



# welltower

## NON-GAAP FINANCIAL MEASURES

QUARTER ENDED SEPTEMBER 30, 2015

Welltower Inc. (HCN) 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, Same Store Cash NOI (SSCNOI), Revenues per Occupied Room (REVPOR), Same Store REVPOR (SS REVPOR), Funds From Operations (FFO), Funds Available for Distribution (FAD) and Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) to be useful supplemental measures of its operating performance.

HCN'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. HCN'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 HCN, 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.

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.

Normalizing items include adjustments for certain non-recurring or infrequent income/expenses that are described in our earnings press release for the relevant period ends.

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

# FFO QUARTERLY RECONCILIATIONS

(in thousands, except per share information)

	Three Months Ended				
	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015	September 30, 2015
<b>Funds From Operations:</b>					
Net income (loss) attributable to common stockholders	\$136,255	\$188,636	\$190,799	\$312,573	\$182,043
Depreciation and amortization	200,970	195,393	188,829	208,802	205,799
Losses/impairments (gains) on properties, net	(29,604)	(110,839)	(54,625)	(190,111)	(2,046)
Noncontrolling interests <sup>(1)</sup>	(9,359)	(8,234)	(7,249)	(10,467)	(11,647)
Unconsolidated entities <sup>(2)</sup>	18,250	19,560	26,496	19,791	18,146
Funds from operations - NAREIT	316,512	284,516	344,250	340,588	392,295
Normalizing items:					
Loss (gain) on derivatives, net	49	(1,895)	(58,427)	-	-
Transaction costs	13,554	47,991	48,554	12,491	9,333
Loss (gain) on extinguishment of debt, net	2,692	6,484	15,401	18,887	584
Nonrecurring income tax benefits	(17,426)	-	-	-	(5,430)
Additional other income	-	-	(2,144)	-	-
Other expenses	10,262	-	695	10,583	-
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	488	566	1,334	1,151	(312)
Funds from operations - normalized	<u>\$326,131</u>	<u>\$337,662</u>	<u>\$349,663</u>	<u>\$383,700</u>	<u>\$396,470</u>
Average common shares outstanding:					
Basic	311,117	327,492	336,754	350,399	351,765
Diluted	312,812	329,130	337,812	351,366	353,107
Net income (loss) attributable to common stockholders per share:					
Basic	\$0.44	\$0.58	\$0.57	\$0.89	\$0.52
Diluted	\$0.44	\$0.57	\$0.56	\$0.89	\$0.52
Funds from operations - NAREIT per share:					
Basic	\$1.02	\$0.87	\$1.02	\$0.97	\$1.12
Diluted	\$1.01	\$0.86	\$1.02	\$0.97	\$1.11
Funds from operations - normalized per share:					
Basic	\$1.05	\$1.03	\$1.04	\$1.10	\$1.13
Diluted	\$1.04	\$1.03	\$1.04	\$1.09	\$1.12
<b>Funds From Operations - NAREIT Payout Ratio:</b>					
Dividends per common share	\$0.795	\$0.795	\$0.825	\$0.825	\$0.825
Diluted funds from operations - NAREIT per share	\$1.01	\$0.86	\$1.02	\$0.97	\$1.11
FFO - NAREIT payout ratio	<u>79%</u>	<u>92%</u>	<u>81%</u>	<u>85%</u>	<u>74%</u>
<b>Funds From Operations - Normalized Payout Ratio:</b>					
Dividends per common share	\$0.795	\$0.795	\$0.825	\$0.825	\$0.825
Diluted funds from operations - normalized per share	\$1.04	\$1.03	\$1.04	\$1.09	\$1.12
FFO - normalized payout ratio	<u>76%</u>	<u>77%</u>	<u>79%</u>	<u>76%</u>	<u>74%</u>

(1) Represents noncontrolling interests' share of net FFO adjustments.

(2) Represents Welltower's share of net FFO adjustments from unconsolidated entities.

# FFO YEAR-TO-DATE RECONCILIATIONS

(in thousands, except per share information)

	Nine Months Ended	
	September 30, 2014	September 30, 2015
<b>Funds From Operations:</b>		
Net income (loss) attributable to common stockholders	\$258,107	\$685,413
Depreciation and amortization	648,737	603,431
Losses/impairments (gains) on properties, net	(42,683)	(246,782)
Noncontrolling interests <sup>(1)</sup>	(29,618)	(29,363)
Unconsolidated entities <sup>(2)</sup>	55,019	64,433
Funds from operations - NAREIT	889,562	1,077,132
Normalizing items:		
Loss (gain) on derivatives, net	400	(58,427)
Transaction costs	21,546	70,379
Loss (gain) on extinguishment of debt, net	3,075	34,872
CEO transition costs	19,688	-
Nonrecurring income tax benefits	(17,426)	(5,430)
Other expenses	10,262	11,278
Additional other income	-	(2,144)
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	5,095	2,173
Funds from operations - normalized	<u>\$932,202</u>	<u>\$1,129,833</u>
Average common shares outstanding:		
Basic	299,137	346,425
Diluted	300,645	347,547
Net income (loss) attributable to common stockholders per share:		
Basic	\$0.86	\$1.98
Diluted	\$0.86	\$1.97
Funds from operations - NAREIT per share:		
Basic	\$2.97	\$3.11
Diluted	\$2.96	\$3.10
Funds from operations - normalized per share:		
Basic	\$3.12	\$3.26
Diluted	\$3.10	\$3.25
<b>Funds From Operations - NAREIT Payout Ratio:</b>		
Dividends per common share	\$2.385	\$2.475
Diluted funds from operations - NAREIT per share	\$2.96	\$3.10
FFO - NAREIT payout ratio	<u>81%</u>	<u>80%</u>
<b>Funds From Operations - Normalized Payout Ratio:</b>		
Dividends per common share	\$2.385	\$2.475
Diluted funds from operations - normalized per share	\$3.10	\$3.25
FFO - normalized payout ratio	<u>77%</u>	<u>76%</u>

(1) Represents noncontrolling interests' share of net FFO adjustments.

(2) Represents Welltower's share of net FFO adjustments from unconsolidated entities.

# FFO ANNUAL RECONCILIATIONS

(in thousands, except per share information)

	Year Ended				
	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
<b>Funds From Operations</b>					
Net income (loss) attributable to common stockholders	\$106,882	\$157,108	\$221,884	\$78,714	\$446,745
Depreciation and amortization <sup>(1)</sup>	202,543	423,605	533,585	873,960	844,130
Losses/impairments (gains) on properties, net	(35,168)	(48,966)	(71,262)	(49,138)	(153,522)
Noncontrolling interests <sup>(2)</sup>	(2,749)	(18,557)	(21,058)	(36,304)	(37,852)
Unconsolidated entities <sup>(3)</sup>	8,514	11,712	34,408	57,652	74,580
Funds from operations - NAREIT	280,022	524,902	697,557	924,884	1,174,081
Normalizing items:					
Non-recurring G&A expenses	3,853	-	4,316	-	-
Realized loss on derivatives	-	-	(1,825)	4,470	(1,495)
Transaction costs	46,660	70,224	61,609	133,401	69,538
Preferred stock redemption charge	-	-	6,242	-	-
Loss (gain) on extinguishment of debt, net	34,171	(979)	(775)	(909)	9,558
Provision for loan losses	29,684	2,010	27,008	2,110	-
CEO transition costs	-	-	-	-	19,688
Nonrecurring income tax benefits	-	-	-	-	(17,426)
Other expenses	-	-	-	-	10,262
Held for sale hospital operating expenses	1,753	1,653	215	-	-
Additional other income	(1,000)	(3,774)	-	-	-
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	-	-	-	(1,985)	5,661
Funds from operations - normalized	\$395,143	\$594,036	\$794,347	\$1,061,971	\$1,269,867
Average common shares outstanding:					
Basic	127,656	173,741	224,343	276,929	306,272
Diluted	128,208	174,401	225,953	278,761	307,747
Net income (loss) attributable to common stockholders per share:					
Basic	\$0.84	\$0.90	\$0.99	\$0.28	\$1.46
Diluted	\$0.83	\$0.90	\$0.98	\$0.28	\$1.45
Funds from operations - NAREIT per share:					
Basic	\$2.19	\$3.02	\$3.11	\$3.34	\$3.83
Diluted	\$2.18	\$3.01	\$3.09	\$3.32	\$3.82
Funds from operations - normalized per share:					
Basic	\$3.10	\$3.42	\$3.54	\$3.83	\$4.15
Diluted	\$3.08	\$3.41	\$3.52	\$3.81	\$4.13
<b>Funds From Operations - NAREIT Payout Ratio:</b>					
Dividends per common share	\$2.74	\$2.835	\$2.96	\$3.06	\$3.18
Diluted funds from operations - NAREIT per share	\$2.18	\$3.01	\$3.09	\$3.32	\$3.82
FFO - NAREIT payout ratio	126%	94%	96%	92%	83%
<b>Funds From Operations - Normalized Payout Ratio:</b>					
Dividends per common share	\$2.74	\$2.835	\$2.960	\$3.06	\$3.18
Diluted funds from operations - normalized per share	\$3.08	\$3.41	\$3.52	\$3.81	\$4.13
FFO - normalized payout ratio	89%	83%	84%	80%	77%

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

(2) Represents noncontrolling interests' share of depreciation and amortization.

