HCP

Building Healthy Partnerships

Senior Housing

Life Science

Medical Office

May 2016

Transaction Overview

Transaction	» HCP today announced the intention to spin off its HCR ManorCare (HCRMC) real estate portfolio in a new, publicly-traded REIT (SpinCo) » Pro rata distribution to HCP shareholders; expected to close during the second half of 2016
SpinCo | Best Vehicle to Maximize the Value of Our HCRMC Real Estate	» Comprised of HCRMC post-acute and senior housing portfolio and other SNFs » One immediate mission: **unlock / maximize the value embedded in HCRMC assets** ▸ Flexibility to deploy a wider array of strategies to achieve best solution » Dedicated, experienced and motivated management team ▸ **Mark Ordan to join as CEO of SpinCo** ▸ Strong alignment with shareholders and incentive to deliver best returns
Pro Forma HCP | Blue-Chip Healthcare REIT	» **Improves HCP's portfolio quality and growth profile** » Premier portfolio: ▸ 94% portfolio in growth sectors across Senior Housing, Life Science & Medical Office ▸ 95% sector-leading private-pay reinforces stability of income stream » Financing plan supports a strong, investment-grade balance sheet ▸ Plan reflects mid-6x pro forma leverage with manageable asset sales ▸ Stable private-pay income stream enhances credit quality » Expanded executive leadership team with strong sector expertise

Transaction Rationale and Benefits

Maximize Total Value To HCP Shareholders

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Diversified, Stable, Growing Cash Flow

- **Diversified** healthcare real estate platform with high quality portfolio
- Sector-leading private-pay revenue sources reinforce **stability**
- Cost of capital to benefit from increased stability and growth, positioning HCP for accretive external **growth** opportunities
- Expanded leadership team with significant operating expertise
- Focus on “Building Healthy Partnerships” strategy to generate off-market investments

SpinCo

Maximize Value Embedded in HCRMC Portfolio

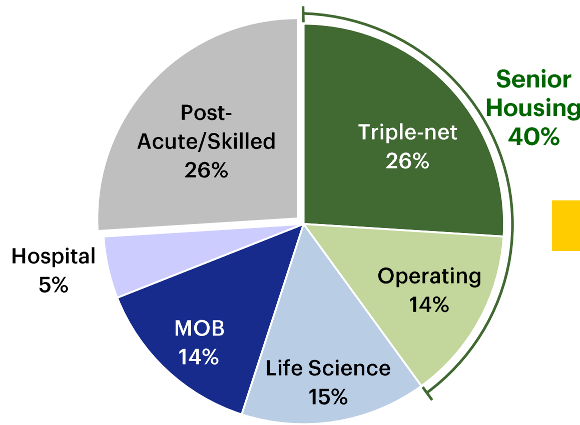
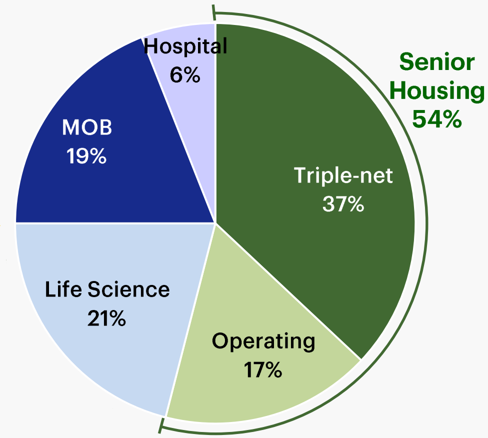
- **Best vehicle to maximize value of HCRMC portfolio**
- Able to deploy a wide range of strategies, including some not available or practical within HCP
- Dedicated focus of experienced and aligned management team

