

The Aging Population:

Driving the Future of Health Care Real Estate

Corporate Presentation | February 2018

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.

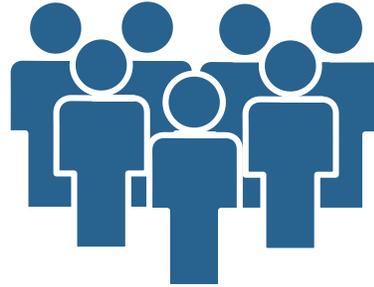
Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause the company’s actual results to differ materially from the company’s expectations discussed in the forward-looking statements. This may be a result of various factors, including, but 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.

Welltower At A Glance



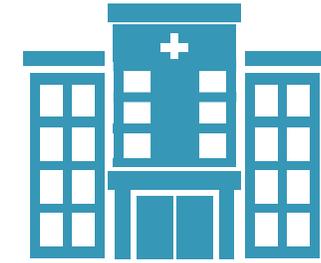
1,279

TOTAL HEALTH CARE
PROPERTIES



~198,000

RESIDENTS⁽²⁾



16,000,000

OUTPATIENT
MEDICAL VISITS⁽²⁾

\$36.5B
Enterprise Value⁽¹⁾

NYSE
Symbol:
WELL

S&P
500

Dow Jones
Sustainability
Index

Moody's
Baa1
Stable

S&P
BBB+
Stable

Fitch
BBB+
Stable

1. Source: Bloomberg as of 12/29/2017.
2. Based on internal estimates derived from trailing twelve-month facility level data as of 12/31/2017.

Real Estate Investment Trust (REIT) Overview

LARGEST U.S. PUBLIC REAL ESTATE COMPANIES by ENTERPRISE VALUE⁽¹⁾

Rank	Company	Sector	\$ (mm's)
1	Simon Property Group	Regional Malls	\$77,073
2	Prologis Inc.	Industrial	\$46,408
3	Public Storage	Self-Storage	\$41,154
4	welltower	Health Care	\$36,523
5	General Growth Properties	Regional Malls	\$36,083

1. Includes RMZ real estate companies. Source: Bloomberg as of 12/29/2017.

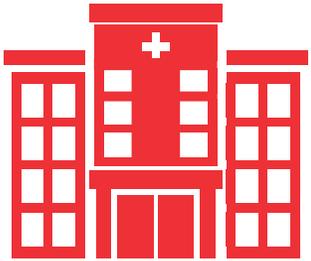
Health Care Real Estate Landscape

\$ HIGHER AVERAGE COST LOWER AVERAGE COST \$

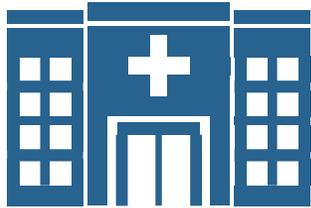
ACUTE CARE

POST-ACUTE CARE CONTINUUM

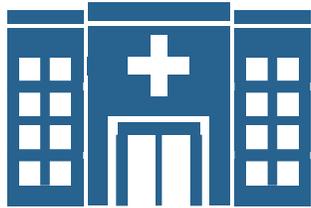
SENIOR HOUSING



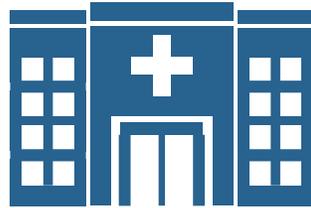
Hospital



Long-Term
Care Hospital



Inpatient
Rehab Facility



Skilled Nursing
(LTC)



Memory
Care



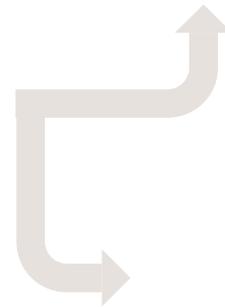
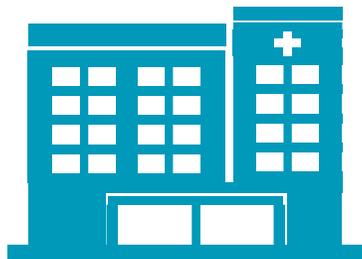
Assisted
Living