(3) Represents Welltower's share of net FFO adjustments from unconsolidated entities.

(dollars per fully diluted share)

	<b>Year Ended December 31, 2015</b>		
	<b>Low</b>	<b>Mid-point</b>	<b>High</b>
Net income attributable to common stockholders	\$2.52	\$2.55	\$2.57
Losses/impairments (gains) on sale of properties, net <sup>(1,2)</sup>	(0.78)	(0.78)	(0.78)
Depreciation and amortization <sup>(1)</sup>	2.43	2.43	2.43
Funds from operations - NAREIT	4.17	4.20	4.22
Normalizing items, net <sup>(3)</sup>	0.15	0.15	0.15
Funds from operations - normalized	<u>\$4.32</u>	<u>\$4.35</u>	<u>\$4.37</u>

(1) Amounts presented net of noncontrolling interests' share and Welltower's share of unconsolidated entities.

(2) Includes estimated gains on expected dispositions.

(3) See Earnings Release dated October 30, 2015.

# FAD QUARTERLY RECONCILIATIONS

(in thousands, except per share information)

	Three Months Ended				
	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015	September 30, 2015
<b>Funds Available for Distribution:</b>					
Net income (loss) attributable to common stockholders	\$136,255	\$188,636	\$190,799	\$312,573	\$182,043
Depreciation and amortization	200,970	195,393	188,829	208,802	205,799
Losses/impairments (gains) on properties, net	(29,604)	(110,839)	(54,625)	(190,111)	(2,046)
Noncontrolling interests <sup>(1)</sup>	(8,157)	(6,936)	(6,338)	(9,447)	(11,515)
Unconsolidated entities <sup>(2)</sup>	16,995	18,420	25,837	16,908	16,769
Gross straight-line rental income	(24,085)	(24,439)	(28,537)	(31,190)	(32,164)
Amortization related to above (below) market leases, net	138	236	113	757	1,992
Non-cash interest expense	547	(100)	119	(4,202)	3,791
Cap ex, tenant improvements, lease commissions	(17,768)	(15,178)	(10,485)	(15,114)	(18,865)
Funds available for distribution	275,291	245,193	305,712	288,976	345,804
Normalizing items:					
Loss (gain) on derivatives, net	49	(1,895)	(58,427)	-	-
Transaction costs	13,554	47,991	48,554	12,491	9,333
Loss (gain) on extinguishment of debt, net	2,692	6,484	15,401	18,887	584
Nonrecurring income tax benefits	(17,426)	-	-	-	(5,430)
Additional other income	-	-	(2,144)	-	-
Other expenses	10,262	-	695	10,583	-
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	488	566	1,334	1,151	(312)
Funds available for distribution - normalized	\$284,910	\$298,339	\$311,125	\$332,088	\$349,979
Average common shares outstanding:					
Basic	311,117	327,492	336,754	350,399	351,765
Diluted	312,812	329,130	337,812	351,366	353,107
Net income (loss) attributable to common stockholders per share:					
Basic	\$0.44	\$0.58	\$0.57	\$0.89	\$0.52
Diluted	\$0.44	\$0.57	\$0.56	\$0.89	\$0.52
Funds available for distribution per share:					
Basic	\$0.88	\$0.75	\$0.91	\$0.82	\$0.98
Diluted	\$0.88	\$0.74	\$0.90	\$0.82	\$0.98
Funds available for distribution - normalized per share:					
Basic	\$0.92	\$0.91	\$0.92	\$0.95	\$0.99
Diluted	\$0.91	\$0.91	\$0.92	\$0.95	\$0.99
<b>Funds Available for Distribution Payout Ratio:</b>					
Dividends per common share	\$0.795	\$0.795	\$0.825	\$0.825	\$0.825
Diluted funds available for distribution per share	\$0.88	\$0.74	\$0.90	\$0.82	\$0.98
FAD payout ratio	90%	107%	92%	101%	84%
<b>Funds Available for Distribution - Normalized Payout Ratio:</b>					
Dividends per common share	\$0.795	\$0.795	\$0.825	\$0.825	\$0.825
Diluted funds available for distribution - normalized per share	\$0.91	\$0.91	\$0.92	\$0.95	\$0.99
FAD - normalized payout ratio	87%	87%	90%	87%	83%

(1) Represents noncontrolling interests' share of net FAD adjustments.

(2) Represents Welltower's share of net FAD adjustments from unconsolidated entities.



# FAD YEAR-TO-DATE RECONCILIATIONS

(in thousands, except per share information)

	<b>Nine Months Ended</b>	
	<b>September 30, 2014</b>	<b>September 30, 2015</b>
<b>Funds Available for Distribution:</b>		
Net income (loss) attributable to common stockholders	\$258,107	\$685,413
Depreciation and amortization	648,737	603,431
Losses/impairments (gains) on properties, net	(42,683)	(246,782)
Noncontrolling interests <sup>(1)</sup>	(26,042)	(27,301)
Unconsolidated entities <sup>(2)</sup>	50,298	59,513
Gross straight-line rental income	(63,635)	(91,890)
Amortization related to above (below) market leases, net	503	2,863
Non-cash interest expense	2,527	(291)
Cap ex, tenant improvements, lease commissions	(43,956)	(44,465)
Funds available for distribution	783,856	940,491
Normalizing items:		
Loss (gain) on derivatives, net	400	(58,427)
Transaction costs	21,546	70,379
Loss (gain) on extinguishment of debt, net	3,075	34,872
CEO transition costs	19,688	-
Nonrecurring income tax benefits	(17,426)	(5,430)
Other expenses	10,262	11,278
Additional other income	-	(2,144)
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	5,095	2,173
Funds available for distribution - normalized	\$826,496	\$993,192
Average common shares outstanding:		
Basic	299,137	346,425
Diluted	300,645	347,547
Net income (loss) attributable to common stockholders per share:		
Basic	\$0.86	\$1.98
Diluted	\$0.86	\$1.97
Funds available for distribution per share:		
Basic	\$2.62	\$2.71
Diluted	\$2.61	\$2.71
Funds available for distribution - normalized per share:		
Basic	\$2.76	\$2.87
Diluted	\$2.75	\$2.86
<b>Funds Available for Distribution Payout Ratio:</b>		
Dividends per common share	\$2.385	\$2.475
Diluted funds available for distribution per share	\$2.61	\$2.71
FAD payout ratio	91%	91%
<b>Funds Available for Distribution - Normalized Payout Ratio:</b>		
Dividends per common share	\$2.385	\$2.475
Diluted funds available for distribution - normalized per share	\$2.75	\$2.86
FAD - normalized payout ratio	87%	87%

(1) Represents noncontrolling interests' share of net FAD adjustments.

(2) Represents Welltower's share of net FAD adjustments from unconsolidated entities.

# FAD ANNUAL RECONCILIATIONS

(in thousands, except per share information)

