179,921	\$ 173,021	\$ 180,172	\$ 176,375
Y-o-Y SHO SSNOI growth		8.1%		7.7%		7.6%		5.7%		3.0%		3.3%		2.7%		3.3%		5.5%		4.0%		2.2%	6.7%
Full year avg. SHO SSNOI growth							2014	7.3%							2015	3.1%					2016	3.9%	
Notes:																							
(1) Includes amounts related to discontinued operations.																							
(2) Includes normalizing adjustments as described in relevant quarter's Earnings Supplement including, normalization of foreign currency exchange rates for properties in the UK and Canada.																							
(3) Represents the performance of certain seniors housing operating properties that were not owned by Welltower in the prior year period.																							

Continued from prior page.

# SSNOI Growth Reconciliations

In thousands	Three months ended								Averages
	12/31/14	12/31/15	3/31/15	3/31/16	6/30/15	6/30/16	9/30/15	9/30/16	
Consolidated NOI <sup>(1)</sup>	\$ 504,753	\$ 590,746	\$ 517,716	\$ 597,414	\$ 558,815	\$ 617,825	\$ 570,294	\$ 605,453	3.8%
Pro rata adjustments <sup>(2)</sup>	8,336	(5,399)	8,186	(8,798)	5,260	(10,275)	(3,605)	(9,945)	
Total pro rata NOI <sup>(3)</sup>	513,089	585,347	525,902	588,616	564,075	607,550	566,689	595,508	
Less non-SHO NOI <sup>(4)</sup>	(346,483)	(397,614)	(364,649)	(394,217)	(382,165)	(403,420)	(385,396)	(398,637)	
SHO pro rata NOI <sup>(5)</sup>	166,606	187,733	161,253	194,399	181,910	204,130	181,293	196,871	3.7%
Less non-SSNOI <sup>(6)</sup>	(12,195)	(28,194)	(7,557)	(32,193)	(8,889)	(24,209)	(4,918)	(16,699)	
SHO SSNOI <sup>(7)</sup>	\$ 154,411	\$ 159,539	\$ 153,696	\$ 162,206	\$ 173,021	\$ 179,921	\$ 176,375	\$ 180,172	
SHO SSNOI growth		3.3%		5.5%		4.0%		2.2%	
SHO SSNOI <sup>(7)</sup>	\$ 154,411	\$ 159,539	\$ 153,696	\$ 162,206	\$ 173,021	\$ 179,921	\$ 176,375	\$ 180,172	1.9%
Less non-US SSNOI <sup>(8)</sup>	(44,768)	(45,217)	(43,568)	(46,458)	(49,682)	(52,244)	(50,418)	(51,805)	
US SHO SSNOI <sup>(9)</sup>	\$ 109,643	\$ 114,322	\$ 110,128	\$ 115,748	\$ 123,339	\$ 127,677	\$ 125,957	\$ 128,367	
US SHO SSNOI growth		4.3%		5.1%		3.5%		1.9%	
SHO SSNOI <sup>(7)</sup>	\$ 154,411	\$ 159,539	\$ 153,696	\$ 162,206	\$ 173,021	\$ 179,921	\$ 176,375	\$ 180,172	5.7%
Less non-UK SSNOI <sup>(8)</sup>	(132,550)	(138,282)	(131,390)	(138,548)	(150,882)	(157,185)	(154,923)	(158,428)	
UK SHO SSNOI <sup>(9)</sup>	\$ 21,861	\$ 21,257	\$ 22,306	\$ 23,658	\$ 22,139	\$ 22,736	\$ 21,452	\$ 21,744	
UK SHO SSNOI growth		-2.8%		6.1%		2.7%		1.4%	
SHO SSNOI <sup>(7)</sup>	\$ 154,411	\$ 159,539	\$ 153,696	\$ 162,206	\$ 173,021	\$ 179,921	\$ 176,375	\$ 180,172	5.7%
Less non-CA SSNOI <sup>(8)</sup>	(131,504)	(135,579)	(132,434)	(139,406)	(145,478)	(150,413)	(147,409)	(150,111)	
CA SHO SSNOI <sup>(9)</sup>	\$ 22,907	\$ 23,960	\$ 21,262	\$ 22,800	\$ 27,543	\$ 29,508	\$ 28,966	\$ 30,061	
CA SHO SSNOI growth		4.6%		7.2%		7.1%		3.8%	

Notes:

(1) Represents total consolidated NOI per U.S. GAAP which agree to or are derived from the relevant 10Q/K.

(2) Represents amounts attributable to joint venture partners, both majority and minority.

(3) Represents total NOI at Welltower pro rata ownership.

(4) Represents NOI attributable to NNN and OM.

(5) Represents SS SHO NOI at Welltower pro rata ownership.

(6) Represents net adjustments for non-cash NOI on SS properties, NOI attributable to non-SS properties, currency and ownership adjustments, and normalizing adjustments for SS properties described in the relevant quarter's Earnings Supplement.