Independent
Living



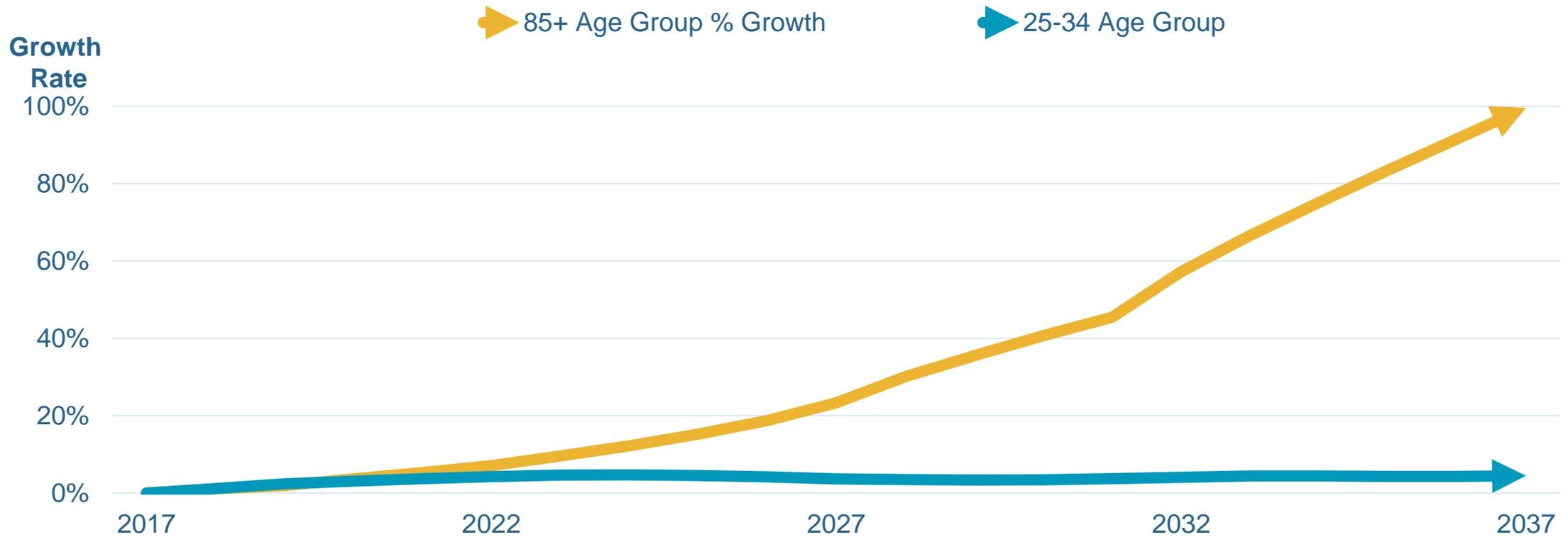
OUTPATIENT / MEDICAL OFFICE BUILDING



HOME



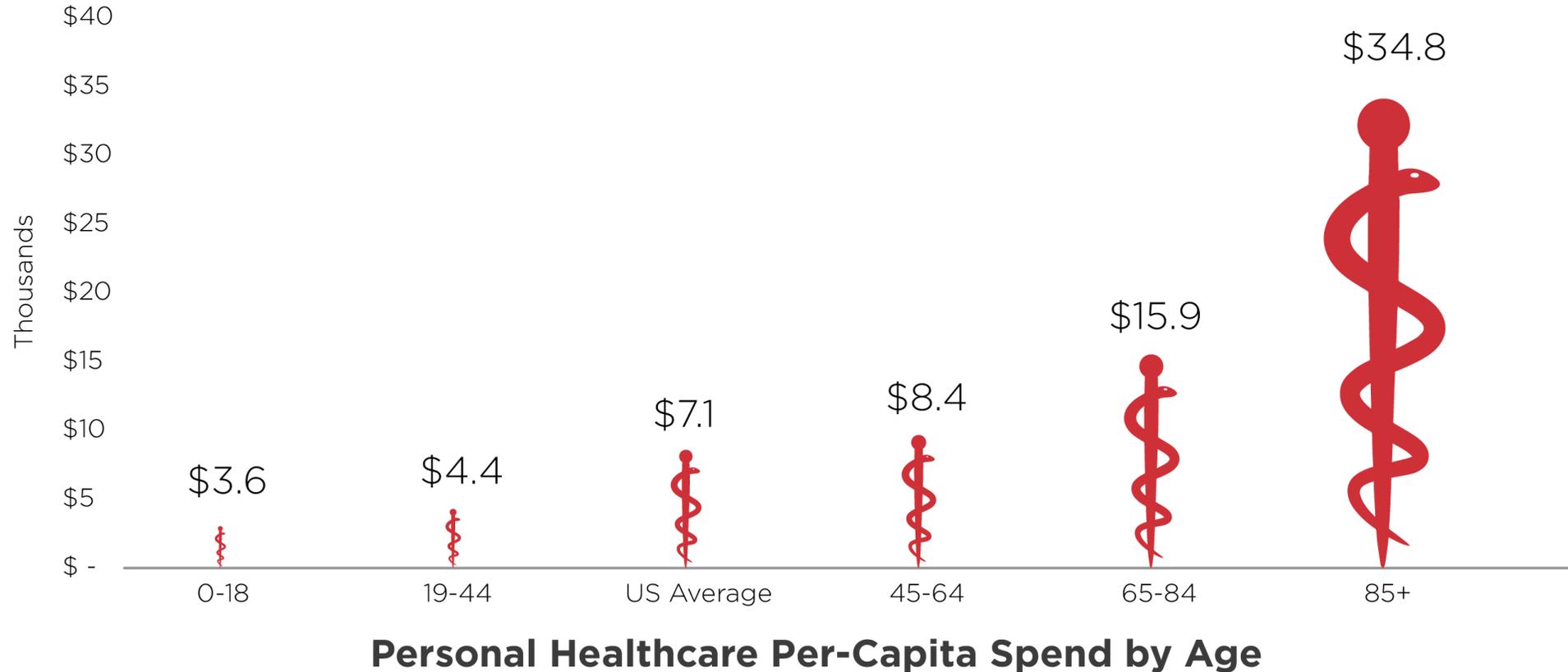
Powerful Demographic Tailwinds



85+ Population to Double in 20 Years

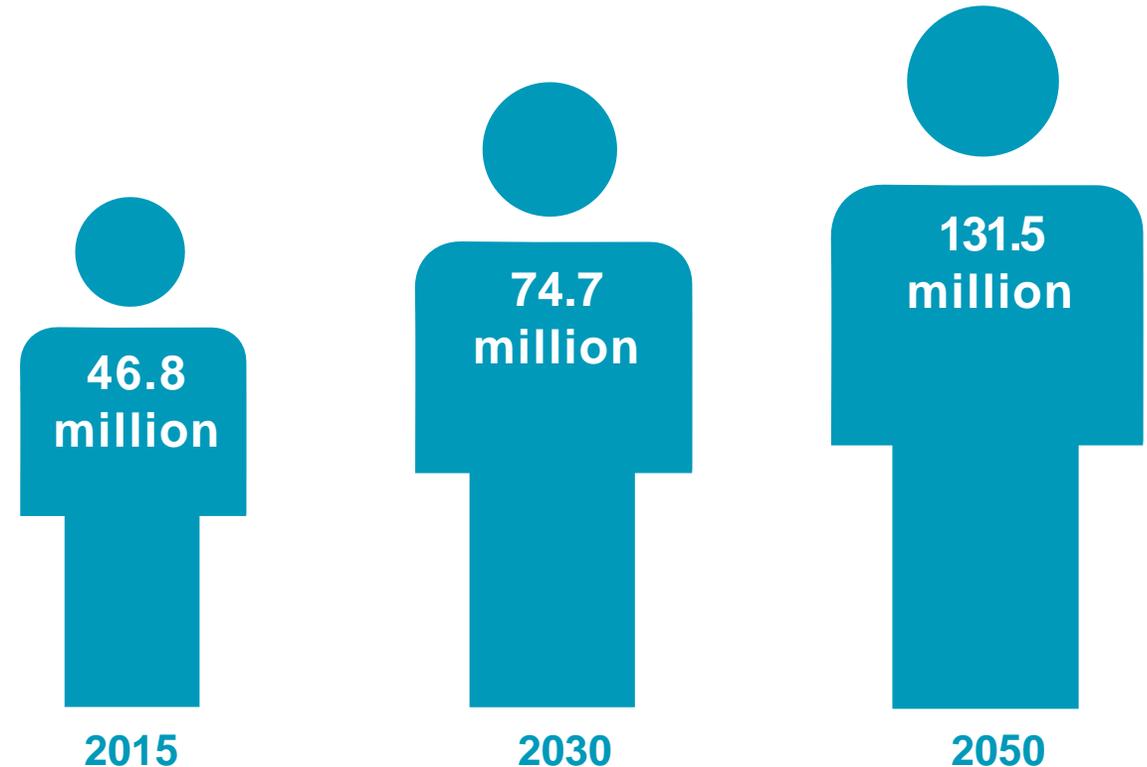
Source: US Census Bureau www.census.gov as of 2014.