SpinCo – Poised and Enabled to Maximize Value

Overview	» SpinCo to own HCRMC assets[1] and other SNFs currently owned by HCP ▸ Exact asset list to be determined at time of spin » **Singular goal: maximize value over a reasonable period of time** » Poised and enabled to achieve best solution for shareholders ▸ Structured as a REIT initially ▸ Flexible capital structure ▸ Able to deploy a wide range of strategies (some not available or practical within HCP) ▸ Separately–traded vehicle permits shareholders to choose their level of exposure
Aligned, Experienced Management	» Mark Ordan will join as CEO ▸ Led turnaround of Sunrise and Mills; healthcare, REIT and spin-off expertise » Compensation tied to creating value for shareholders
Flexible Capital Structure	» Plan to capitalize SpinCo to provide significant flexibility on executing strategy to maximize the value of HCRMC real estate
Limited Relationships With HCP	» Frees both HCP and SpinCo to act independently in own best interests » Potential for accretive seller financing at market terms for a limited period of time

(1) The $250 million deferred rent obligation as part of the HCRMC master lease (March 2015 lease amendment) and 9% equity ownership in HCRMC operating company will also be transferred to SpinCo. The remaining 17 non-strategic assets (which are pending sale) are not expected to be transferred.

Transforming HCP's High Quality Portfolio

	Current	Pro Forma(1)
Portfolio Transformation		
Properties	1,200	862
Annualized Portfolio Income	$1.9Bn	$1.4Bn
Real Estate Average Age	24 years	21 years
Post-Acute / Skilled	26%	N/M
Private Pay Sources	80%	95%
Located in Top 31 MSAs	66%	70%
Leading Tenant Relationships	54% Top 3 HCRMC | Brookdale | Sunrise	43% Top 3 Brookdale | Sunrise | HCA

(1) Pro forma for the planned spin-off transaction and the sale of 40% equity interest in RIDEA II senior housing joint venture announced today.

HCP Financing Plan – Committed to a Strong Balance Sheet

- Sector-leading private-pay portfolio led by Senior Housing, Life Science and Medical Office
  - High-quality, diversified cash flows, not dependent on government reimbursement
  - Complementary triple-net leases and operating business platforms
- Conservative capital structure and strong liquidity
  - Financing plan addresses all scheduled maturities through end of 2018 (extending average remaining maturity by 24% to 6.5 years)

Financing Plan Reinforces Strong Credit Profile

- **Targeting to raise +/- $2.75B of total proceeds from the following:**
  - Cash to HCP from planned new financing raised by SpinCo
  - Pending RIDEA II senior housing joint venture and financing (see today's earnings release)
  - Additional asset sales and JVs to accelerate de-leveraging efforts
- **Proceeds to repay high coupon debt:**
  - Up to $2.6B of bond and mortgage maturities through end of 2018
  - 6.4% blended interest rate

Plan targets
Net Debt / EBITDA
Mid 6x Level

Plan reduces
Top 3 Tenants
~40% Concentration

Plan targets
Fixed Charge Coverage
~3.75x

HCP

Premier Portfolio in Attractive Healthcare Markets

Senior Housing

54%

- $735 million in portfolio income
- **57% located in Top 31 NIC MSAs**
- Diversified care mix – independent living, assisted living, memory care and CCRC
- Largest partner is Brookdale, the largest senior living operator in the US; plus a network of quality regional operators

Life Science

21%

- $290 million in portfolio income (7.4M sq. ft.)
- High quality tenant base including Amgen, Genentech and Takeda
- **Located in 2 of the Top 3 Life Science markets:** largest portfolio and development pipeline on the West Coast
- **Strong occupancy at an all-time high of 98%**

Medical Office

19%

- $260 million in portfolio income (17.2M sq. ft.)
- **83% located on-campus;** 95% affiliated with 200+ healthcare systems
- Quality operators including HCA, Memorial Hermann
- Strong medical office occupancy of 91%

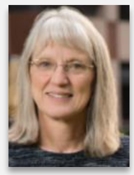
Represents recently sourced new relationships

Note: Excludes Hospitals, representing $90 million, or 6%, of portfolio income.