(7) Represents SHO SSNOI at Welltower pro rata ownership.

(8) Represents pro rata SSNOI derived outside the referenced country.

(9) Represents pro rata SSNOI derived solely from referenced country.

# SSNOI / Unit Reconciliations

\$s in thousands, except per unit	Three months ended					TTM
	12/31/15	3/31/16	6/30/16	9/30/16		
Consolidated NOI <sup>(1)</sup>	\$ 590,746	\$ 597,414	\$ 617,825	\$ 605,453	\$	2,411,438
Pro rata adjustments <sup>(2)</sup>	(5,399)	(8,798)	(10,275)	(9,945)		(34,417)
Total pro rata NOI <sup>(3)</sup>	585,347	588,616	607,550	595,508		2,377,021
Less non-SHO NOI <sup>(4)</sup>	(397,614)	(394,217)	(403,420)	(398,637)		(1,593,888)
SHO pro rata NOI <sup>(5)</sup>	187,733	194,399	204,130	196,871		783,133
Less non SSNOI <sup>(6)</sup>	(13,920)	(17,953)	(22,466)	(16,699)		(71,038)
SHO SSNOI <sup>(7)</sup>	\$ 173,813	\$ 176,446	\$ 181,664	\$ 180,172	\$	712,095
Average units in service						34,789
SHO SSNOI/unit in USD					\$	20,469
SHO SSNOI <sup>(7)</sup>	\$ 173,813	\$ 176,446	\$ 181,664	\$ 180,172	\$	712,095
Less non-US SSNOI <sup>(8)</sup>	(48,473)	(50,953)	(51,268)	(51,805)		(202,499)
US SHO SSNOI <sup>(9)</sup>	\$ 125,340	\$ 125,493	\$ 130,396	\$ 128,367	\$	509,596
US Average units in service						21,662
US SSNOI/unit					\$	23,525
SHO SSNOI <sup>(7)</sup>	\$ 173,813	\$ 176,446	\$ 181,664	\$ 180,172	\$	712,095
Less non-UK SSNOI <sup>(8)</sup>	(153,476)	(154,326)	(159,902)	(158,428)		(626,132)
UK SHO SSNOI <sup>(9)</sup>	\$ 20,337	\$ 22,120	\$ 21,762	\$ 21,744	\$	85,963
UK Average units in service						2,685
UK SSNOI/unit USD					\$	32,016
UK SSNOI/unit GBP <sup>(10)</sup>					£	21,415
SHO SSNOI <sup>(7)</sup>	\$ 173,813	\$ 176,446	\$ 181,664	\$ 180,172	\$	712,095
Less non-CA SSNOI <sup>(8)</sup>	(145,677)	(147,613)	(152,158)	(150,111)		(595,559)
CA SHO SSNOI <sup>(9)</sup>	\$ 28,136	\$ 28,833	\$ 29,506	\$ 30,061	\$	116,536
CA Average units in service						10,442
CA SSNOI/unit USD					\$	11,161
CA SSNOI/unit CAD <sup>(11)</sup>					\$	15,061
Notes :						
(1) Represents total consolidated NOI per U.S. GAAP which agree to or are derived from the relevant 10Q/K.						
(2) Represents amounts attributable to joint venture partners, both majority and minority.						
(3) Represents total NOI at Welltower pro rata ownership.						
(4) Represents pro rata NOI attributable to NNN and OM.						
(5) Represents SHO NOI at Welltower pro rata ownership.						
(6) Represents net adjustments for non-cash NOI on SS properties, NOI attributable to non-SS properties, currency and ownership adjustments, and normalizing adjustments for SS properties described in the relevant quarter's Earnings Supplement.						
(7) Represents SHO SSNOI at Welltower pro rata ownership.						
(8) Represents pro rata SSNOI derived outside the referenced country.						
(9) Represents pro rata SSNOI derived solely from referenced country.						
(10) Translated at GBP/USD rate of 1.4950.						
(11) Translated at USD/CAD rate of 1.3495.						



# Senior Housing Operating REVPOR Reconciliations

Dollars in thousands, except REVPOR	Three months ended 9/30/16:			
	CA	UK	US	Total
Consolidated seniors housing operating revenues	\$ 631,787	\$ 631,787	\$ 631,787	\$ 631,787
Unconsolidated revenues attributable to Welltower <sup>(1)</sup>	40,390	40,390	40,390	40,390
Welltower revenues	672,177	672,177	672,177	672,177
Revenues attributable to noncontrolling interests <sup>(2)</sup>	(57,176)	(57,176)	(57,176)	(57,176)
Total revenues	615,001	615,001	615,001	615,001
Less interest and other income	(1,749)	(1,749)	(1,749)	(1,749)
Less revenues not derived in country	(511,147)	(547,386)	(167,971)	-
Adjustment for standardized FX rate <sup>(3)</sup>	(3,405)	9,142	-	5,737
Total local revenues	\$ 98,700	\$ 75,008	\$ 445,281	\$ 618,989
Average occupied units/month	12,487	2,624	21,555	36,666
REVPOR in USD	\$ 2,613	\$ 9,449	\$ 6,830	\$ 5,581
REVPOR in local currency <sup>(3)</sup>	\$ 3,527	£ 6,321		

Notes:

(1) Represents Welltower's interest in joint venture properties in which Welltower is the minority partner.