Aging Population Drives Health Care Spending



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

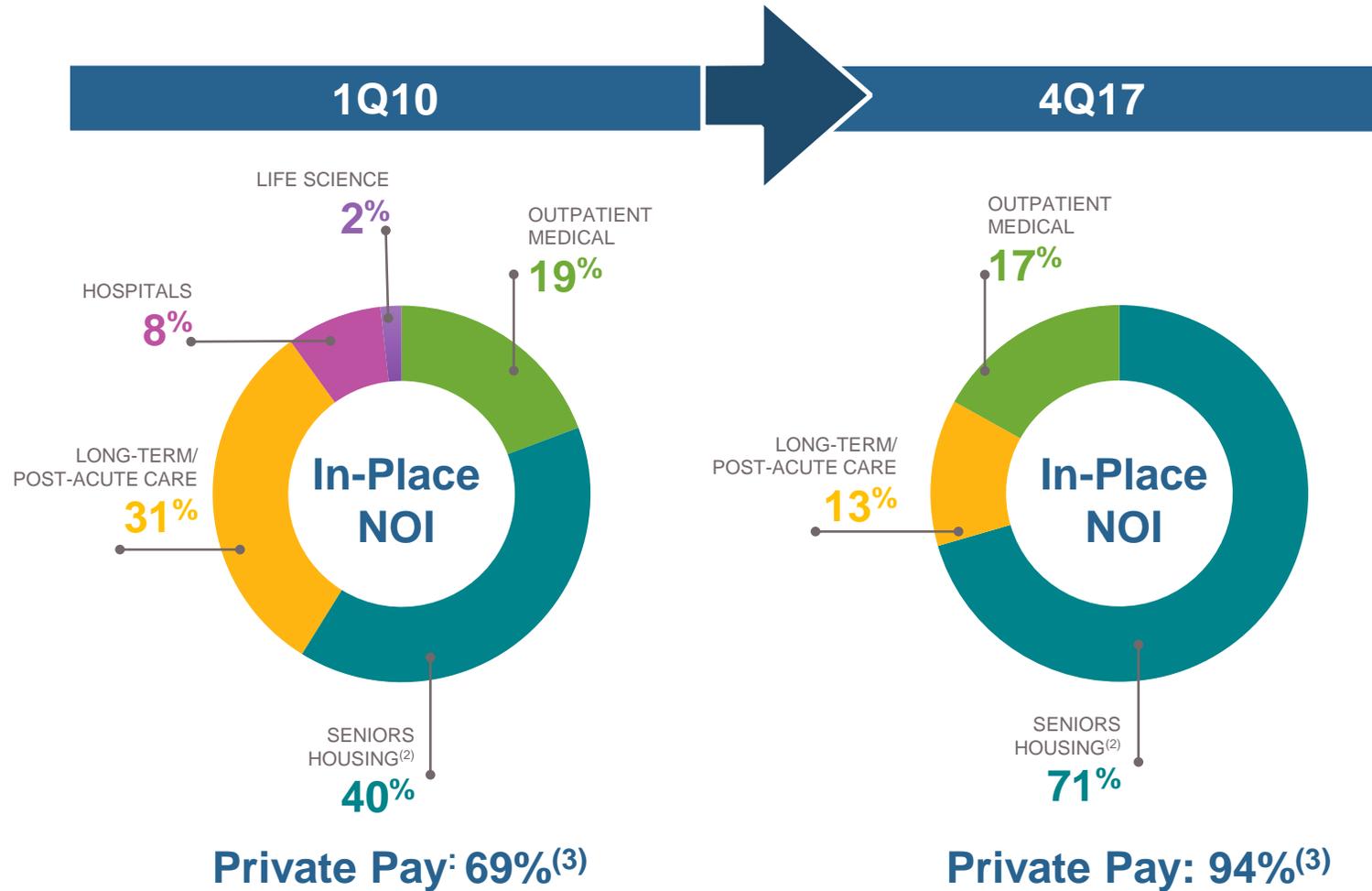
- Alzheimer's Disease is the only "Top 10 Cause of Death" in the U.S. that cannot be prevented, slowed or cured
- Number of people with dementia globally will almost double every 20 years
- Total estimated worldwide cost of dementia care will be \$1 trillion by 2018



Welltower's Unique Growth Platform



Portfolio Transformation⁽¹⁾



1. Based on In-Place NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

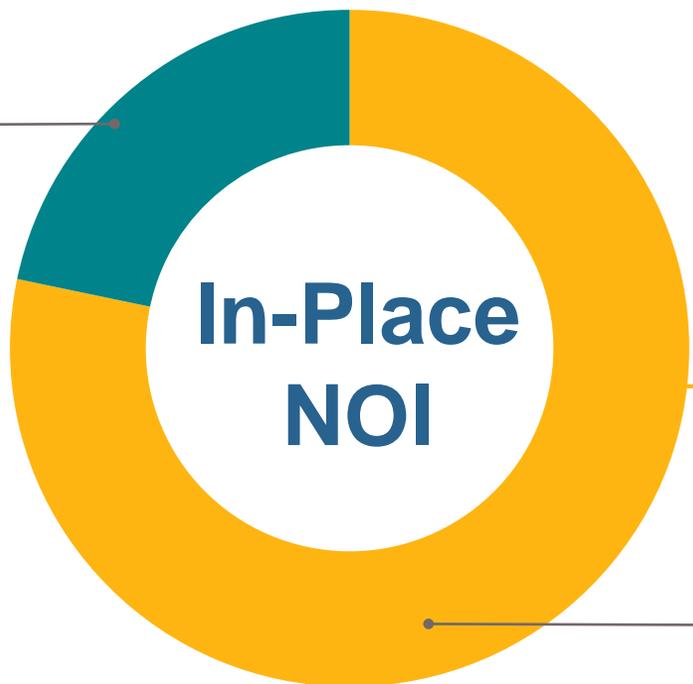
2. Comprises Seniors Housing Triple-Net and Seniors Housing Operating properties.

3. Based on Facility Revenue Mix.

SHO Partner Diversification⁽¹⁾

4Q17 SHO Portfolio

OTHER
24%



TOP 5
PARTNERS
76%

	36%
	13%
	10%
	8%
	8%

1. Based on 4Q17 SHO In-Place NOI. Numbers may not add up to 100 due to rounding. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

The Definition of a “Class A” Health Care Portfolio

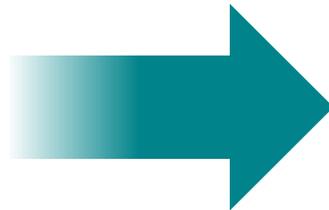
High Barrier to Entry Premier Markets



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

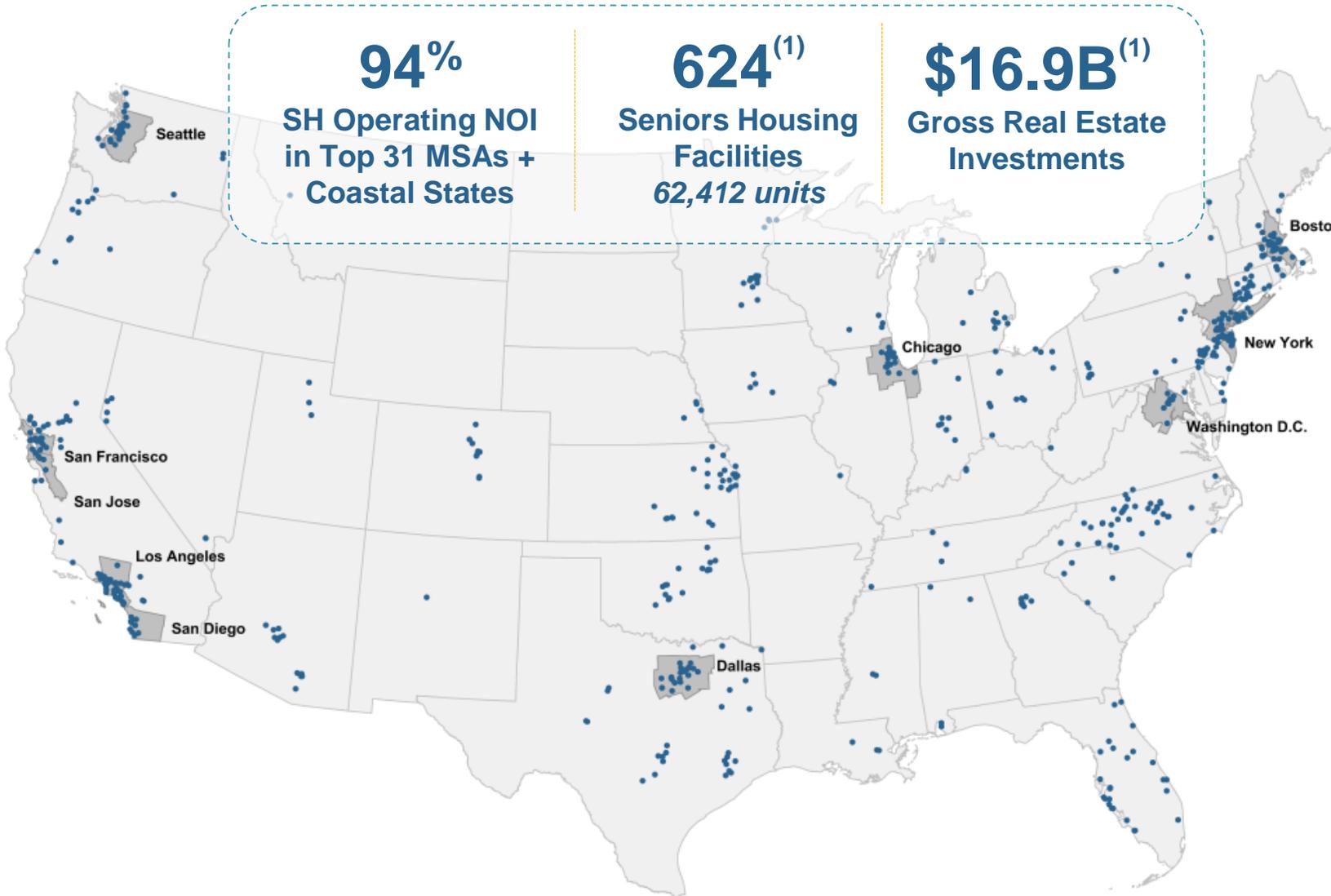


Sunrise Connecticut Avenue, Washington, D.C.