Expanded Senior Leadership Team

Michael McKee
Executive Chairman

Mark Ordan
Senior Advisor to HCP
Named CEO of SpinCo



Lauralee Martin
President and
Chief Executive Officer

Timothy Schoen
Chief Financial Officer
(active search for new CFO)

Justin Hutchens
Chief Investment Officer

Troy McHenry
General Counsel and
Corporate Secretary

Senior Housing

Kendall Young
EVP – Investments
6 years at HCP

Kai Hsiao
EVP – Asset Management
(former CEO of
Holiday Retirement)

Office Platform

Jon Bergschneider
EVP – Life Science Estates
16 years at HCP

Tom Klaritch
EVP – Medical Office
17 years at HCP

HCP's Compelling Investment Thesis

- ✓ High quality healthcare real estate platform
- ✓ Premier portfolio weighted towards private-pay, higher growth sectors
  - 94% from Senior Housing, Life Science and Medical Office
- ✓ Attractive same-store growth from diversified portfolio
  - Averaging 3.8% since 2010 (excluding HCRMC portfolio)
- ✓ Strong portfolio and investment-grade balance sheet support low cost of capital
- ✓ Expanded leadership team to focus on core business with clear strategy:
  - Differentiate with operator expertise
  - Reinforce investment discipline
  - Diversify relationships
  - Sustain cost of capital advantage to drive accretive external growth

Building Healthy Partnerships with a **competitive cost of capital** results in **accretive investment growth**

HCP

Next Steps

- Announced plans to spin off HCRMC portfolio into SpinCo
- Concurrently:

File Form 10 with SEC and respond to comments	Obtain new financing for SpinCo (proceeds distributed to HCP at closing)	Execute HCP Financing Plan (including RIDEA II JV & financing and additional non-core asset sales)

- Form 10 becomes effective
- Distribution of SpinCo shares to shareholders; trading begins for SpinCo
- Transaction expected to close in the second half of 2016

Disclaimer

This presentation is being presented solely for your information, is subject to change and speaks only as of the date hereof. This presentation and comments made by management do not constitute an offer to sell or the solicitation of an offer to buy any securities of HCP or any investment interest in any business ventures of HCP. This presentation is not complete and is only a summary of the more detailed information included elsewhere, including in HCP's Securities and Exchange Commission filings. No representation or warranty, expressed or implied is made and no reliance should be placed on the accuracy, fairness or completeness of the information presented. HCP, its affiliates, advisers and representatives accept no liability whatsoever for any losses arising from any information contained in this presentation.