(2) Represents minority partner's interest in joint venture properties in which Welltower is the majority partner.

(3) Based on GBP/USD rate of 1.4950:1 and USD/CAD rate of 1.3495:1.

# Seniors Housing Operating SS REVPOR Growth Reconciliations

\$s in thousands, except REVPOR	Three months ended								Averages
	12/31/14	12/31/15	3/31/15	3/31/16	6/30/15	6/30/16	9/30/15	9/30/16	
Consolidated SHO revenues <sup>(1)</sup>	\$ 488,546	\$ 586,826	\$ 494,561	\$ 605,369	\$ 539,805	\$ 625,251	\$ 547,081	\$ 631,787	
Pro rata adjustments <sup>(2)</sup>	10,457	(5,204)	10,762	(12,334)	4,137	(16,686)	178	(16,786)	
SHO pro rata revenues <sup>(3)</sup>	499,003	581,622	505,323	593,035	543,942	608,565	547,259	615,001	
Less non-SS revenues & normalizers <sup>(4)</sup>	(22,222)	(89,844)	(23,726)	(88,286)	(20,996)	(60,111)	(15,162)	(57,459)	
SHO SS revenues <sup>(5)</sup>	\$ 476,781	\$ 491,778	\$ 481,597	\$ 504,749	\$ 522,946	\$ 548,454	\$ 532,097	\$ 557,542	
Average occupied units/month <sup>(8)</sup>	27,902	27,893	27,939	28,100	30,871	31,203	31,152	31,381	
SHO SS REVPOR <sup>(9)</sup>	\$ 5,649	\$ 5,829	\$ 5,762	\$ 6,004	\$ 5,662	\$ 5,875	\$ 5,647	\$ 5,874	
SS REVPOR growth		3.2%		4.2%		3.8%		4.0%	3.8%
SHO SS revenues <sup>(5)</sup>	\$ 476,781	\$ 491,778	\$ 481,597	\$ 504,749	\$ 522,946	\$ 548,454	\$ 532,097	\$ 557,542	
Less non US revenues <sup>(6)</sup>	(122,994)	(127,252)	(122,088)	(128,295)	(139,144)	(147,992)	(136,214)	(145,231)	
US SHO SS revenues <sup>(7)</sup>	\$ 353,787	\$ 364,526	\$ 359,509	\$ 376,454	\$ 383,802	\$ 400,462	\$ 395,883	\$ 412,311	
Average occupied units/month <sup>(8)</sup>	18,039	17,977	18,024	18,027	19,088	19,113	19,468	19,399	
US SHO SS REVPOR <sup>(9)</sup>	\$ 6,484	\$ 6,704	\$ 6,667	\$ 6,980	\$ 6,720	\$ 7,003	\$ 6,723	\$ 7,027	
US SS REVPOR growth		3.4%		4.7%		4.2%		4.5%	4.2%
SHO SS revenues <sup>(5)</sup>	\$ 476,781	\$ 491,778	\$ 481,597	\$ 504,749	\$ 522,946	\$ 548,454	\$ 532,097	\$ 557,542	
Less non UK revenues <sup>(6)</sup>	(415,151)	(427,643)	(415,574)	(435,225)	(456,676)	(477,986)	(470,241)	(490,896)	
UK SHO SS revenues <sup>(7)</sup>	\$ 61,630	\$ 64,135	\$ 66,023	\$ 69,524	\$ 66,270	\$ 70,468	\$ 61,856	\$ 66,646	
Average occupied units/month <sup>(8)</sup>	2,219	2,244	2,437	2,477	2,447	2,507	2,243	2,334	
UK SHO SS REVPOR <sup>(9)</sup>	\$ 9,184	\$ 9,450	\$ 9,057	\$ 9,383	\$ 9,051	\$ 9,396	\$ 9,117	\$ 9,440	
UK SS REVPOR growth		2.9%		3.6%		3.8%		3.5%	3.5%
SHO SS revenues <sup>(5)</sup>	\$ 476,781	\$ 491,778	\$ 481,597	\$ 504,749	\$ 522,946	\$ 548,454	\$ 532,097	\$ 557,542	
Less non CA revenues <sup>(6)</sup>	(415,417)	(428,661)	(425,532)	(445,978)	(450,072)	(470,930)	(457,739)	(478,957)	
CA SHO SS revenues <sup>(7)</sup>	\$ 61,364	\$ 63,117	\$ 56,065	\$ 58,771	\$ 72,874	\$ 77,524	\$ 74,358	\$ 78,585	
Average occupied units/month <sup>(8)</sup>	7,644	7,672	7,478	7,596	9,336	9,583	9,441	9,648	
CA SHO SS REVPOR <sup>(9)</sup>	\$ 2,654	\$ 2,720	\$ 2,506	\$ 2,586	\$ 2,609	\$ 2,704	\$ 2,604	\$ 2,693	
CA SS REVPOR growth		2.5%		3.2%		3.6%		3.4%	3.2%

## Notes:

(1) Represents total consolidated revenues per U.S. GAAP which agree to or are derived from the relevant 10Q/K.