Welltower Family of Brands



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



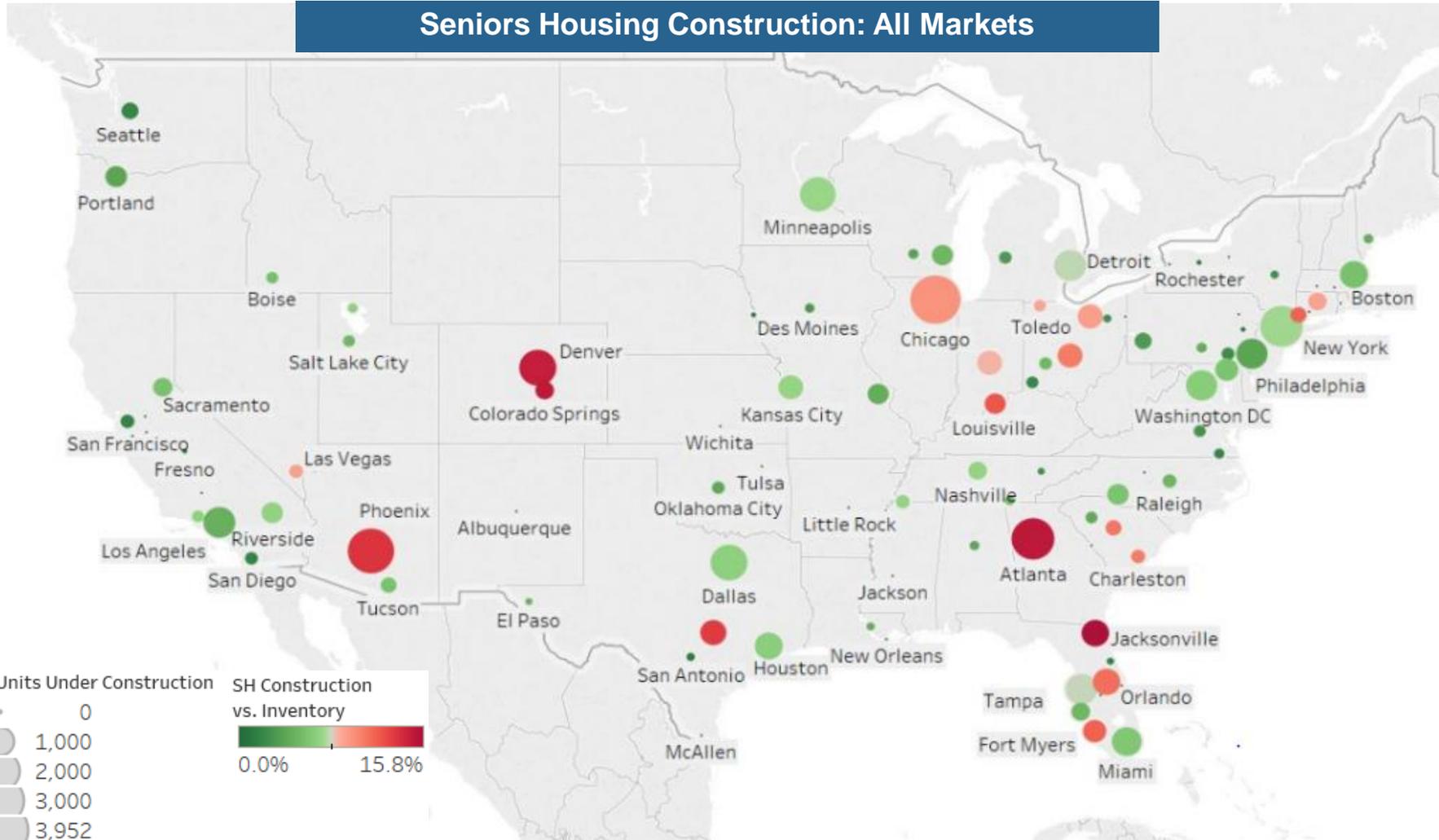
TOP US MARKETS⁽²⁾ (% OF SH OPERATING NOI)

Los Angeles	15.3%
Boston	9.2%
New York	8.2%
San Francisco	5.2%
San Diego	4.2%
Dallas	4.2%
Chicago	3.8%
Washington, D.C.	3.6%
Seattle	3.2%
San Jose	2.7%

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

2. Data as of 12/31/2017. NOI data based on In-Place US SH Operating NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

Strategic Focus: Urban, High Barrier to Entry Markets



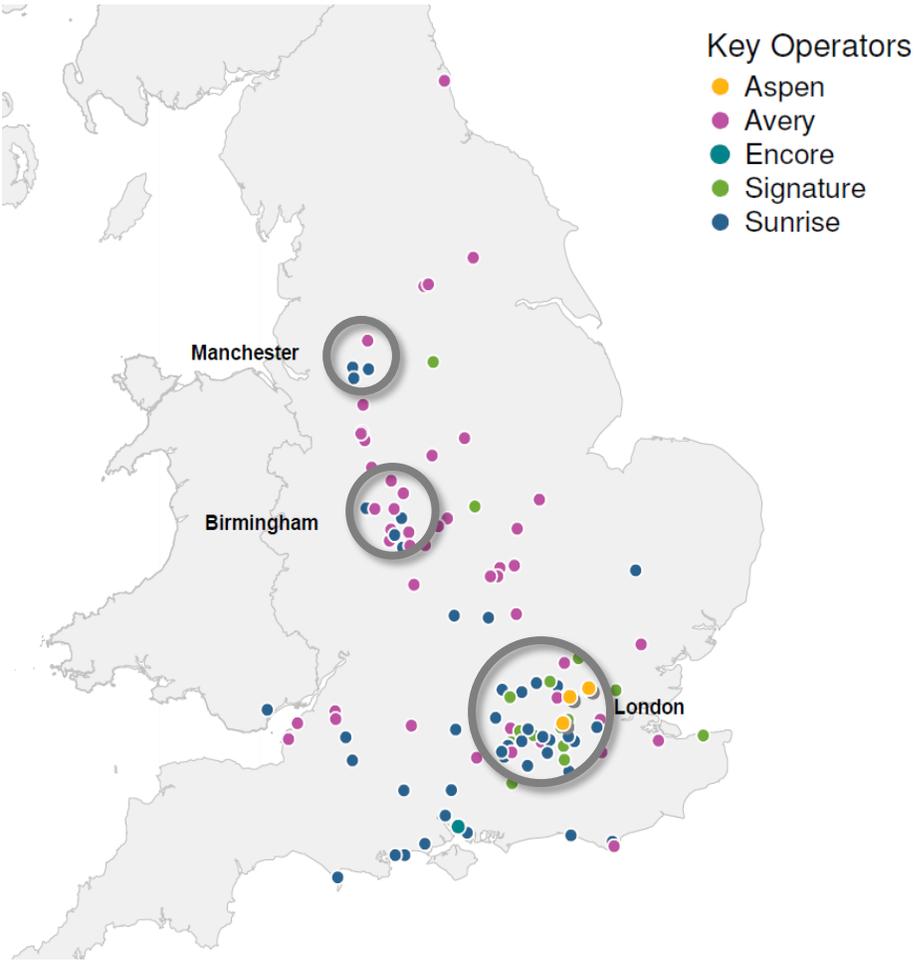
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Dallas	4.2%
Chicago	3.8%
Washington, D.C.	3.6%
Seattle	3.2%
San Jose	2.7%