	Year Ended				
	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
<b>Funds Available for Distribution:</b>					
Net income (loss) attributable to common stockholders	\$106,882	\$157,108	\$221,884	\$78,714	\$446,745
Depreciation and amortization <sup>(1)</sup>	202,543	423,605	533,585	873,960	844,130
Losses/impairments (gains) on properties, net	(35,168)	(48,966)	(71,262)	(49,138)	(153,522)
Noncontrolling interests <sup>(2)</sup>	(2,708)	(16,325)	(17,871)	(32,031)	(32,978)
Unconsolidated entities <sup>(3)</sup>	3,485	5,149	25,437	43,422	68,718
Gross straight-line rental income	(14,717)	(41,067)	(52,322)	(58,880)	(88,073)
Amortization related to above (below) market leases, net	(2,856)	(2,507)	873	217	739
Non-cash interest expense	13,945	13,905	11,395	4,142	2,427
Cap ex, tenant improvements, lease commissions	(21,799)	(36,073)	(45,175)	(60,984)	(59,134)
Funds available for distribution	249,607	464,318	606,544	799,422	1,029,052
Normalizing items:					
Non-recurring G&A expenses	3,853	-	4,316	-	-
Loss (gain) on derivatives, net	-	-	(1,825)	4,470	(1,495)
Transaction costs	46,660	70,224	61,609	133,401	69,538
Loss (gain) on extinguishment of debt, net	34,171	(979)	(775)	(909)	9,558
Provision for loan losses	29,684	2,010	27,008	2,110	-
CEO transaction costs	-	-	-	-	19,688
Nonrecurring income tax benefits	-	-	-	-	(17,426)
Other expenses	-	-	-	-	10,262
Held for sale hospital operating expenses	1,753	1,653	215	-	-
Additional other income	(1,000)	(3,774)	-	-	-
Preferred stock redemption charge	-	-	6,242	-	-
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	-	-	-	(1,985)	5,661
Funds available for distribution - normalized	\$364,728	\$523,963	\$703,334	\$936,509	\$1,124,838
Average common shares outstanding:					
Basic	127,656	173,741	224,343	276,929	306,272
Diluted	128,208	174,401	225,953	278,761	307,747
Net income (loss) attributable to common stockholders per					
Basic	\$0.84	\$0.90	\$0.99	\$0.28	\$1.46
Diluted	\$0.83	\$0.90	\$0.98	\$0.28	\$1.45
Funds available for distribution per share:					
Basic	\$1.96	\$2.67	\$2.70	\$2.89	\$3.36
Diluted	\$1.95	\$2.66	\$2.68	\$2.87	\$3.34
Funds available for distribution - normalized per share:					
Basic	\$2.86	\$3.02	\$3.14	\$3.38	\$3.67
Diluted	\$2.84	\$3.00	\$3.11	\$3.36	\$3.66
<b>Funds Available for Distribution Payout Ratio:</b>					
Dividends per common share	\$2.74	\$2.835	\$2.96	\$3.06	\$3.18
Diluted funds available for distribution per share	\$1.95	\$2.66	\$2.68	\$2.87	\$3.34
FAD payout ratio	141%	107%	110%	107%	95%
<b>Funds Available for Distribution - Normalized Payout</b>					
Dividends per common share	\$2.74	\$2.835	\$2.96	\$3.06	\$3.18
Diluted funds available for distribution - normalized per	\$2.84	\$3.00	\$3.11	\$3.36	\$3.66
FAD - normalized payout ratio	96%	95%	95%	91%	87%

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

(2) Represents noncontrolling interests' share of net FAD adjustments.

(3) Represents Welltower's share of net FAD adjustments from unconsolidated entities.

(dollars per fully diluted share)

**Year Ended December 31, 2015**

	<b>Low</b>	<b>Mid-point</b>	<b>High</b>
Net income attributable to common stockholders	\$2.52	\$2.55	\$2.57
Losses/impairments (gains) on sale of properties, net <sup>(1,2)</sup>	(0.78)	(0.78)	(0.78)
Depreciation and amortization <sup>(1)</sup>	2.43	2.43	2.43
FAD-only adjustments <sup>(1,3)</sup>	(0.48)	(0.48)	(0.48)
Funds available for distribution	3.69	3.72	3.74
Normalizing items, net <sup>(4)</sup>	0.15	0.15	0.15
Funds available for distribution - normalized	<u>\$3.84</u>	<u>\$3.87</u>	<u>\$3.89</u>

(1) Amounts presented net of noncontrolling interests' share and Welltower's share of unconsolidated entities.

(2) Includes estimated gains on expected dispositions.

(3) Includes straight-line rent, above/below amortization, non-cash interest and cap-ex, tenant improvements and lease commissions.

(4) See Earnings Release dated October 30, 2015.

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 medical facility 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 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. 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 cash NOI (SSCNOI) and same store REVPOR (SS REVPOR) 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 SSCNOI and SS REVPOR, same store is generally defined as those revenue-generating properties in the portfolio for the relevant reporting periods. Entrance fee communities for periods prior to 1Q15 and 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.

We believe NOI, In-Place NOI, SSCNOI, 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 NOI, In-Place NOI, SSCNOI, REVPOR and SS REVPOR to make decisions about resource allocations and to assess the property level performance of our properties.

# NOI QUARTERLY RECONCILIATION

(dollars in thousands at Welltower pro rata ownership)

	Three Months Ended				
	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015	September 30, 2015
<b>Revenues:</b>					
Seniors housing triple-net					
Rental income	\$131,376	\$136,357	\$137,807	\$145,482	\$149,271
Interest income	4,333	6,263	8,059	8,483	9,384
Other income	96	52	694	291	198
Total revenues	135,805	142,672	146,560	154,256	158,853
Long-term/post-acute care					
Rental income	111,576	115,506	120,001	122,894	124,723
Interest income	2,924	2,616	6,639	9,707	10,071
Other income	878	1,466	3,118	679	771
Total revenues	115,378	119,588	129,758	133,280	135,565
Hospitals					
Rental income	6,410	2,788	5,203	10,208	10,203
Interest income	263	157	-	-	-
Other income	6	6	71	-	-
Total revenues	6,679	2,951	5,274	10,208	10,203
Seniors housing operating					
Resident fees and service	490,912	496,417	503,278	539,700	545,452
Interest income	1,054	1,054	1,031	1,042	1,054
Other income	319	1,532	1,014	3,200	753
Total revenues	492,285	499,003	505,323	543,942	547,259
Outpatient medical					
Rental income	102,477	108,984	112,648	113,864	116,647
Interest income	770	707	1,265	1,345	1,872
Other income	206	160	160	195	308
Total revenues	103,453	109,851	114,073	115,404	118,827
Life science					
Rental income	9,862	9,615	10,029	9,287	-
Non-segment/corporate					
Other income	106	479	22	39	22
Total					
Rental income	361,701	373,250	385,688	401,735	400,844
Resident fees and service	490,912	496,417	503,278	539,700	545,452
Interest income	9,344	10,797	16,994	20,577	22,381
Other income	1,611	3,695	5,079	4,404	2,052
<b>Total revenues</b>	<b>863,568</b>	<b>884,159</b>	<b>911,039</b>	<b>966,416</b>	<b>970,729</b>
<b>Property operating expenses:</b>					
Long-term/post-acute care <sup>(1)</sup>	3	-	-	-	-
Hospitals	38	-	-	-	-
Seniors housing operating	325,093	332,397	344,070	362,032	365,966
Outpatient medical	33,768	34,925	36,885	36,647	38,074
Life science	3,859	3,748	4,182	3,662	-
<b>Total property operating expenses</b>	<b>362,761</b>	<b>371,070</b>	<b>385,137</b>	<b>402,341</b>	<b>404,040</b>
<b>Net operating income:</b>					
Seniors housing triple-net	135,805	142,672	146,560	154,256	158,853
Long-term/post-acute care	115,375	119,588	129,758	133,280	135,565
Hospitals	6,641	2,951	5,274	10,208	10,203
Seniors housing operating	167,192	166,606	161,253	181,910	181,293
Outpatient medical	69,685	74,926	77,188	78,757	80,753
Life science	6,003	5,867	5,847	5,625	-
Non-segment/corporate	106	479	22	39	22
<b>Net operating income<sup>(2)</sup></b>	<b>\$500,807</b>	<b>\$513,089</b>	<b>\$525,902</b>	<b>\$564,075</b>	<b>\$566,689</b>

Notes:  
During the quarter ended December 31, 2014, certain properties were reclassified from Hospitals to the newly named Long-Term/Post-Acute Care category, which was previously called Skilled Nursing/Post-Acute. Accordingly, all periods have been restated to reflect the current classifications.

(1) Certain of the reclassified properties referenced above had incurred property operating expenses in prior periods but all such properties have been sold as of December 31, 2014 and no such costs are expected to be incurred going forward.

(2) See page 14 for a reconciliation to net income (loss) attributable to common stockholders.

(dollars in thousands)

	<b>Three Months Ended</b>				
	<b>September 30, 2014</b>	<b>December 31, 2014</b>	<b>March 31, 2015</b>	<b>June 30, 2015</b>	<b>September 30, 2015</b>
Net operating income <sup>(1)</sup>	\$500,807	\$513,089	\$525,902	\$564,075	\$566,689
Reconciling items:					
Interest expense <sup>(2)</sup>	(118,435)	(120,707)	(121,080)	(118,861)	(121,130)
Depreciation and amortization	(200,970)	(195,393)	(188,829)	(208,802)	(205,799)
General & administrative expenses	(30,803)	(27,616)	(34,755)	(38,474)	(36,950)
Transaction costs	(13,554)	(47,991)	(48,937)	(12,491)	(9,333)
Gain (loss) on derivatives, net	(49)	1,895	58,427	-	-
Gain (loss) on extinguishment of debt, net	(2,692)	(6,484)	(15,401)	(18,887)	(584)
Other expenses	(10,262)	-	-	(10,583)	-
Income tax benefit (expense)	10,198	(5,101)	304	(7,417)	3,344
Non-operating expense from unconsolidated entities & noncontrolling interests	(11,073)	(16,057)	(20,834)	(8,212)	974
Gain (loss/impairment) on properties, net	29,604	110,839	54,625	190,111	2,046
Preferred dividends	(16,352)	(16,352)	(16,352)	(16,352)	(16,352)
Loss (income) attributable to noncontrolling interests	(164)	(1,486)	(2,271)	(1,534)	(862)
	<u>(364,552)</u>	<u>(324,453)</u>	<u>(335,103)</u>	<u>(251,502)</u>	<u>(384,646)</u>
Net income (loss) attributable to common stockholders	<u>\$136,255</u>	<u>\$188,636</u>	<u>\$190,799</u>	<u>\$312,573</u>	<u>\$182,043</u>

(1) See page 13. Amounts reflected at Welltower pro rata ownership.