FORWARD-LOOKING STATEMENTS

Statements in this presentation, as well as statements made by management, regarding the spin-off transaction and all other statements, including without limitation statements concerning our future economic performance, that are not historical factual statements are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We may not complete the spin-off transaction, and there are a number of risks and uncertainties that could cause actual results of HCP and SpinCo to differ materially from the forward-looking statements made herein. Any forward-looking statements speak only as of the date on which such statements are first made, and we undertake no obligation to update such statements to reflect events or circumstances arising after such date. We wish to caution investors not to place undue reliance on any such forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, assumptions and other factors—many of which are out of HCP's and its management's control and difficult to forecast—that could cause actual results to differ materially from those set forth in or implied by such forward-looking statements. These risks and uncertainties include, with respect to both HCP and SpinCo, among other things: HCR ManorCare's ability to meet its contractual obligations under the HCR ManorCare lease and risks related to the impact of the U.S. Department of Justice lawsuit against HCR ManorCare, including the possibility of larger than expected litigation costs, adverse results and related developments; our reliance on a concentration of a small number of tenants and operators, for a significant portion of our revenues; the financial weakness of tenants, operators and borrowers, including potential bankruptcies and downturns in their businesses, and their legal and regulatory proceedings, which results in uncertainties regarding our ability to continue to realize the full benefit of such tenants' and operators' leases and borrowers' loans; the ability of our tenants, operators and borrowers to conduct their respective businesses in a manner sufficient to maintain or increase their revenues and to generate sufficient income to make rent and loan payments to us and our ability to recover investments made, if applicable, in their operations; competition for tenants and operators, including with respect to new leases and mortgages and the renewal or rollover of existing leases; competition for skilled management other key personnel; availability of suitable properties to acquire at favorable prices and the competition for the acquisition and financing of those properties; the ability of our own tenants and operators to maintain costs and to compete for skilled management and nurses; our ability to negotiate the same or better terms with new tenants or operators if existing leases are not renewed or we exercise our right to replace an existing tenant or operator upon default; the risks associated with our investments in joint ventures and unconsolidated entities, including our lack of sole decision making authority and our reliance on our partners' financial condition and continued cooperation; our ability to achieve the benefits of investments, including those investments discussed above, within expected time frames or at all, or within expected cost projections; the potential impact on us and our tenants, operators and borrowers from current and future litigation matters, including the possibility of larger than expected litigation costs, adverse results and related developments; the effect on healthcare providers of legislation addressing entitlement programs and related services, including Medicare and Medicaid, which may result in future reductions in reimbursements; changes in federal, state or local laws and regulations, including those affecting the healthcare industry that affect our costs of compliance or increase the costs, or otherwise affect the operations, of our tenants and operators; volatility or uncertainty in the capital markets, the availability and cost of capital as impacted by interest rates, changes in our credit ratings, and the value of our common stock, and other conditions that may adversely impact our ability to fund our obligations or consummate transactions, or reduce the earnings from potential transactions; changes in global, national and local economic conditions, and currency exchange rates; changes in the credit ratings on U.S. government debt securities or default or delay in payment by the government of its obligations; our ability to manage our indebtedness level and changes in the terms of such indebtedness; the ability to maintain our qualification as a real estate investment trust; uncertainties as to the completion and timing of the spin-off transaction; the failure to satisfy any conditions to complete the spin-off transaction; the ability of SpinCo to attract and retain an experienced management team; the ability of HCP and SpinCo to complete financings related to the spin-off transaction on acceptable terms or at all; the impact of the spin-off transaction on the businesses of HCP and SpinCo; and other risks and uncertainties described from time to time in our filings with the Securities and Exchange Commission. We assume no, and hereby disclaim any, obligation to update any of the foregoing or any other forward-looking statements as a result of new information or new or future developments, except as otherwise required by law.

NON-GAAP FINANCIAL MEASURES

This presentation contains certain supplemental non-GAAP financial measures. While HCP believes that non-GAAP financial measures are helpful in evaluating its operating performance, the use of non-GAAP financial measures in this presentation should not be considered in isolation from, or as an alternative for, a measure of financial or operating performance as defined by GAAP. You are cautioned that there are inherent limitations associated with the use of each of these supplemental non-GAAP financial measures as an analytical tool. Additionally, HCP's computation of non-GAAP financial measures may not be comparable to those reported by other REITs. Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in HCP's supplemental reports and earnings releases, which are available in the Investor Relations section of its website at www.hcpi.com and in the Appendix to this presentation, as applicable.

HCP

Appendix

Investment Represents; (i) the carrying amount of real estate assets and intangibles, after adding back accumulated depreciation and amortization less the value attributable to refundable entrance fee liabilities; and (ii) the carrying amount of direct financing leases ("DFLs") and debt investments. Investment excludes land held for development and assets held for sale. Investment also includes the Company's pro rata share of the real estate assets and intangibles held in its unconsolidated joint ventures, presented on the same basis, as of March 31, 2016.

Net Operating Income from Continuing Operations ("NOI") The Company believes Net Operating Income from Continuing Operations ("NOI") provides investors relevant and useful information because it reflects only income and operating expense items that are incurred at the property level and presents them on an unleveraged basis. The Company uses NOI and cash NOI to make decisions about resource allocations, assess and compare property level performance, and evaluate its same property portfolio ("SPP"), as described below. The Company believes that net income (loss) is the most directly comparable United States ("U.S.") generally accepted accounting principles ("GAAP") measure to NOI. NOI should not be viewed as an alternative measure of operating performance to net income (loss) as defined by GAAP since it does not reflect various excluded items. Further, the Company's definition of NOI may not be comparable to the definition used by other REITs or real estate companies, as they may use different methodologies for calculating NOI.