(2) Represents amounts attributable to joint venture partners, both majority and minority.

(3) Represents total SHO revenues at Welltower pro rata ownership.

(4) Represents net adjustments for non-cash NOI on SS properties, NOI attributable to non-SS properties, currency and ownership adjustments, and normalizing adjustments for SS properties described in the relevant quarter's Earnings Supplement.

(5) Represents SS SHO revenues at Welltower pro rata ownership.

(6) Represents pro rata SS revenues derived outside the referenced country.

(7) Represents pro rata SS revenues derived solely from referenced country.

(8) Represents average occupied units for SS properties related solely to referenced country on a pro rata basis.

(9) Represents pro rata SS average revenues generated per occupied room per month related solely to the referenced country.

# Outpatient Medical NOI Reconciliations

\$s in thousands, except per square foot	Three months ended		
	9/30/2016		
	Total	Non Core <sup>(3)</sup>	Core
OM revenues <sup>(1)</sup>	\$ 127,858	\$ (3,788)	\$ 124,070
OM operating expenses <sup>(1)</sup>	(38,731)	1,479	(37,252)
OM NOI <sup>(1)</sup>	\$ 89,127	\$ (2,309)	\$ 86,818
OM NOI margin			70.0%
OM NOI <sup>(1)</sup>			\$ 86,818
Less: In-P lace NOI adjustments <sup>(1)</sup>			(3,756)
OM In-P lace NOI <sup>(1)</sup>			83,062
OM In-P lace NOI Annualized <sup>(1)</sup>			\$ 332,248
OM pro rata NOI <sup>(1)</sup>			\$ 86,818
Less: Interest Income			(1,009)
OM pro rata rental NOI			\$ 85,809
Totals square feet			16,824,583
Less: loans, development, held for sale			(814,068)
Pro rata adjustments <sup>(2)</sup>			(754,504)
Rentals square feet			15,256,011
OM NOI per square foot annualized			\$ 22.50
OM gross rental NOI			\$ 85,809
Non health system affiliated NOI			(3,797)
OM health system affiliated NOI			\$ 82,012
OM health system affiliated NOI%			95.6%
Notes:			
(1) Amounts presented on Welltower pro rata ownership basis and excludes assets sold or held for sale. See "In-P lace NOI Reconciliations" and "In-P lace NOI by Partner Reconciliations" for reconciliation of OM pro rata NOI to net income attributable to common stockholders.			
(2) Represents amounts attributable to joint venture partners, both majority and minority.			
(3) Represents NOI from assets held for sale and non-core other income.			

# Normalized FFO & FAD

Historical cost accounting for real estate assets in accordance with U.S. GAAP implicitly assumes that the value of real estate assets diminishes predictably over time as evidenced by the provision for depreciation and amortization. However, since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient. In response, the National Association of Real Estate Investment Trusts (NAREIT) created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation from net income. FFO, as defined by NAREIT, means net income attributable to common stockholders, computed in accordance with U.S. GAAP, excluding gains (or losses) from sales of real estate and impairments of depreciable assets, plus real estate depreciation and amortization, and after adjustments for unconsolidated entities and noncontrolling interests. Normalized FFO represents FFO adjusted for certain items as detailed in the reconciliations. FAD represents FFO excluding net straight-line rental adjustments, amortization related to above/below market leases and amortization of non-cash interest expenses and less cash used to fund capital expenditures, tenant improvements and lease commissions. Normalized FAD represents FAD adjusted for certain items detailed in the reconciliations.