(2) Includes amounts related to discontinued operations.

# NOI YEAR-TO-DATE RECONCILIATION

(dollars in thousands at Welltower pro rata ownership)

	Nine Months Ended	
	September 30, 2014	September 30, 2015
<b>Revenues</b>		
Seniors housing triple-net		
Rental income	\$383,384	\$432,560
Interest income	12,239	25,926
Other income	1,224	1,183
Total revenues	396,847	459,669
Long-term/post-acute care		
Rental income	285,249	367,618
Interest income	4,718	26,417
Other income	57	4,568
Total revenues	290,024	398,603
Hospitals		
Rental income	64,687	25,614
Interest income	6,263	-
Other income	167	71
Total revenues	71,117	25,685
Seniors housing operating		
Resident fees and service		
Resident fees and services	1,423,529	1,588,430
Interest income	1,065	3,127
Other income	1,629	4,967
Total revenues	1,426,223	1,596,524
Outpatient medical		
Rental income	299,156	343,159
Interest income	2,585	4,482
Other income	862	663
Total revenues	302,603	348,304
Life sciences		
Rental income	31,602	19,317
Non-segment/corporate		
Other income	198	83
Total		
Rental income	1,064,077	1,188,268
Resident fees and service		
Resident fees and services	1,423,529	1,588,430
Interest income	26,870	59,951
Other income	4,137	11,536
<b>Total revenues</b>	<b>2,518,613</b>	<b>2,848,185</b>
<b>Property operating expenses:</b>		
Seniors housing operating	948,240	1,072,069
Hospitals	731	-
Medical office buildings	99,093	111,606
Life science	11,453	7,844
<b>Total property operating expenses</b>	<b>1,059,517</b>	<b>1,191,519</b>
<b>Net operating income:</b>		
Seniors housing triple-net	396,847	459,669
Long-term/post-acute care	290,024	398,603
Hospitals	70,386	25,685
Seniors housing operating	477,984	524,455
Outpatient medical	203,510	236,698
Life science	20,149	11,473
Non-segment/corporate	198	83
<b>Net operating income</b>	<b>\$1,459,098</b>	<b>\$1,656,666</b>

Notes: Includes amounts attributable to discontinued operations and Welltower's share of revenues and expenses from unconsolidated joint ventures. See page 16 for reconciliation to net income (loss) attributable to common stockholders.

# NOI YEAR-TO-DATE RECONCILIATION

(dollars in thousands)

	<b>Nine Months Ended</b>	
	<b>September 30, 2014</b>	<b>September 30, 2015</b>
Net operating income <sup>(1)</sup>	\$1,459,098	\$1,656,666
Reconciling items		
Interest expense <sup>(2)</sup>	(360,334)	(361,071)
Depreciation and amortization <sup>(2)</sup>	(648,737)	(603,431)
General & administrative expenses	(115,327)	(110,562)
Transaction costs	(21,546)	(70,379)
Gain (loss) on derivatives, net	(400)	58,427
Gain (loss) on extinguishment of debt, net	(3,075)	(34,872)
Other expenses	(10,262)	(10,583)
Income tax benefit (expense)	6,369	(3,769)
Non-operating expense from unconsolidated entities & noncontrolling interests	(42,644)	(28,074)
Gain (loss/impairment) on properties, net	42,683	246,782
Preferred dividends	(49,057)	(49,055)
Loss (income) attributable to noncontrolling interests	1,339	(4,666)
	<u>(1,200,991)</u>	<u>(971,253)</u>
Net income (loss) attributable to common stockholders	<u>\$258,107</u>	<u>\$685,413</u>

(1) See page 15. Amounts reflected at Welltower pro rata ownership.

(2) Includes amounts related to discontinued operations.



# NOI ANNUAL RECONCILIATION

(dollars in thousands at Welltower pro rata ownership)

	Year Ended				
	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
<b>Revenues:</b>					
Seniors housing triple-net					
Rental income	\$220,383	\$307,095	\$372,960	\$432,648	\$519,741
Interest income	21,562	21,014	16,156	14,378	18,502
Other income	3,058	6,166	1,495	1,331	556
Total revenues	245,003	334,275	390,611	448,357	538,799
Long-term/post-acute care					
Rental income	195,791	351,886	415,439	393,899	437,682
Interest income	16,388	16,237	11,621	11,833	12,571
Other income	354	497	952	139	2,392
Total revenues	212,533	368,620	428,012	405,871	452,645
Hospitals					
Rental income	16,723	32,174	42,620	43,808	30,548
Interest income	2,149	3,094	2,877	2,004	1,182
Other income	35	26	25	25	24
Total revenues	18,907	35,294	45,522	45,837	31,754
Seniors housing operating					
Resident fees and services	40,805	408,386	692,696	1,659,586	1,919,947
Interest income	-	-	6,208	757	2,119
Other income	-	-	-	397	3,161
Total revenues	40,805	408,386	698,904	1,660,740	1,925,227
Outpatient medical					
Rental income	169,268	235,451	322,625	367,651	408,160
Interest income	756	723	2,181	3,683	3,292
Other income	923	3,916	1,887	1,908	1,022
Total revenues	170,947	240,090	326,693	373,242	412,474
Life science					
Rental income	34,002	43,429	43,754	44,976	41,217
Non-segment/corporate					
Other income	2,874	690	669	296	677
<b>Total</b>					
Rental income	636,167	970,035	1,197,398	1,282,982	1,437,348
Resident fees and services	40,805	408,386	692,696	1,659,586	1,919,947
Interest income	40,855	41,068	39,043	32,655	37,666
Other income	7,244	11,295	5,028	4,096	7,832
<b>Total revenues</b>	725,071	1,430,784	1,934,165	2,979,319	3,402,793
<b>Property operating expenses:</b>					
Long-term/post-acute care <sup>(1)</sup>	-	58	745	635	274
Hospitals	1,753	1,819	550	598	456
Seniors housing operating	26,097	282,438	467,600	1,119,280	1,280,636
Outpatient medical	51,792	66,864	97,971	118,031	134,018
Life science	9,707	13,151	13,667	15,433	15,201
<b>Total property operating expenses</b>	89,349	364,330	580,533	1,253,977	1,430,585
<b>Net operating income:</b>					
Seniors housing triple-net	245,003	334,275	390,611	448,357	538,799
Long-term/post-acute care	212,533	368,562	427,267	405,236	452,371
Hospitals	17,154	33,475	44,972	45,239	31,298
Seniors housing operating	14,708	125,948	231,304	541,460	644,591
Outpatient medical	119,155	173,226	228,722	255,211	278,456
Life science	24,295	30,278	30,087	29,543	26,016
Non-segment/corporate	2,874	690	669	296	677
<b>Net operating income<sup>(2)</sup></b>	\$635,722	\$1,066,454	\$1,353,632	\$1,725,342	\$1,972,208

During the quarter ended December 31, 2014, certain properties were reclassified from Hospitals to the newly named Long-Term/Post-Acute Care category, which was previously called Skilled Nursing/Post-Acute. Accordingly, all periods have been restated to reflect the current classifications.

(1) Certain of the reclassified properties referenced above had incurred property operating expenses in prior periods but all such properties have been sold as of December 31, 2014 and no such costs are expected to be incurred going forward.

(2) See page 18 for a reconciliation to net income (loss) attributable to common stockholders.

(dollars in thousands)

	<b>Year Ended</b>				
	<b>December 31, 2010</b>	<b>December 31, 2011</b>	<b>December 31, 2012</b>	<b>December 31, 2013</b>	<b>December 31, 2014</b>
Net operating income <sup>(1)</sup>	\$635,722	\$1,066,454	\$1,353,632	\$1,725,342	\$1,972,208
Reconciling items:					
Interest expense	(160,960)	(321,999)	(383,300)	(462,606)	(481,197)
Depreciation and amortization <sup>(2)</sup>	(202,543)	(423,605)	(533,585)	(873,960)	(844,130)
General & administrative expenses <sup>(2)</sup>	(54,626)	(77,201)	(97,341)	(108,318)	(142,943)
Transaction costs	(46,660)	(70,224)	(61,609)	(133,401)	(69,538)
Gain (loss) on derivatives, net	-	-	1,825	(4,470)	1,495
Gain (loss) on extinguishment of debt, net	(34,171)	979	775	909	(9,558)
Provision for loan losses	(29,684)	(2,010)	(27,008)	(2,110)	-
Other expenses	-	-	-	-	(10,262)
Income tax benefit (expense)	(364)	(1,388)	(7,612)	(7,491)	1,267
Non-operating expenses from unconsolidated entities & noncontrolling interests	(12,998)	(7,256)	(22,199)	(44,753)	(58,564)
Gain (loss/impairment) on properties, net	35,168	48,966	71,262	49,138	153,522
Preferred dividends	(21,645)	(60,502)	(69,129)	(66,336)	(65,408)
Preferred stock redemption charge	-	-	(6,242)	-	-
Loss (income) attributable to noncontrolling interests	(357)	4,894	2,415	6,770	(147)
	<u>(528,840)</u>	<u>(909,346)</u>	<u>(1,131,748)</u>	<u>(1,646,628)</u>	<u>(1,525,463)</u>
Net income (loss) attributable to common stockholders	<u>\$106,882</u>	<u>\$157,108</u>	<u>\$221,884</u>	<u>\$78,714</u>	<u>\$446,745</u>

(1) See page 17. Amounts reflected at Welltower pro rata ownership.