NOI is defined as rental and related revenues, including tenant recoveries, resident fees and services, and income from DFLs, less property level operating expenses; NOI excludes all of the other financial statement amounts itemized below (see reconciliation on page 2 of this Appendix). Cash NOI is calculated as NOI after eliminating the effects of straight-line rents, DFL non-cash interest, amortization of market lease intangibles and lease termination fees. Cash NOI is oftentimes referred to as "adjusted NOI."

Portfolio Income Represents Cash NOI from real estate owned by the Company, including noncontrolling interests, interest income from debt investments and the Company's pro rata share of Cash NOI from real estate held in its unconsolidated joint ventures for the three months ended March 31, 2016. Annualized Portfolio Income represents Portfolio Income for the three months ended March 31, 2016, multiplied by a factor of four.

Pro Forma Investment Represents Investment as of March 31, 2016, pro forma for significant transactions that were announced on May 9, 2016, but that have not yet closed. Pro forma adjustments include the following in each respective investment type: (i) ($5.4) billion for the spin-off of the Company's interests in 338 properties (including 17 facility sales expected to close by the end of 2016 and potentially before completion of the spin off), primarily comprised of its HCRMC DFL investments and its equity investment in HCRMC OpCo (primarily senior housing triple-net and post-acute/skilled) and (ii) ($0.5) billion from the sale of a 40% interest in the RIDEA II joint venture (senior housing operating).

Pro Forma Portfolio Income Represents Portfolio Income for the three months ended March 31, 2016, presented on an annualized run-rate basis, pro forma for significant transactions that were announced on May 9, 2016 but that have not yet closed. Pro forma adjustments include the following in each respective segment/sector: (i) ($119.8) million from the spin-off of the Company's interests in 338 properties (including 17 facility sales expected to close by the end of 2016 and potentially before completion of the spin off), primarily comprised of its HCRMC DFL investments and its equity investment in HCRMC OpCo (primarily senior housing-triple net and post-acute/skilled) and (ii) ($9.9) million from the sale of a 40% interest in the RIDEA II joint venture (senior housing operating). Annualized Pro Forma Portfolio Income represents Pro Forma Portfolio Income for the three months ended March 31, 2016, multiplied by a factor of four.

Same Property Portfolio ("SPP") SPP statistics allow the Company's management to evaluate the performance of its real estate portfolio under a consistent population by eliminating changes in the composition of its portfolio of properties. The Company identifies its SPP as stabilized properties that remained in operations and were consistently reported as leased properties or operating properties ("RIDEA") for the duration of the year-over-year comparison periods presented, excluding assets held for sale. Accordingly, it takes a stabilized property a minimum of 12 months in operations under a consistent reporting structure to be included in the Company's SPP. Newly acquired operating assets are generally considered stabilized at the earlier of lease-up (typically when the tenant(s) control(s) the physical use of at least 80% of the space) or 12 months from the acquisition date. Newly completed developments and redevelopments are considered stabilized at the earlier of lease-up or 24 months from the date the property is placed in service. SPP NOI excludes certain non-property specific operating expenses that are allocated to each operating segment on a consolidated basis. SPP Cash NOI excludes the effects of foreign exchange rate movements by using the average current period exchange rate to translate from British pound sterling into U.S. dollars for the comparison periods. A property is removed from SPP when it is sold, placed into redevelopment or changes its reporting structure.