# Normalized FFO Reconciliations

(in thousands, except per share information)	Three months Ended																				
	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016
<b>Funds From Operations:</b>																					
Net income attributable to common stockholders	\$ 23,372	\$ 69,847	\$ 36,607	\$ 27,282	\$ 39,307	\$ 54,735	\$ 37,269	\$ 90,576	\$ 55,058	\$ (8,508)	\$ 20,691	\$ 11,473	\$ 50,022	\$ 71,829	\$ 136,255	\$ 188,636	\$ 190,799	\$ 312,573	\$ 182,043	\$ 132,931	\$ 148,969
Depreciation and amortization	74,768	111,053	115,640	122,144	127,422	132,963	132,858	140,342	187,122	200,477	242,981	243,380	233,318	214,449	200,970	195,393	188,829	208,802	205,799	222,809	228,696
Losses/impairments (gains) on properties, net	(25,954)	(30,224)	(185)	7,398	(769)	(32,450)	(5,875)	(32,167)	(82,492)	29,997	(4,707)	8,064	-	(13,079)	(29,604)	(110,839)	(54,625)	(190,111)	(2,046)	(31,385)	14,314
Noncontrolling interests <sup>(1)</sup>	(4,160)	(4,487)	(4,706)	(5,318)	(4,990)	(5,190)	(5,440)	(5,439)	(5,793)	(7,821)	(12,328)	(10,362)	(10,520)	(9,741)	(9,359)	(8,234)	(7,249)	(10,467)	(11,647)	(9,908)	(17,319)
Unconsolidated entities <sup>(2)</sup>	3,027	3,364	3,020	2,892	2,887	7,873	11,913	11,735	16,983	16,521	11,626	12,522	15,983	20,787	18,250	19,560	26,496	19,791	18,146	18,062	16,604
<b>Funds from operations - NAREIT</b>	<b>71,053</b>	<b>149,553</b>	<b>150,376</b>	<b>154,398</b>	<b>163,857</b>	<b>157,931</b>	<b>170,725</b>	<b>205,047</b>	<b>170,878</b>	<b>230,666</b>	<b>258,263</b>	<b>265,077</b>	<b>288,803</b>	<b>284,245</b>	<b>316,512</b>	<b>284,516</b>	<b>344,250</b>	<b>340,588</b>	<b>392,295</b>	<b>332,509</b>	<b>391,264</b>
<b>Normalizing items:<sup>(3)</sup></b>																					
Loss (gain) on derivatives, net	-	-	-	-	555	(2,676)	409	(118)	2,309	(2,716)	4,872	6	-	351	49	(1,895)	(58,427)	-	-	-	-
Transaction costs	36,065	13,738	6,739	13,682	5,579	28,691	8,264	19,074	65,980	28,136	23,591	15,693	952	7,040	13,554	47,991	48,554	12,491	9,333	40,547	8,208
Loss (gain) on extinguishment of debt, net	-	-	-	(979)	-	576	215	(1,566)	(308)	-	(4,068)	3,467	(148)	531	2,692	6,484	15,401	18,887	584	(195)	33
Provision for loan losses	248	168	132	1,463	-	-	27,008	-	-	-	-	2,110	-	-	-	-	-	-	-	-	-
Special stock compensation grants/payments	-	-	-	-	4,316	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CEO transition costs	-	-	-	-	-	-	-	-	-	-	-	-	-	19,688	-	-	-	-	-	-	-
Nonrecurring income tax benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17,426)	-	-	-	(5,430)	-	-
Additional other income	-	(3,774)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,144)	-	-	(3,669)	-
Other expenses	829	264	212	348	215	-	-	-	-	-	-	-	-	-	10,262	-	695	10,583	-	35,648	-
Preferred stock redemption charge	-	-	-	-	-	6,242	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	-	-	-	-	-	-	-	-	-	(11)	(1,847)	(127)	105	4,502	488	566	1,334	1,151	(312)	(2,485)	1,518
<b>Funds from operations - normalized</b>	<b>\$ 108,195</b>	<b>\$ 159,949</b>	<b>\$ 157,459</b>	<b>\$ 168,912</b>	<b>\$ 174,522</b>	<b>\$ 190,764</b>	<b>\$ 206,621</b>	<b>\$ 222,442</b>	<b>\$ 238,859</b>	<b>\$ 256,075</b>	<b>\$ 280,811</b>	<b>\$ 286,226</b>	<b>\$ 289,712</b>	<b>\$ 316,357</b>	<b>\$ 326,131</b>	<b>\$ 337,662</b>	<b>\$ 349,663</b>	<b>\$ 383,700</b>	<b>\$ 396,470</b>	<b>\$ 402,355</b>	<b>\$ 400,966</b>
<b>Average common shares outstanding:</b>																					
Basic	154,945	176,445	177,272	185,913	189,661	213,498	224,391	259,290	260,036	273,091	286,020	288,133	289,606	296,256	311,117	327,492	336,754	350,399	351,765	353,604	355,076
Diluted	155,485	177,487	177,849	186,529	201,658	215,138	226,258	261,210	262,525	276,481	288,029	289,677	290,917	297,995	312,812	329,130	337,812	351,366	353,107	354,972	356,051
<b>Net income attributable to common stockholders per share:</b>																					
Basic	\$ 0.15	\$ 0.40	\$ 0.21	\$ 0.15	\$ 0.20	\$ 0.26	\$ 0.17	\$ 0.35	\$ 0.21	\$ (0.03)	\$ 0.07	\$ 0.04	\$ 0.17	\$ 0.24	\$ 0.44	\$ 0.58	\$ 0.57	\$ 0.89	\$ 0.52	\$ 0.38	\$ 0.42
Diluted	\$ 0.15	\$ 0.39	\$ 0.21	\$ 0.15	\$ 0.19	\$ 0.25	\$ 0.16	\$ 0.35	\$ 0.21	\$ (0.03)	\$ 0.07	\$ 0.04	\$ 0.17	\$ 0.24	\$ 0.44	\$ 0.57	\$ 0.56	\$ 0.89	\$ 0.52	\$ 0.37	\$ 0.42
<b>Funds from operations - NAREIT per share:</b>																					
Basic	\$ 0.46	\$ 0.85	\$ 0.85	\$ 0.83	\$ 0.82	\$ 0.74	\$ 0.76	\$ 0.79	\$ 0.66	\$ 0.84	\$ 0.90	\$ 0.92	\$ 1.00	\$ 0.96	\$ 1.02	\$ 0.87	\$ 1.02	\$ 0.97	\$ 1.12	\$ 0.94	\$ 1.10
Diluted	\$ 0.46	\$ 0.84	\$ 0.85	\$ 0.83	\$ 0.81	\$ 0.73	\$ 0.75	\$ 0.78	\$ 0.65	\$ 0.83	\$ 0.90	\$ 0.92	\$ 0.99	\$ 0.95	\$ 1.01	\$ 0.86	\$ 1.02	\$ 0.97	\$ 1.11	\$ 0.94	\$ 1.10
<b>Funds from operations normalized per share:</b>																					
Basic	\$ 0.70	\$ 0.91	\$ 0.89	\$ 0.91	\$ 0.87	\$ 0.89	\$ 0.92	\$ 0.86	\$ 0.92	\$ 0.94	\$ 0.98	\$ 0.99	\$ 1.00	\$ 1.07	\$ 1.05	\$ 1.03	\$ 1.04	\$ 1.10	\$ 1.13	\$ 1.14	\$ 1.13
Diluted	\$ 0.70	\$ 0.90	\$ 0.89	\$ 0.91	\$ 0.87	\$ 0.89	\$ 0.91	\$ 0.85	\$ 0.91	\$ 0.93	\$ 0.97	\$ 0.99	\$ 1.00	\$ 1.06	\$ 1.04	\$ 1.03	\$ 1.04	\$ 1.09	\$ 1.12	\$ 1.13	\$ 1.13
<b>Rolling four quarter total of normalized FFO per diluted share</b>				\$ 3.40	\$ 3.57	\$ 3.56	\$ 3.58	\$ 3.52	\$ 3.56	\$ 3.60	\$ 3.66	\$ 3.80	\$ 3.89	\$ 4.02	\$ 4.09	\$ 4.13	\$ 4.17	\$ 4.20	\$ 4.28	\$ 4.38	\$ 4.47
(1) Represents noncontrolling interests' share of net FFO adjustments.																					
(2) Represents Welltower's share of net FFO adjustments from unconsolidated entities.																					
(3) Normalizing items include adjustments for certain non-recurring or infrequent income/expenses that are described in Welltower's earnings press releases for the relevant period ends.																					