Source: NIC MAP® Data Service data as of 12/30/2017

1. Data as of 12/31/2017. 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

92%

SH Operating NOI in Greater London & Southern England

106⁽²⁾

Facilities

\$3.0B⁽²⁾

Gross Real Estate Investments

75+ POPULATION ⁽¹⁾

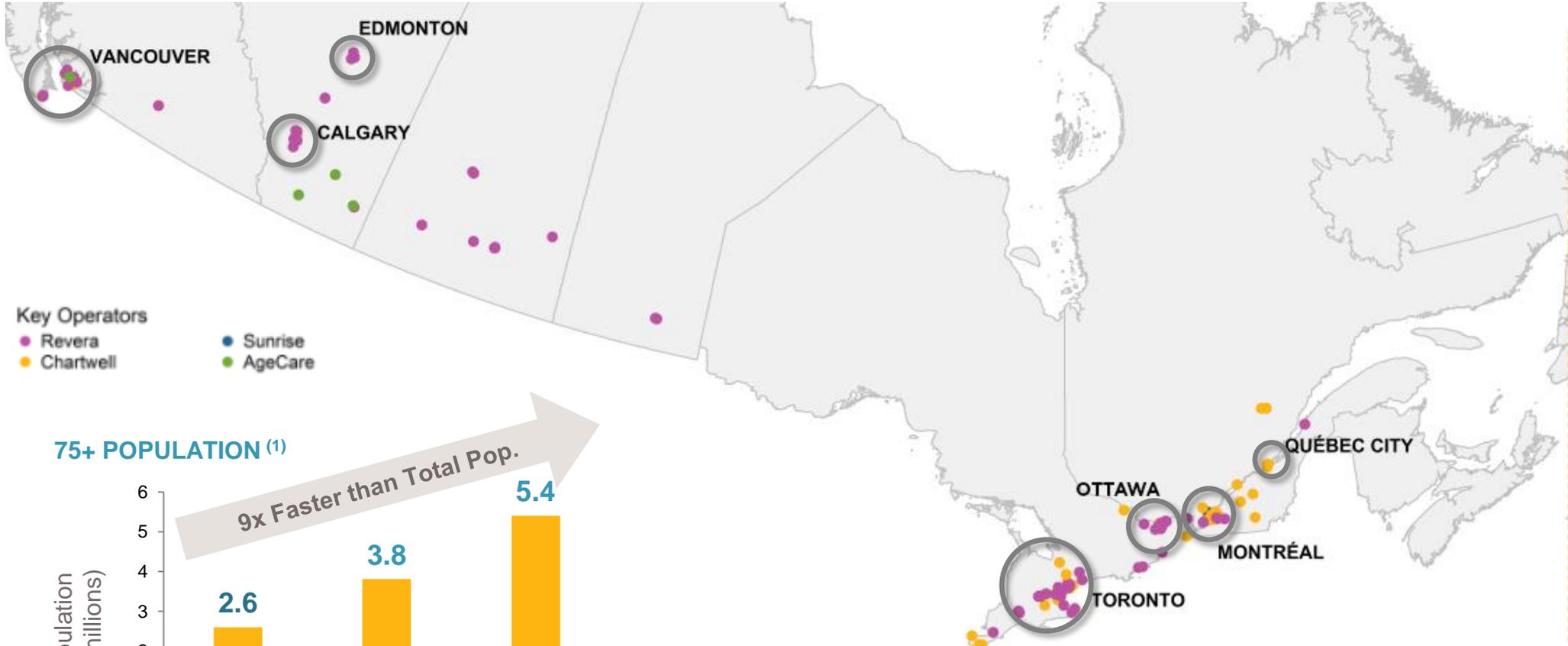


Data as of 12/31/2017. NOI data based on In-Place UK SH Operating NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

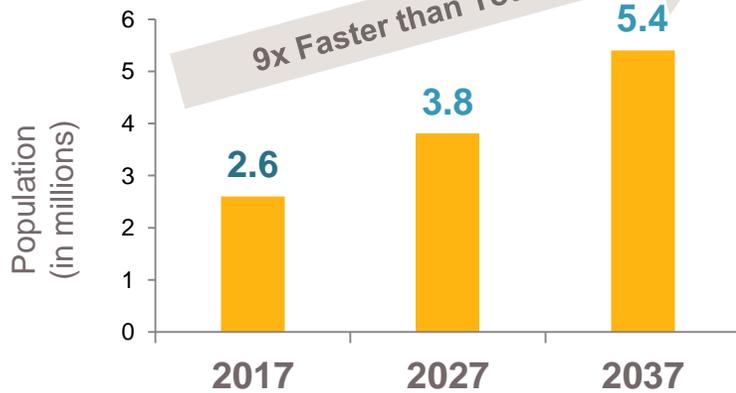
1. Source: Office for National Statistics.

2. Comprises Seniors Housing Triple-Net and Seniors Housing Operating properties as of 12/31/2017.

Canadian Portfolio | Urban, High Barrier to Entry Markets



75+ POPULATION ⁽¹⁾



CN

76%

SH Operating NOI in Top 10 Canadian MSAs

145⁽²⁾

Facilities

\$2.9B⁽²⁾

Gross Real Estate Investments

Data as of 12/31/2017. 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 as of 12/31/2017.

Urban Market Focus: Aging in Cities Survey

Welltower commissioned survey reaffirms current city dwellers desire to age in place.

Seniors Wanting to Stay in Their City

Boston	69%
Chicago	69%
Houston	66%
Los Angeles	67%
Miami	70%
New York City	65%
San Francisco	71%
Seattle	68%
Toronto	73%
Washington D.C.	68%



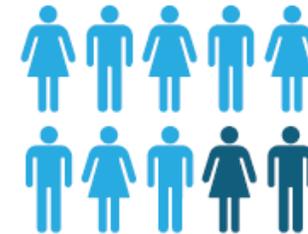
54%
of Baby Boomers want options for aging in place



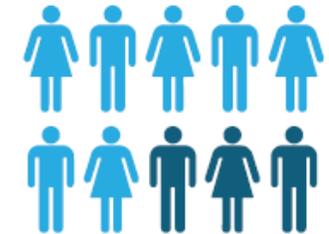
61%
say high-quality health care is their highest overall priority



66%
are concerned about dementia



8/10 say it will be important to make new friends when they're 80+.



7/10 say the ability to meet new people is a key factor in deciding where to live.