In thousands

The following table represents Portfolio Income by sector:

	Three Months Ended March 31, 2016							Annualized
	Cash NOI	Unconsol. JV Cash NOI	Interest Income	Portfolio Income	Pro Forma Adjustments(1)	Reclassifications(2)	Pro Forma Portfolio Income	Pro Forma Portfolio Income
Senior housing (triple-net)	$ 120,695	$ —	$ 1,851	$ 122,546	$ (12,454)	$ 16,582	$ 126,674	$ 506,696
Senior housing (operating)	51,873	14,898	—	66,771	(9,882)	—	56,889	227,556
Post-acute/skilled	106,355	404	16,178	122,937	(106,355)	(16,582)	—	—
Life science	71,532	1,420	—	72,952	—	—	72,952	291,808
Medical office	65,876	322	—	66,198	(592)	—	65,606	262,424
Hospital	21,974	—	—	21,974	(464)	—	21,510	86,040
	$ 438,305	$ 17,044	$ 18,029	$ 473,378	$ (129,747)	$ —	$ 343,631	$ 1,374,524

The following table reconciles net income to Cash NOI:

	Three Months Ended March 31, 2016
Net income	$ 119,745
Interest income	(18,029)
Investment management fee income	(91)
Interest expense	122,062
Depreciation and amortization	141,322
General and administrative	25,499
Acquisition and pursuit costs	2,475
Other income, net	(1,222)
Income tax expense	53,038
Equity loss from unconsolidated joint ventures	908
NOI	$ 445,707
Non-cash adjustments to NOI	(7,402)
Cash NOI	$ 438,305

In thousands

The following table represents the Same Property Portfolio:

Year Ended December 31,	SPP Cash NOI[3]	Exclude HCRMC[4]	SPP Cash NOI, excluding HCRMC	SPP Growth, excluding HCRMC
2009	$ 723,908	$ —	$ 723,908	
2010	758,532	—	758,532	4.8%
2010	805,568	—	805,568	
2011	837,556	—	837,556	4.0%
2011	847,863	—	847,863	
2012	883,679	—	883,679	4.2%
2012	1,403,966	(484,956)	919,010	
2013	1,447,120	(501,910)	945,210	2.9%
2013	1,491,550	(500,730)	990,820	
2014	1,540,460	(518,439)	1,022,021	3.1%
2014	1,520,549	(499,457)	1,021,092	
2015	1,528,373	(469,666)	1,058,707	3.7%
			SPP average excluding HCRMC[5]	**3.8%**

The following table represents Investment by sector:

	March 31, 2016	Reclassifications[6]	Pro Forma Adjustments[7]	Pro Forma Investment
Senior housing	$ 10,240,720	$ ($10,240,720)	$ —	$ —
Senior housing (triple-net)	—	7,787,584	(1,185,481)	6,602,103
Senior housing (operating)	—	3,478,542	(525,435)	2,953,107
Post-acute/skilled	5,126,061	(1,025,406)	(4,100,655)	—
Life science	3,708,392	—	—	3,708,392
Medical office	3,646,926	—	(32,061)	3,614,865
Hospital	594,085	—	(23,980)	570,105
Investment	$ 23,316,184	$ —	$ (5,867,612)	$ 17,448,572

(1) For additional information on pro forma adjustments, see Pro Forma Portfolio Income in the "Definitions" section of the Appendix.
(2) Portfolio Income related to post-acute/skilled assets retained by the Company following the spin-off has been reclassified from post-acute/skilled to senior housing triple-net.
(3) Historical reconciliations of SPP Cash NOI are available in the Company's Current Reports on Form 8-K filed with the SEC on February 9, 2016 (2015 SPP), February 10, 2015 (2014 SPP), February 11, 2014 (2013 SPP), February 12, 2013 (2012 SPP), February 14, 2012 (2011 SPP) and February 15, 2011 (2010 SPP).
(4) Represents Cash NOI related to the HCRMC Master Lease.
(5) Represents the SPP growth for each of the six years ended December 31, 2015, divided by a factor of six.
(6) Investment for senior housing has been reclassified into senior housing triple-net and senior housing operating. Additionally, Investment related to post-acute/skilled assets and debt investments retained by the Company following the spin-off has been reclassified from post-acute/skilled to senior housing triple-net.
(7) For additional information on pro forma adjustments, see Pro Forma Investment in the "Definitions" section of the Appendix.