(2) Includes amounts related to discontinued operations.

# SAME STORE CASH NOI RECONCILIATIONS

(dollars in thousands at Welltower pro rata ownership)

	Three Months Ended				
	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015	September 30, 2015
<b>Seniors housing triple-net</b>					
NOI <sup>(1)</sup>	\$ 135,805	\$ 142,672	\$ 146,560	\$ 154,256	\$ 158,853
Non-cash NOI on same store properties	(6,154)	(5,436)	(6,632)	(6,596)	(7,137)
NOI attributable to non-same store properties	(13,518)	(19,902)	(21,236)	(28,365)	(31,718)
SSCNOI	116,133	117,334	118,692	119,295	119,998
<b>Long-term/post-acute care</b>					
NOI <sup>(1)</sup>	115,375	119,588	129,758	133,280	135,565
Non-cash NOI on same store properties	(14,539)	(14,752)	(16,109)	(16,666)	(16,607)
NOI attributable to non-same store properties	(10,839)	(14,526)	(23,182)	(23,835)	(25,945)
SSCNOI	89,997	90,310	90,467	92,779	93,013
<b>Hospitals</b>					
NOI <sup>(1)</sup>	6,641	2,951	5,274	10,208	10,203
NOI attributable to non-same store properties	(6,641)	(2,951)	(5,274)	(10,208)	(10,203)
SSCNOI	-	-	-	-	-
<b>Seniors housing operating</b>					
NOI <sup>(1)</sup>	167,192	166,606	161,253	181,910	181,293
Non-cash NOI on same store properties	247	246	245	247	249
NOI attributable to non-same store properties	(3,009)	(4,287)	(8,812)	(19,449)	(21,574)
NOI attributable to pre-Welltower ownership <sup>(2)</sup>	566	(158)	(323)	(507)	-
Normalizing adjustments <sup>(3)</sup>	(6,940)	(4,804)	572	(167)	2,427
SSCNOI	158,056	157,603	152,935	162,034	162,395
<b>Outpatient Medical</b>					
NOI <sup>(1)</sup>	69,685	74,926	77,188	78,757	80,753
Non-cash NOI on same store properties	(2,040)	(1,595)	(1,408)	(1,693)	(1,404)
NOI attributable to non-same store properties	(3,788)	(9,047)	(10,516)	(11,258)	(13,900)
SSCNOI	63,857	64,284	65,264	65,806	65,449
<b>Life Science</b>					
NOI <sup>(1)</sup>	6,003	5,867	5,847	5,625	-
Non-cash NOI on same store properties	(6,003)	(5,867)	(5,847)	(5,625)	-
SSCNOI	-	-	-	-	-
<b>Corporate</b>					
NOI <sup>(1)</sup>	106	479	22	39	22
NOI attributable to non-same store properties	(106)	(479)	(22)	(39)	(22)
SSCNOI	-	-	-	-	-
<b>Total</b>					
NOI <sup>(1)</sup>	500,807	513,089	525,902	564,075	566,689
Non-cash NOI on same store properties	(22,486)	(21,537)	(23,904)	(24,708)	(24,899)
NOI attributable to non-same store properties	(43,904)	(57,059)	(74,889)	(98,779)	(103,362)
Same store cash NOI pre-Welltower ownership	566	(158)	(323)	(507)	-
Normalizing Adjustments	(6,940)	(4,804)	572	(167)	2,427
SSCNOI	\$ 428,043	\$ 429,531	\$ 427,358	\$ 439,914	\$ 440,855

(1) See page 13 for calculation of NOI.

(2) Includes adjustments for NOI relating to properties pre-Welltower ownership and to reflect consistent ownership percentages between prior quarters and current quarter.

(3) Primarily includes adjustments to translate Canadian properties at a USD/CAD rate of 1.2506 and adjustments to translate UK properties at a GBP/USD rate of 1.5439.

(dollars in thousands at Welltower pro rata ownership)

	Seniors Housing Triple- Net	Long-Term /Post- Acute Care	Hospital	Seniors Housing Operating	Outpatient Medical	Corporate / Other	Total
<b>Three months ended September 30, 2015:</b>							
Revenues	\$ 158,853	\$ 135,565	\$ 10,203	\$ 547,259	\$ 118,827	\$ 22	\$ 970,729
Property operating expenses	-	-	-	365,966	38,074	-	404,040
<b>Net operating income<sup>(1)</sup></b>	<b>\$ 158,853</b>	<b>\$ 135,565</b>	<b>\$ 10,203</b>	<b>\$ 181,293</b>	<b>\$ 80,753</b>	<b>\$ 22</b>	<b>\$ 566,689</b>
Adjust:							
Interest income	(9,384)	(10,071)	-	(1,054)	(1,872)	-	(22,381)
Other income	(198)	(771)	-	(753)	(308)	(22)	(2,052)
Sold / held for sale	(12)	(499)	(2,790)	-	(2,257)	-	(5,558)
Non-cash NOI	(4,423)	(17,139)	(1,928)	728	(1,557)	-	(24,319)
Timing adjustments <sup>(2)</sup>	2,222	610	-	872	-	-	3,704
<b>In-Place NOI</b>	<b>\$ 147,058</b>	<b>\$ 107,695</b>	<b>\$ 5,485</b>	<b>\$ 181,086</b>	<b>\$ 74,759</b>	<b>\$ -</b>	<b>\$ 516,083</b>
<b>Annualized In-Place NOI</b>	<b>\$ 588,232</b>	<b>\$ 430,780</b>	<b>\$ 21,940</b>	<b>\$ 724,344</b>	<b>\$ 299,036</b>	<b>\$ -</b>	<b>\$ 2,064,332</b>

(1) See pages 13.

(2) Represents timing adjustments for current quarter acquisitions, construction conversions and segment transitions.

# SHO SSCNOI/UNIT RECONCILIATION

(dollars in thousands, except per unit amounts, at pro rata ownership)

	4Q14	1Q15	2Q15	3Q15	TTM
<b>Total:</b>					
SHO pro rata NOI <sup>(1)</sup>	\$ 166,606	\$ 161,253	\$ 181,910	\$ 181,293	\$ 691,062
Adjustments <sup>(2)</sup>	(9,003)	(8,318)	(19,876)	(18,898)	(56,095)
Total local SSCNOI	\$ 157,603	\$ 152,935	\$ 162,034	\$ 162,395	\$ 634,967
Average units in service <sup>(3)</sup>					30,720
SSCNOI per unit in USD					<u>\$ 20,669</u>
<b>United States:</b>					
Total SHO SSCNOI	\$ 157,603	\$ 152,935	\$ 162,034	\$ 162,395	\$ 634,967
Adjustments <sup>(2)</sup>	(47,346)	(45,372)	(45,845)	(47,866)	(186,429)
Total local SSCNOI	\$ 110,257	\$ 107,563	\$ 116,189	\$ 114,529	\$ 448,538
Average units in service <sup>(3)</sup>					19,649
SSCNOI per unit in USD					<u>\$ 22,828</u>
<b>United Kingdom:</b>					
Total SHO SSCNOI	\$ 157,603	\$ 152,935	\$ 162,034	\$ 162,395	\$ 634,967
Adjustments <sup>(2)</sup>	(133,164)	(130,506)	(139,717)	(138,866)	(542,253)
Total local SSCNOI	\$ 24,439	\$ 22,429	\$ 22,317	\$ 23,529	\$ 92,714
Average units in service <sup>(3)</sup>					2,746
SSCNOI per unit in USD					<u>\$ 33,769</u>
SSCNOI per unit in GBP <sup>(4)</sup>					<u>£ 21,873</u>
<b>Canada:</b>					
Total SHO SSCNOI	\$ 157,603	\$ 152,935	\$ 162,034	\$ 162,395	\$ 634,967
Adjustments <sup>(2)</sup>	(134,696)	(129,992)	(138,506)	(138,058)	(541,252)
Total local SSCNOI	\$ 22,907	\$ 22,943	\$ 23,528	\$ 24,337	\$ 93,715
Average units in service <sup>(3)</sup>					8,326
SSCNOI per unit in USD					<u>\$ 11,255</u>
SSCNOI per unit in CAD <sup>(4)</sup>					<u>\$ 14,076</u>

(1) Represents total SHO NOI at Welltower pro rata ownership. See page 13.