# Normalized FFO & FAD Payout Reconciliations

In thousands, except per share	Three Months Ended September 30, 2016
Net income (loss) attributable to common stockholders	\$ 334,910
Depreciation and amortization	218,061
Losses/impairments (gains) on properties, net	(152,645)
Noncontrolling interests and unconsolidated entities, net <sup>(1)</sup>	3,120
Transaction costs <sup>(2)</sup>	19,842
Loss (gain) on derivatives, net <sup>(3)</sup>	(2,516)
Normalized FFO	\$ 420,772
Average diluted common shares outstanding	361,237
Normalized FFO per diluted share	\$ 1.16
Dividends per common share	\$ 0.86
Normalized FFO payout ratio	74.1%
Normalized FFO	\$ 420,772
Gross straight-line rental income	(27,538)
Amortization of above (below) market leases, net	31
Non-cash interest expense	543
Cap-ex, tenant improvements, lease commissions	(19,701)
Noncontrolling interests and unconsolidated entities, net <sup>(4)</sup>	1,751
Normalized FAD	\$ 375,858
Average diluted common shares outstanding	361,237
Normalized FAD per diluted share	\$ 1.04
Dividends per common share	\$ 0.86
Normalized FAD payout ratio	82.7%
Notes:	
(1) Represents net of noncontrolling interests' share of normalized FFO adjustments and Welltower's share of net FFO adjustments from unconsolidated entities.	
(2) Primarily related to costs incurred with seniors housing transactions.	
(3) Primarily related to settlement of forward exchange contracts.	
(4) Represents net of noncontrolling interests' share of normalized FAD adjustments and Welltower's share of net FAD adjustments from unconsolidated entities.	



# EBITDA and Adjusted EBITDA

EBITDA stands for earnings (net income per income statement) before interest expense, income taxes, depreciation and amortization. Covenants in our primary line of credit arrangement, senior unsecured notes and Canadian denominated term loan contain financial ratios based on a definition of EBITDA that is specific to those agreements. Failure to satisfy these covenants could result in an event of default that could have a material adverse impact on our cost and availability of capital, which could in turn have a material adverse impact on our consolidated results of operations, liquidity and/or financial condition. Due to the materiality of these debt agreements and the financial covenants, we have defined Adjusted EBITDA (A-EBITDA) to include adjustments for stock-based compensation expense, provision for loan losses, gains/losses on extinguishment of debt, transactions costs, gains/losses/impairments on properties, gains/losses on derivatives, and other non-recurring and/or non-cash income/charges.