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 delivery: 2020; Anticipated opening: 2020

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SUNRISE
EAST
56

Hines

Urban Market Focus: The Sumach by Chartwell, Toronto



DEMAND FACTORS

- New independent living community located in Regent Park neighborhood -- the “gold standard” for urban revitalization
- 12-story building with 332 units; 5,500 square feet of retail space
- Bistro-style restaurant for tenants and open to the public
- Services (e.g., medication management and administration) to be offered on an a la carte basis
- Anticipated delivery: Q3 2018

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 CHARTwell
retirement residences

Daniels
love where you live™

Urban Market Focus: The Wandsworth



DEMAND FACTORS

- Urban development to meet significant and growing demand in London market
- Assisted living & memory care community located in Wandsworth, London, UK
- 6 story building with 98 units; c. 70,000 square feet
- High end facilities offered on site such as bistro restaurant, activities lounges, emporium and library
- Fully nursing registered community providing suite of care services
- Anticipated delivery: Q1 2020

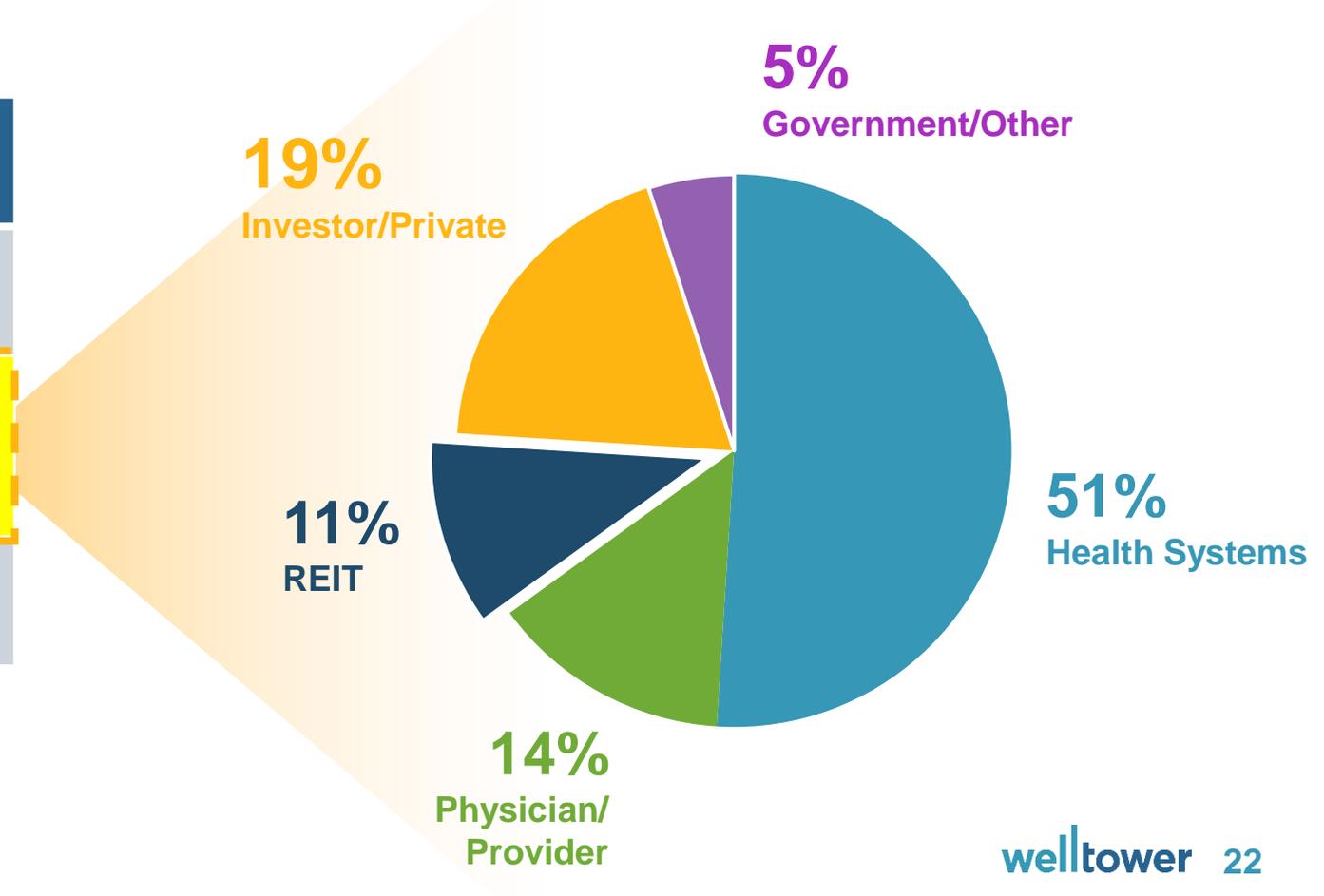
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Signature
setting the standard for senior care

Outpatient Medical Growth Opportunity

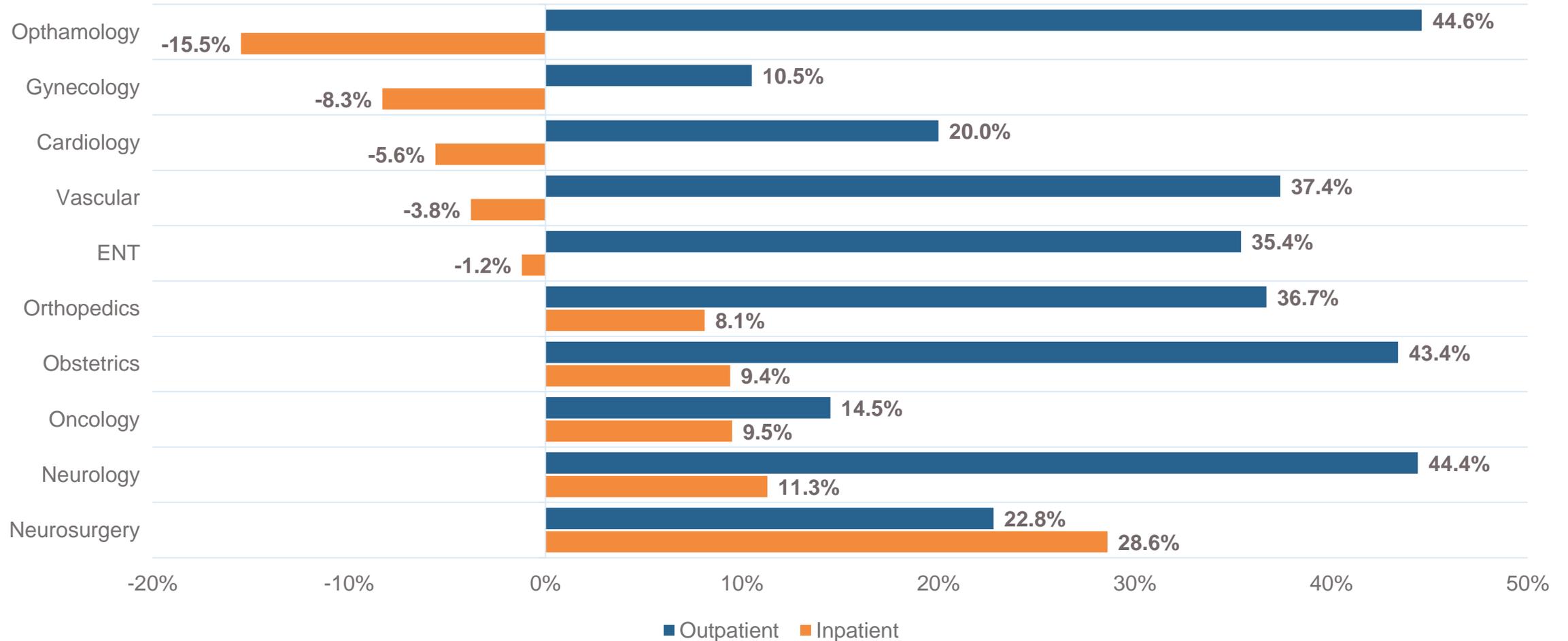
Health Systems & Physicians Currently Own ~65% of Outpatient Medical Real Estate

	Properties	Total Value	Total Sq. Feet
Hospital	5,461	\$626B	1.6B
Outpatient	33,561	\$394B	1.6B
TOTALS	39,022	\$1,019B	3.2B



Procedures Driving Outpatient Medical Growth

Segment Demand Growth: 2016 - 2026



Source: Advisory Board Outpatient/Inpatient Volume Report as of 2/16/2018.