(2) Represents NOI not derived from local country properties or from non-SS properties, as well as non-cash NOI and normalizing adjustments for local country properties. See page 19 for descriptions of normalizing items.

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

(4) Based on GBP/USD rate of 1.5439 and USD/CAD rate of 1.2506.

(dollars in thousands, except REVPOR)

	<b>Total Portfolio</b>	<b>United States</b>	<b>United Kingdom</b>	<b>Canada</b>
Consolidated revenues	\$547,080	\$547,080	\$547,080	\$547,080
Unconsolidated revenues attributable to Welltower <sup>(1)</sup>	38,850	38,850	38,850	38,850
Less revenues attributable to noncontrolling interests <sup>(2)</sup>	(38,671)	(38,671)	(38,671)	(38,671)
Total revenues at Welltower pro rata ownership	547,259	547,259	547,259	547,259
Less revenues not included in REVPOR calculation	(1,769)	(1,769)	(1,769)	(1,769)
Adjustment for standardized currency rates <sup>(3)</sup>	6,694	-	3,164	3,530
Less revenues not derived in country	-	(149,606)	(472,598)	(468,776)
Total local revenues	\$552,184	\$395,884	\$76,056	\$80,244
Average occupied units/month	31,454	19,468	2,545	9,441
REVPOR/month in USD	\$5,804	\$6,723	\$9,878	\$2,810
REVPOR/month in local currency <sup>(3)</sup>			£6,398	\$3,514

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

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

(3) Based on USD/CAD rate of 1.2506 and GBP/USD rate of 1.5439.

# SS REVPOR GROWTH RECONCILIATION

(dollars in thousands, except REVPOR)

	4Q13	4Q14	1Q14	1Q15	2Q14	2Q15	3Q14	3Q15	Avg.
<b>Total:</b>									
Consolidated SHO revenues <sup>(1)</sup>	\$ 452,030	\$ 488,546	\$ 456,319	\$ 494,561	\$ 468,914	\$ 539,805	\$ 483,791	\$ 547,080	
Pro rata adjustments <sup>(2)</sup>	(3,517)	10,457	46	10,762	8,659	4,137	8,494	179	
SHO pro rata revenues <sup>(3)</sup>	\$ 448,513	\$ 499,003	\$ 456,365	\$ 505,323	\$ 477,573	\$ 543,942	\$ 492,285	\$ 547,259	
Adjustments <sup>(4)</sup>	(218)	(26,686)	(16,477)	(48,686)	(14,596)	(67,249)	(16,970)	(58,342)	
SHO SS revenues <sup>(5)</sup>	\$ 448,295	\$ 472,317	\$ 439,888	\$ 456,637	\$ 462,977	\$ 476,693	\$ 475,315	\$ 488,917	
Avg. occupied units/month <sup>(8)</sup>	25,980	26,423	26,133	26,336	27,214	27,144	27,706	27,651	
SHO SS REVPOR <sup>(9)</sup>	\$ 5,705	\$ 5,910	\$ 5,689	\$ 5,860	\$ 5,687	\$ 5,870	\$ 5,672	\$ 5,846	
SS REVPOR growth		3.6%		3.0%		3.2%		3.1%	3.2%
<b>United States:</b>									
SHO SS revenues <sup>(5)</sup>	\$ 448,295	\$ 472,317	\$ 439,888	\$ 456,637	\$ 462,977	\$ 476,693	\$ 475,315	\$ 488,917	
Less non-US SS revenues <sup>(6)</sup>	(131,937)	(139,190)	(116,953)	(119,567)	(118,403)	(118,934)	(126,450)	(129,340)	
US SHO revenues <sup>(7)</sup>	\$ 316,358	\$ 333,127	\$ 322,935	\$ 337,070	\$ 344,574	\$ 357,759	\$ 348,865	\$ 359,577	
Avg. occupied units/month <sup>(8)</sup>	16,563	16,820	16,732	16,857	17,793	17,782	17,797	17,752	
US SHO SS REVPOR <sup>(9)</sup>	\$ 6,315	\$ 6,548	\$ 6,523	\$ 6,758	\$ 6,473	\$ 6,725	\$ 6,481	\$ 6,697	
US SS REVPOR growth		3.7%		3.6%		3.9%		3.3%	3.6%
<b>United Kingdom:</b>									
SHO SS revenues <sup>(5)</sup>	\$ 448,295	\$ 472,317	\$ 439,888	\$ 456,637	\$ 462,977	\$ 476,693	\$ 475,315	\$ 488,917	
Less non-UK SS revenues <sup>(6)</sup>	(387,799)	(408,059)	(380,655)	(396,693)	(402,714)	(417,178)	(409,027)	(421,074)	
UK SHO revenues <sup>(7)</sup>	\$ 60,496	\$ 64,258	\$ 59,233	\$ 59,944	\$ 60,263	\$ 59,515	\$ 66,288	\$ 67,843	
Avg. occupied units/month <sup>(8)</sup>	1,980	2,042	2,024	2,002	2,026	1,968	2,340	2,350	
UK SHO SS REVPOR <sup>(9)</sup>	\$ 10,103	\$ 10,406	\$ 9,891	\$ 10,119	\$ 9,941	\$ 10,110	\$ 9,364	\$ 9,544	
UK SS REVPOR growth		3.0%		2.3%		1.7%		1.9%	2.2%
<b>Canada:</b>									
SHO SS revenues <sup>(5)</sup>	\$ 448,295	\$ 472,317	\$ 439,888	\$ 456,637	\$ 462,977	\$ 476,693	\$ 475,315	\$ 488,917	
Less non-CA SS revenues <sup>(6)</sup>	(376,854)	(397,385)	(382,168)	(397,014)	(404,837)	(417,274)	(415,153)	(427,420)	
CA SHO revenues <sup>(7)</sup>	\$ 71,441	\$ 74,932	\$ 57,720	\$ 59,623	\$ 58,140	\$ 59,419	\$ 60,162	\$ 61,497	
Avg. occupied units/month <sup>(8)</sup>	7,437	7,562	7,378	7,477	7,395	7,394	7,572	7,550	
CA SHO SS REVPOR <sup>(9)</sup>	\$ 3,176	\$ 3,276	\$ 2,644	\$ 2,695	\$ 2,628	\$ 2,686	\$ 2,627	\$ 2,693	
CA SS REVPOR growth		3.1%		1.9%		2.2%		2.5%	2.4%

(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 revenues not derived from local country properties or from non-SS properties, as well as non-cash revenues and normalizing adjustments for local country properties.

(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.

# SSCNOI GROWTH RECONCILIATION

(dollars in thousands)

	4Q13	4Q14	1Q14	1Q15	2Q14	2Q15	3Q14	3Q15	Avg.
<b>Total:</b>									
SHO pro rata NOI <sup>(1)</sup>	\$ 146,699	\$ 166,606	\$ 148,311	\$ 161,253	\$ 162,481	\$ 181,910	\$ 167,192	\$ 181,293	
Adjustments <sup>(2)</sup>	1,950	(9,460)	(6,379)	(15,051)	(6,652)	(20,942)	(9,136)	(18,898)	
SHO pro rata SSCNOI <sup>(3)</sup>	\$ 148,649	\$ 157,146	\$ 141,932	\$ 146,202	\$ 155,829	\$ 160,968	\$ 158,056	\$ 162,395	
SHO SSCNOI growth		5.7%		3.0%		3.3%		2.7%	3.7%
<b>United States:</b>									
SHO pro rata SSCNOI <sup>(3)</sup>	\$ 148,649	\$ 157,146	\$ 141,932	\$ 146,202	\$ 155,829	\$ 160,968	\$ 158,056	\$ 162,395	
Less non-US SSCNOI <sup>(4)</sup>	(49,283)	(53,777)	(45,398)	(44,684)	(45,259)	(44,636)	(47,537)	(47,866)	
US SHO SSCNOI <sup>(5)</sup>	\$ 99,366	\$ 103,369	\$ 96,534	\$ 101,518	\$ 110,570	\$ 116,332	\$ 110,519	\$ 114,529	
US SHO SSCNOI growth		4.0%		5.2%		5.2%		3.6%	4.5%
<b>United Kingdom:</b>									
SHO pro rata SSCNOI <sup>(3)</sup>	\$ 148,649	\$ 157,146	\$ 141,932	\$ 146,202	\$ 155,829	\$ 160,968	\$ 158,056	\$ 162,395	
Less non-UK SSCNOI <sup>(4)</sup>	(126,280)	(131,626)	(118,761)	(123,887)	(133,062)	(139,495)	(134,251)	(138,866)	
UK SHO SSCNOI <sup>(5)</sup>	\$ 22,369	\$ 25,520	\$ 23,171	\$ 22,315	\$ 22,767	\$ 21,473	\$ 23,805	\$ 23,529	
UK SHO SSCNOI growth		14.1%		-3.7%		-5.7%		-1.2%	0.9%
<b>Canada:</b>									
SHO pro rata SSCNOI <sup>(3)</sup>	\$ 148,649	\$ 157,146	\$ 141,932	\$ 146,202	\$ 155,829	\$ 160,968	\$ 158,056	\$ 162,395	
Less non-CA SSCNOI <sup>(4)</sup>	(121,735)	(128,889)	(119,705)	(123,833)	(133,337)	(137,805)	(134,324)	(138,058)	
CA SHO SSCNOI <sup>(5)</sup>	\$ 26,914	\$ 28,257	\$ 22,227	\$ 22,369	\$ 22,492	\$ 23,163	\$ 23,732	\$ 24,337	
CA SHO SSCNOI growth		5.0%		0.6%		3.0%		2.5%	2.8%