We believe that EBITDA and A-EBITDA, along with net income and cash flow provided from operating activities, are important supplemental measures because they provide additional information to assess and evaluate the performance of our operations. We primarily utilize EBITDA and A-EBITDA to measure our interest coverage ratio, which represents EBITDA or A-EBITDA divided by total interest, and our fixed charge coverage ratio, which represents EBITDA or A-EBITDA divided by fixed charges. Fixed charges include total interest, secured debt principal amortization and preferred dividends.

# TTM EBITDA/A-EBITDA Reconciliations

Dollars in thousands	Twelve Months Ended December 31, 2013	Twelve Months Ended September 30, 2016
Net income	\$ 138,280	\$ 880,380
Interest expense <sup>(1)</sup>	462,606	526,082
Income tax expense (benefit)	7,491	139
Depreciation and amortization <sup>(1)</sup>	873,960	896,135
EBITDA	1,482,337	2,302,736
Transaction costs	133,401	73,754
Stock-based compensation	20,177	25,807
Provision for loan losses	2,110	-
Loss (gain) on extinguishment of debt, net	(909)	(186)
Loss/impairment (gain) on properties, net	(49,138)	(171,247)
Loss (gain) on derivatives, net	4,470	(2,516)
Other expenses <sup>(2)</sup>	-	37,386
Additional other income <sup>(3)</sup>	-	(11,811)
Adjusted EBITDA	\$ 1,592,448	\$ 2,253,923
Interest Coverage Ratio:		
Interest expense <sup>(1)</sup>	\$ 462,606	\$ 526,082
Non-cash interest expense	(4,044)	(4,341)
Capitalized interest	6,700	14,467
Total interest	465,262	536,208
Adjusted EBITDA	\$ 1,592,448	\$ 2,253,923
Interest coverage ratio - adjusted	3.4x	4.2x
Fixed Charge Coverage Ratio:		
Total interest	465,262	536,208
Secured debt principal amortization	56,205	74,170
Preferred dividends	66,336	65,407
Total fixed charges	587,803	675,785
Adjusted EBITDA	\$ 1,592,448	\$ 2,253,923
Fixed charge coverage ratio - adjusted	2.7x	3.3x
Notes:		
(1) 2013 includes amounts related to properties sold or classified as held for sale.		
(2) Includes \$35,648,000 write-down of Genesis Healthcare stock investment (which netted against \$58,427,000 derivative gain recorded in 1Q15) and cash-based costs for an executive retirement.		
(3) Includes income from prior year life science disposition and seniors housing property's insurance proceeds.		

# Quarterly EBITDA/A-EBITDA Reconciliations

In thousands	Three Months Ended December 31, 2013	Three Months Ended September 30, 2016
Net income	\$ 25,696	\$ 354,741
Interest expense <sup>(1)</sup>	124,485	129,699
Income tax expense (benefit)	435	(305)
Depreciation and amortization <sup>(1)</sup>	243,380	218,061
EBITDA	393,996	702,196
Transaction costs	15,693	19,842
Stock-based compensation	3,527	5,401
Provision for loan losses	2,110	-
Loss (gain) on extinguishment of debt, net	3,467	-
Loss/impairment (gain) on properties, net	8,064	(152,646)
Loss (gain) on derivatives, net	6	(2,516)
Adjusted EBITDA	\$ 426,863	\$ 572,277
Interest Coverage Ratio:		
Interest expense <sup>(1)</sup>	\$ 124,485	\$ 129,699
Non-cash interest expense	(264)	(543)
Capitalized interest	2,003	4,766
Total interest	126,224	133,922
Adjusted EBITDA	\$ 426,863	\$ 572,277
Interest coverage ratio - adjusted	3.4x	4.3x
Fixed Charge Coverage Ratio:		
Total interest <sup>(1)</sup>	\$ 126,224	\$ 133,922
Secured debt principal amortization	16,312	18,151
Preferred dividends	16,531	16,352
Total fixed charges	159,067	168,425
Adjusted EBITDA	\$ 426,863	\$ 572,277
Fixed charge coverage ratio - adjusted	2.7x	3.4x
Net Debt to Adjusted EBITDA Ratio:		
Total debt	\$ 10,652,014	\$ 13,430,888
Less: cash and cash equivalents <sup>(2)</sup>	(158,780)	(456,420)
Net debt	10,493,234	12,974,468
Adjusted EBITDA annualized	\$ 1,707,452	\$ 2,289,108
Net debt to adjusted EBITDA ratio	6.1x	5.7x
Notes:		
(1) 2013 includes amounts related to properties sold or classified as held for sale.		
(2) Includes IRC section 1031 deposits, if any.		