Welltower's Full Service Outpatient Medical Group

Strategic Health Care Alliances & Innovative Care Delivery Models

\$5.6B

INVESTED IN 240
PROPERTIES

16,000,000
OUTPATIENT
MEDICAL VISITS⁽³⁾

99%

IN-HOUSE
MANAGED
PROPERTIES AS
% OF SF⁽²⁾

95%

HEALTH SYSTEM
AFFILIATED AS %
OF CORE NOI⁽¹⁾

Welltower proudly serves
many of the nation's top
health systems



Data as of 12/31/2017 and relates to Core portfolio which excludes held for sale, and includes Aspen UK properties.

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

2. Includes only multi-tenant properties.

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

Transformational Retail & Health Care Real Estate Partnership

welltower



St. Joseph Health 

Mission Hospital

Mission Pacific Coast Recovery

A member of the St. Joseph Hoag Health alliance



SIMON



Welltower & Johns Hopkins Strategic Alliance

Strategic alliance supports modern, efficient health care infrastructure and innovative care

- Measure quality of care outcomes in Assisted Living and Memory Care
- Educational programs for patients and care givers
- Evaluate market opportunities
- Deliver better care at a lower cost



JOHNS HOPKINS
M E D I C I N E

Welltower Footprint in JHM Markets Today

104
PROPERTIES

8,214⁽¹⁾
RESIDENTS

- 50 Seniors Housing Communities
- 42 Post Acute Care Facilities
- 12 Outpatient Medical Buildings

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

Financial Summary



Significant Balance Sheet Strength

Moody's

Baa1

Stable

S&P

BBB+

Stable

Fitch

BBB+

Stable



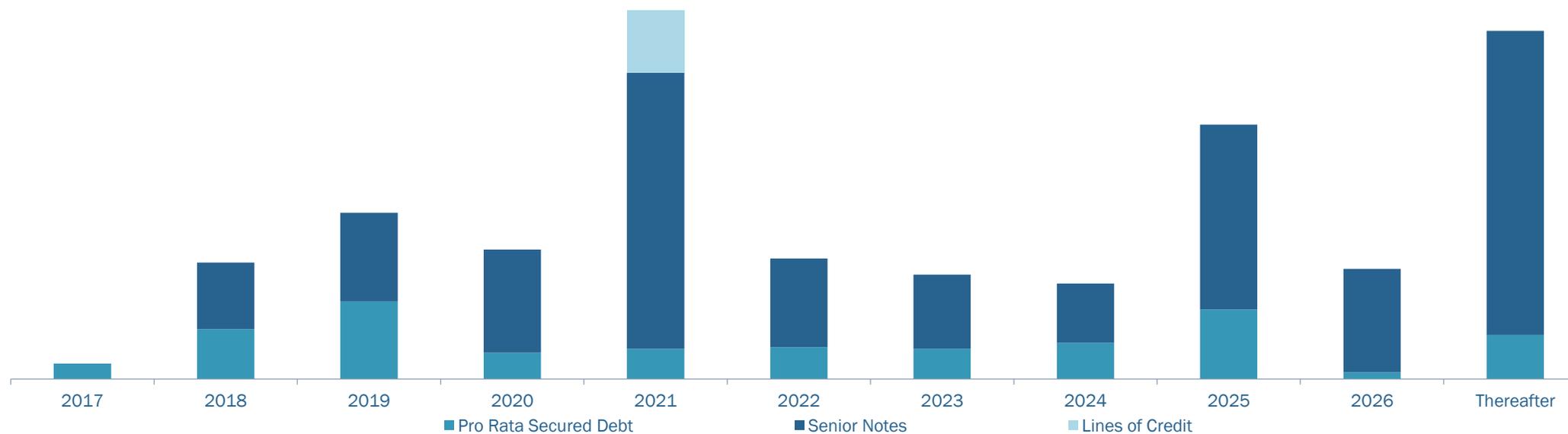
RATIO	4Q13 ⁽²⁾	4Q17 ⁽²⁾	Improvement
NET DEBT / UNDEPRECIATED BOOK CAP ⁽¹⁾	42.5%	36.3%	↓ 620 bps
NET DEBT / ENTERPRISE VALUE ⁽¹⁾	38.3%	31.2%	↓ 710 bps
NET DEBT / ADJUSTED EBITDA ⁽¹⁾	6.1x	5.4x	↓ 0.7x
ADJUSTED INTEREST COVERAGE	3.4x	4.1x	↑ 0.7x
ADJUSTED FIXED CHARGE COVERAGE	2.7x	3.4x	↑ 0.7x

1. Net debt represents total debt minus cash.

2. Represents three months ended 4Q13 and 4Q17. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

Balanced and Manageable Debt Maturity Profile

Weighted average maturity of 7.0 years



in millions	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Thereafter
Unsecured Debt	\$450	\$600	\$697	\$1,869	\$600	\$500	\$400	\$1,250	\$700	\$0	\$2,071
Pro Rata Secured Debt	\$313	\$513	\$189	\$208	\$216	\$206	\$247	\$473	\$48	\$165	\$182
Total (\$mm)	\$763	\$1,113	\$886	\$2,077	\$816	\$706	\$647	\$1,723	\$748	\$165	\$2,252

Data as of 12/31/2017 in USD. Represents pro rata principal amounts due and excluding unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet.

Consistently Outperforming Peers

Welltower
NAREIT Health Care Index

Total Returns⁽¹⁾



15.2% Average Annual Return Since Inception ⁽¹⁾

5.5% Dividend Yield ⁽²⁾

1. Data as of 12/29/2017, adjusted for stock splits. Total return assumes reinvestment of dividends.

2. Data as of 12/29/2017, adjusted for stock splits. The 2017 dividend represents the approved dividend rate for 2017, subject to quarterly review by the Board of Directors.

Performance Driven Strategy

welltower



Investment in the
"Silver Economy" &
Aging



Best-in-Class
Real Estate &
Operating
Partners



Superior Internal
& External Growth



Significant and
Stable Dividend
Income



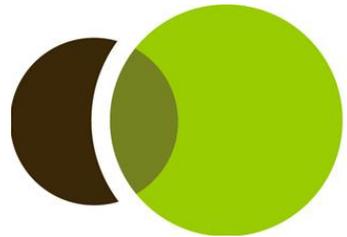
Investment Grade
Balance Sheet &
Outstanding Access to
Capital