Notes:

- (1) Represents total SHO NOI at Welltower pro rata ownership. See page 13.
- (2) Represents NOI not derived from non-SS properties, as well as non-cash NOI and normalizing adjustments for SS properties. See page 19 for descriptions of non-SSCNOI items.
- (3) Represents SHO SSCNOI at Welltower pro rata ownership.
- (4) Represents pro rata SSCNOI derived outside the referenced country.
- (5) Represents pro rata SSCNOI derived solely from referenced country.



EBITDA stands for earnings before interest, 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 EBITDA to include adjustments for stock-based compensation expense, provision for loan losses and gains/losses on extinguishment of debt. Adjusted EBITDA represents EBITDA (as defined) adjusted for transaction costs, gains/losses/impairments on properties, gains/losses on derivatives and timing adjustments for intraquarter investment activity.

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

# ADJUSTED EBITDA QUARTERLY RECONCILIATIONS

(dollars in thousands)

	Three Months Ended				
	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015	September 30, 2015
<b>Adjusted EBITDA:</b>					
Net income	\$152,771	\$206,474	\$209,422	\$330,459	\$199,257
Interest expense <sup>(1)</sup>	118,435	120,707	121,080	118,861	121,130
Income tax expense (benefit)	(10,198)	5,101	(304)	7,417	(3,344)
Depreciation and amortization	200,970	195,393	188,829	208,802	205,799
Stock-based compensation	4,271	5,967	9,054	11,124	5,477
Loss (gain) on extinguishment of debt, net	2,692	6,484	15,401	18,887	584
EBITDA	\$468,941	\$540,126	\$543,482	\$695,550	\$528,903
Transaction costs <sup>(2)</sup>	13,554	47,991	48,554	12,491	9,333
Losses/impairments (gains) on properties, net	(29,604)	(110,839)	(54,625)	(190,111)	(2,046)
Loss / (gain) on derivatives, net <sup>(2)</sup>	49	(1,895)	(58,427)	-	-
Additional other income <sup>(2)</sup>	-	-	(2,144)	-	-
Other expenses <sup>(2)</sup>	10,262	-	-	4,988	-
Timing adjustments <sup>(3)</sup>	(442)	(4,515)	9,981	(3,656)	(1,854)
Total adjustments	(6,181)	(69,258)	(56,661)	(176,288)	5,433
Adjusted EBITDA	\$462,760	\$470,868	\$486,821	\$519,262	\$534,336
<b>Interest Coverage Ratio:</b>					
Interest expense <sup>(1)</sup>	\$118,435	\$120,707	\$121,080	\$118,861	\$121,130
Non-cash interest expense	(547)	100	(119)	4,202	(3,791)
Capitalized interest	1,779	2,066	2,387	2,060	1,865
Total interest	119,667	122,873	123,348	125,123	119,204
EBITDA	\$468,941	\$540,126	\$543,482	\$695,550	\$528,903
Interest coverage ratio	3.92x	4.40x	4.41x	5.56x	4.44x
Adjusted EBITDA	\$462,760	\$470,868	\$486,821	\$519,262	\$534,336
Adjusted interest coverage ratio	3.87x	3.83x	3.95x	4.15x	4.48x
<b>Fixed Charge Coverage Ratio:</b>					
Total interest <sup>(1)</sup>	\$119,667	\$122,873	\$123,348	\$125,123	\$119,204
Secured debt principal amortization	14,549	16,473	15,630	17,336	15,817
Preferred dividends	16,352	16,352	16,352	16,352	16,352
Total fixed charges	150,568	155,698	155,330	158,811	151,373
EBITDA	\$468,941	\$540,126	\$543,482	\$695,550	\$528,903
Fixed charge coverage ratio	3.11x	3.47x	3.50x	4.38x	3.49x
Adjusted EBITDA	\$462,760	\$470,868	\$486,821	\$519,262	\$534,336
Adjusted fixed charge coverage ratio	3.07x	3.02x	3.13x	3.27x	3.53x
<b>Net Debt to Adjusted EBITDA Ratio:</b>					
Total debt	\$10,282,842	\$10,828,013	\$11,014,789	\$11,552,367	\$11,467,775
Less: cash and cash equivalents <sup>(4)</sup>	(1,047,010)	(473,726)	(221,766)	(217,942)	(292,043)
Net debt	9,235,832	10,354,287	10,793,023	11,334,425	11,175,732
EBITDA Annualized	\$1,875,764	\$2,160,504	\$2,173,928	\$2,782,200	\$2,115,612
Net debt to EBITDA ratio	4.92x	4.79x	4.96x	4.07x	5.28x
Adjusted EBITDA Annualized	\$1,851,040	\$1,883,472	\$1,947,284	\$2,077,048	\$2,137,344
Net debt to adjusted EBITDA ratio	4.99x	5.50x	5.54x	5.46x	5.23x

(1) Interest expense includes properties sold or classified as held for sale.

(2) Normalizing items include adjustments for certain non-recurring or infrequent income/expenses that are described in our earnings press release for the relevant period ends.

(3) Represents timing adjustments for acquisitions, dispositions, construction conversions and segment transitions for the relevant periods. See page 20.

(4) Includes IRC section 1031 deposits, if any.

# ADJUSTED EBITDA YEAR-TO-DATE RECONCILIATIONS

(dollars in thousands)

	<b>Nine Months Ended</b>	
	<b>September 30, 2014</b>	<b>September 30, 2015</b>
<b>Adjusted EBITDA:</b>		
Net income	\$305,825	\$739,134
Interest expense <sup>(1)</sup>	360,491	361,071
Income tax expense (benefit)	(6,369)	3,769
Depreciation and amortization <sup>(1)</sup>	648,737	603,431
Stock-based compensation	26,108	25,655
Loss (gain) on extinguishment of debt, net	3,075	34,872
EBITDA	<u>\$1,337,867</u>	<u>\$1,767,932</u>
Transaction costs <sup>(2)</sup>	21,546	70,379
Losses/impairments (gains) on properties,	(42,683)	(246,782)
Loss / (gain) on derivatives, net <sup>(2)</sup>	400	(58,427)
CEO transition costs <sup>(2)</sup>	10,465	-
Other expenses <sup>(2)</sup>	10,262	4,988
Additional other income <sup>(2)</sup>	-	(2,144)
Timing adjustments <sup>(3)</sup>	8,030	4,471
Total adjustments	<u>8,020</u>	<u>(227,515)</u>
Adjusted EBITDA	<u><u>\$1,345,887</u></u>	<u><u>\$1,540,417</u></u>
<b>Interest Coverage Ratio:</b>		
Interest expense <sup>(1)</sup>	\$360,491	\$361,071
Non-cash interest expense	(2,527)	291
Capitalized interest	5,084	6,311
Total interest	<u>363,048</u>	<u>367,673</u>
EBITDA	\$1,337,867	\$1,767,932
Interest coverage ratio	<u>3.69x</u>	<u>4.81x</u>
Adjusted EBITDA	\$1,345,887	\$1,540,417
Adjusted interest coverage ratio	3.71x	4.19x
<b>Fixed Charge Coverage Ratio:</b>		
Total interest <sup>(1)</sup>	\$363,048	\$367,673
Secured debt principal amortization	45,807	48,783
Preferred dividends	49,057	49,055
Total fixed charges	<u>457,912</u>	<u>465,511</u>
EBITDA	\$1,337,867	\$1,767,932
Fixed charge coverage ratio	<u>2.92x</u>	<u>3.80x</u>
Adjusted EBITDA	\$1,345,887	\$1,540,417
Adjusted fixed charge coverage ratio	2.94x	3.31x

(1) Interest expense and depreciation include discontinued operations.

(2) Normalizing items include adjustments for certain non-recurring or infrequent income/expenses that are described in our earnings press release for the relevant period ends.

(3) Represents timing adjustments for acquisitions, dispositions, construction conversions and segment transitions for the relevant periods.