# Pro Forma EBITDA/A-EBITDA Reconciliations

Dollars in thousands	Three months ended		
	September 30, 2016 <sup>(1)</sup>	Adjustments <sup>(2,3)</sup>	Pro Forma
Net Debt to Adjusted EBITDA:			
Net income	\$ 354,741	\$ 453,269	\$ 808,010
Interest expense	129,699	(20,283)	109,416
Income tax expense (benefit)	(305)	-	(305)
Depreciation and amortization	218,061	(5,643)	212,418
EBITDA	\$ 702,196	\$ 427,343	\$ 1,129,539
Transaction costs	19,842	-	19,842
Stock-based compensation	5,401	-	5,401
Loss/impairment (gain) on sales of properties, net	(152,646)	(526,551)	(679,197)
Loss (gain) on debt extinguishments, net	-	41,481	41,481
Loss (gain) on derivatives, net	(2,516)	-	(2,516)
Adjusted EBITDA	\$ 572,277	\$ (57,727)	\$ 514,550
Adjusted EBITDA annualized	\$ 2,289,108	\$ (230,908)	\$ 2,058,200
Net debt <sup>(4)</sup>	\$ 12,974,468	\$ (2,499,833)	\$ 10,474,635
Net debt to adjusted EBITDA ratio	5.7x	-0.6x	5.1x
Interest and Fixed Charge Coverage Ratios:			
Interest expense	\$ 129,699	\$ (20,283)	\$ 109,416
Capitalized interest	4,766	1,640	6,406
Non-cash interest	(543)	1,305	762
Total interest	\$ 133,922	\$ (17,338)	\$ 116,584
Adjusted EBITDA	\$ 572,277	\$ (57,727)	\$ 514,550
Adjusted interest charge coverage ratio	4.3x	0.1x	4.4x
Total interest	\$ 133,922	\$ (17,338)	\$ 116,584
Secured debt principal amortizations	18,151	(3,671)	14,480
Preferred dividends	16,352	(4,672)	11,680
Total fixed charges	\$ 168,425	\$ (25,681)	\$ 142,744
Adjusted EBITDA	\$ 572,277	\$ (57,727)	\$ 514,550
Adjusted fixed charge coverage ratio	3.4x	0.2x	3.6x
Notes:			
(1) Please refer to Quarterly EBITDA/A-EBITDA Reconciliations slide for a reconciliation to net income.			
(2) Represents adjustments to reflect all transactions related to estimated 4Q16 dispositions and uses of proceeds described in the company's "Welltower Announces Significant Portfolio Repositioning" press release dated November 2, 2016.			
(3) Also includes adjustments to reflect a full quarter impact of the \$1.15 billion 19-community seniors housing portfolio acquisition described in the company's Earnings Release dated November 2, 2016.			
(4) See Pro Forma Capitalization Ratios slide for additional information.			

# Pro Forma Capitalization Ratios

Dollars in thousands			
	September 30, 2016	Adjustments <sup>(1)</sup>	Pro Forma
Net Debt to Undepreciated Book Capitalization:			
Line of credit	\$ 1,350,000	\$ (1,350,000)	\$ -
Long-term debt obligations	12,080,888	(1,149,833)	10,931,055
Cash and cash equivalents <sup>(2)</sup>	(456,420)	-	(456,420)
Net debt	\$ 12,974,468	\$ (2,499,833)	\$ 10,474,635
Accumulated depreciation and amortization	4,243,038	(280,438)	3,962,600
Total equity <sup>(3)</sup>	15,657,768	356,607	16,014,375
Undepreciated book capitalization	\$ 32,875,274	\$ (2,423,664)	\$ 30,451,610
Net debt to undepreciated book capitalization ratio	39.5%	-5.1%	34.4%
Net Debt to Enterprise Value:			
Net debt	\$ 12,974,468	\$ (2,499,833)	\$ 10,474,635
Common equity market capitalization <sup>(4)</sup>	27,098,517	-	27,098,517
Preferred stock	1,006,250	(287,500)	718,750
Noncontrolling interests <sup>(3)</sup>	867,923	159,037	1,026,960
Enterprise value	\$ 41,947,158	\$ (2,628,296)	\$ 39,318,862
Net debt to enterprise value ratio	30.9%	-4.3%	26.6%
Secured Debt to Total Assets:			
Secured debt	\$ 3,317,933	\$ (700,537)	\$ 2,617,396
Total assets	\$ 29,856,339	\$ (2,087,895)	\$ 27,768,444
Secured debt to total assets ratio	11.1%	-1.7%	9.4%
Notes:			
(1) Represents adjustments to reflect all transactions related to estimated 4Q16 dispositions and uses of proceeds described in the company's "Welltower Announces Significant Portfolio Repositioning" press release dated			
(2) Inclusive of IRC section 1031 deposits.			
(3) Includes all noncontrolling interests (redeemable and permanent).			
(4) Based on outstanding shares of 362,425,000 and \$74.77 per share as of 9/30/16.			