# ADJUSTED EBITDA ANNUAL RECONCILIATIONS

(dollars in thousands)

	Year Ended				
	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
<b>Adjusted EBITDA:</b>					
Net income	\$128,884	\$212,716	\$294,840	\$138,280	\$512,300
Interest expense <sup>(1)</sup>	160,960	321,999	383,300	462,606	481,197
Income tax expense (benefit)	364	1,388	7,612	7,491	(1,267)
Depreciation and amortization <sup>(1)</sup>	202,543	423,605	533,585	873,960	844,130
Stock-based compensation	11,823	10,786	18,521	20,177	32,075
Provision for loan losses	29,684	2,010	27,008	2,110	-
Loss (gain) on extinguishment of debt, net	34,171	(979)	(775)	(909)	9,558
EBITDA	<u>\$568,429</u>	<u>\$971,525</u>	<u>\$1,264,091</u>	<u>\$1,503,715</u>	<u>\$1,877,993</u>
Transaction costs <sup>(2)</sup>	46,660	70,224	61,609	133,401	69,538
Losses/impairments (gains) on properties, net	(35,168)	(48,966)	(71,262)	(49,138)	(153,522)
Loss / (gain) on derivatives, net <sup>(2)</sup>	-	-	(1,825)	4,470	(1,495)
CEO transition costs <sup>(2)</sup>	-	-	-	-	10,465
Other expenses <sup>(2)</sup>	-	-	-	-	10,262
Timing adjustments <sup>(3)</sup>	12,442	76,586	20,358	27,362	3,515
Total adjustments	<u>23,934</u>	<u>97,844</u>	<u>8,880</u>	<u>116,095</u>	<u>(61,237)</u>
Adjusted EBITDA	<u><u>\$592,363</u></u>	<u><u>\$1,069,369</u></u>	<u><u>\$1,272,971</u></u>	<u><u>\$1,619,810</u></u>	<u><u>\$1,816,756</u></u>
<b>Interest Coverage Ratio:</b>					
Interest expense <sup>(1)</sup>	\$160,960	\$321,999	\$383,300	\$462,606	\$481,197
Non-cash interest expense	(13,945)	(13,905)	(11,395)	(4,044)	(2,427)
Capitalized interest	20,792	13,164	9,777	6,700	7,150
Total interest	<u>167,807</u>	<u>321,258</u>	<u>381,682</u>	<u>465,262</u>	<u>485,920</u>
EBITDA	<u>\$568,429</u>	<u>\$971,525</u>	<u>\$1,264,091</u>	<u>\$1,503,715</u>	<u>\$1,877,993</u>
Interest coverage ratio	3.39x	3.02x	3.31x	3.23x	3.86x
Adjusted EBITDA	<u>\$592,363</u>	<u>\$1,069,369</u>	<u>\$1,272,971</u>	<u>\$1,619,810</u>	<u>\$1,816,756</u>
Adjusted interest coverage ratio	3.53x	3.33x	3.34x	3.48x	3.74x
<b>Fixed Charge Coverage Ratio:</b>					
Total interest <sup>(1)</sup>	\$167,807	\$321,258	\$381,682	\$465,262	\$485,920
Secured debt principal amortization	16,652	27,804	38,744	56,205	62,280
Preferred dividends	21,645	60,502	69,129	66,336	65,408
Total fixed charges	<u>206,104</u>	<u>409,564</u>	<u>489,555</u>	<u>587,803</u>	<u>613,608</u>
EBITDA	<u>\$568,429</u>	<u>\$971,525</u>	<u>\$1,264,091</u>	<u>\$1,503,715</u>	<u>\$1,877,993</u>
Fixed charge coverage ratio	2.76x	2.37x	2.58x	2.56x	3.06x
Adjusted EBITDA	<u>\$592,363</u>	<u>\$1,069,369</u>	<u>\$1,272,971</u>	<u>\$1,619,810</u>	<u>\$1,816,756</u>
Adjusted fixed charge coverage ratio	2.87x	2.61x	2.60x	2.76x	2.96x
<b>Net Debt to Adjusted EBITDA Ratio:</b>					
Total debt	\$4,469,736	\$7,240,752	\$8,531,899	\$10,652,014	\$10,828,013
Less: cash and cash equivalents <sup>(4)</sup>	(131,570)	(163,482)	(1,033,764)	(158,780)	(473,726)
Net debt	<u>4,338,166</u>	<u>7,077,270</u>	<u>7,498,135</u>	<u>10,493,234</u>	<u>10,354,287</u>
EBITDA	<u>\$568,429</u>	<u>\$971,525</u>	<u>\$1,264,091</u>	<u>\$1,503,715</u>	<u>\$2,160,504</u>
Net debt to EBITDA ratio	7.63x	7.28x	5.93x	6.98x	4.79x
Adjusted EBITDA	<u>\$592,363</u>	<u>\$1,069,369</u>	<u>\$1,272,971</u>	<u>\$1,619,810</u>	<u>\$1,816,756</u>
Net debt to adjusted EBITDA ratio	7.32x	6.62x	5.89x	6.48x	5.70x

(1) Interest expense and depreciation include discontinued operations.

(2) Normalizing items include adjustments for certain non-recurring or infrequent income/expenses that are described in our earnings press releases for the relevant period ends.

(3) Represents timing adjustments for acquisitions, dispositions, construction conversions and segment transitions for the relevant periods.

(4) Includes IRC section 1031 deposits, if any.

# ADJUSTED EBITDA TRAILING TWELVE MONTHS RECONCILIATIONS

(dollars in thousands)

	Twelve Months Ended				
	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015	September 30, 2015
<b>Adjusted EBITDA:</b>					
Net income	\$331,522	\$512,300	\$656,521	\$899,126	\$945,612
Interest expense <sup>(1)</sup>	484,975	481,197	481,321	479,083	481,778
Income tax expense (benefit)	(5,934)	(1,267)	(3,832)	2,016	8,870
Depreciation and amortization <sup>(1)</sup>	892,117	844,130	799,641	793,994	798,823
Stock-based compensation	29,635	32,075	33,462	30,416	31,622
Provision for loan losses	2,110	-	-	-	-
Loss (gain) on extinguishment of debt, net	6,542	9,558	25,108	43,464	41,356
EBITDA	\$1,740,967	\$1,877,993	\$1,992,221	\$2,248,099	\$2,308,061
Transaction costs <sup>(2)</sup>	37,239	69,538	117,140	122,590	118,369
Losses/impairments (gains) on properties, net	(34,619)	(153,522)	(208,147)	(385,179)	(357,621)
Loss / (gain) on derivatives, net <sup>(2)</sup>	406	(1,495)	(59,922)	(60,273)	(60,322)
CEO transition costs <sup>(2)</sup>	10,465	10,465	10,465	-	-
Other expenses <sup>(2)</sup>	10,262	10,262	10,262	15,250	4,988
Additional other income <sup>(2)</sup>	-	-	(2,144)	(2,144)	(2,144)
Timing adjustments <sup>(3)</sup>	(14,171)	3,515	15,301	1,368	(44)
Total adjustments	9,582	(61,237)	(117,045)	(308,388)	(296,774)
Adjusted EBITDA	\$1,750,549	\$1,816,756	\$1,875,176	\$1,939,711	\$2,011,287
<b>Interest Coverage Ratio:</b>					
Interest expense <sup>(1)</sup>	\$484,975	\$481,197	\$481,321	\$479,083	\$481,778
Non-cash interest expense	(2,790)	(2,427)	(2,215)	3,636	392
Capitalized interest	7,087	7,150	7,931	8,292	8,378
Total interest	489,272	485,920	487,037	491,011	490,548
EBITDA	\$1,740,967	\$1,877,993	\$1,992,221	\$2,248,099	\$2,308,061
Interest coverage ratio	3.56x	3.86x	4.09x	4.58x	4.71x
Adjusted EBITDA	\$1,750,549	\$1,816,756	\$1,875,176	\$1,939,711	\$2,011,287
Adjusted interest coverage ratio	3.58x	3.74x	3.85x	3.95x	4.10x
<b>Fixed Charge Coverage Ratio:</b>					
Total interest <sup>(1)</sup>	\$489,272	\$485,920	\$487,037	\$491,011	\$490,548
Secured debt principal amortization	62,119	62,280	62,455	63,988	65,256
Preferred dividends	65,588	65,408	65,408	65,408	65,408
Total fixed charges	616,979	613,608	614,900	620,407	621,212
EBITDA	\$1,740,967	\$1,877,993	\$1,992,221	\$2,248,099	\$2,308,061
Fixed charge coverage ratio	2.82x	3.06x	3.24x	3.62x	3.72x
Adjusted EBITDA	\$1,750,549	\$1,816,756	\$1,875,176	\$1,939,711	\$2,011,287
Adjusted fixed charge coverage ratio	2.84x	2.96x	3.05x	3.13x	3.24x

(1) Interest expense and depreciation include discontinued operations.

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(3) Represents timing adjustments for acquisitions, dispositions, construction conversions and segment transitions for the relevant periods.