Appendix



Recognized For Sustainable Business Practices

Listed to the 2018 RobecoSam Sustainability Yearbook:
Industry Mover Designation



ROBECOSAM
Sustainability Award
Industry Mover 2018

EPA **Green Power Partner** for
Consumption of Renewable
Energy across Portfolio



Building
Certifications



LEED: 14



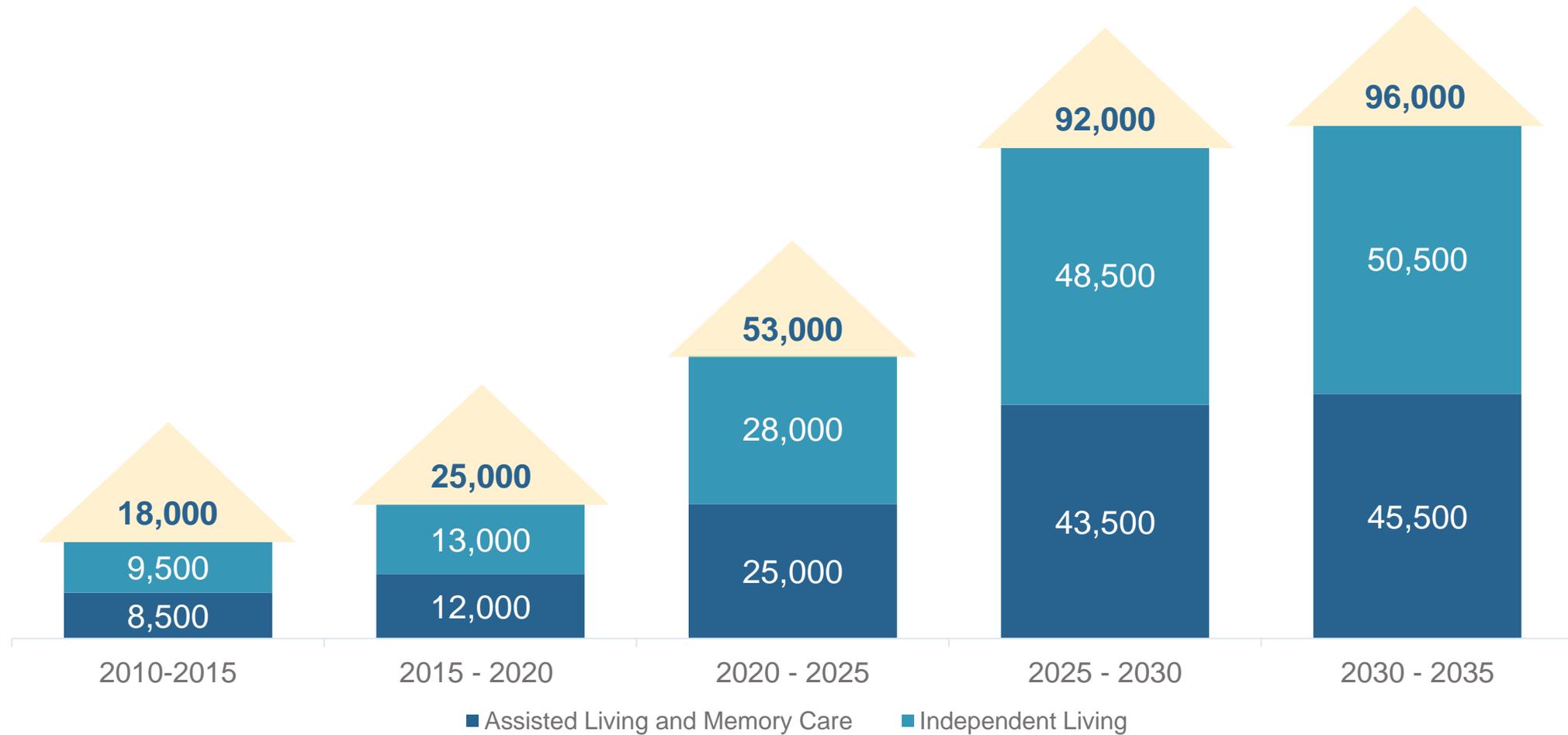
Energy Star: 57



BREEAM: 7

Strong Growth in Projected Demand for Seniors Housing

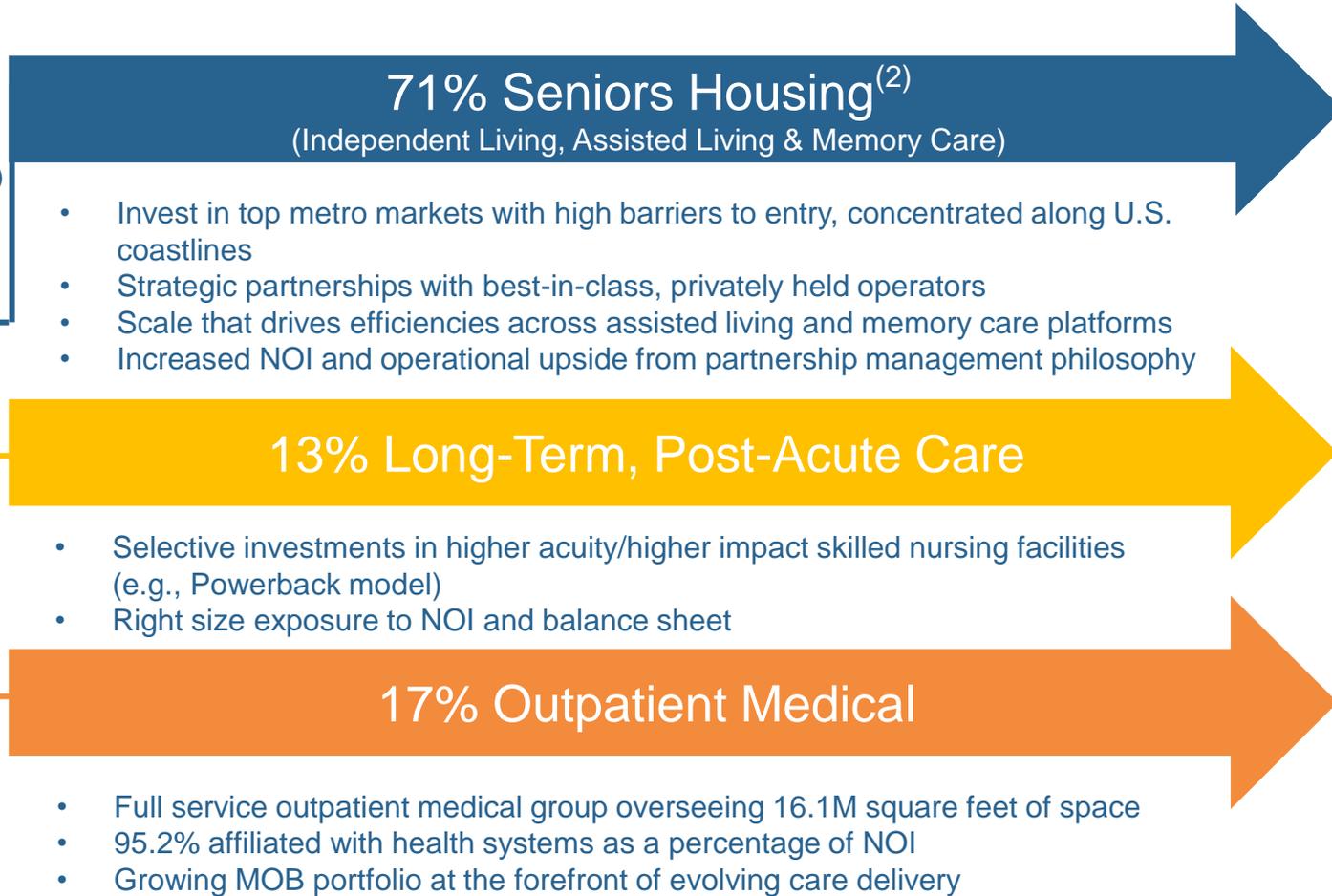
PROJECTED ANNUAL DEMAND GROWTH FOR SENIORS HOUSING UNITS



Source: American Seniors Housing Association: A Projection of U.S. Seniors Housing Demand 2015-2040. Summer 2016 Brief.

Growth Platform Driving the Future of Health Care Delivery

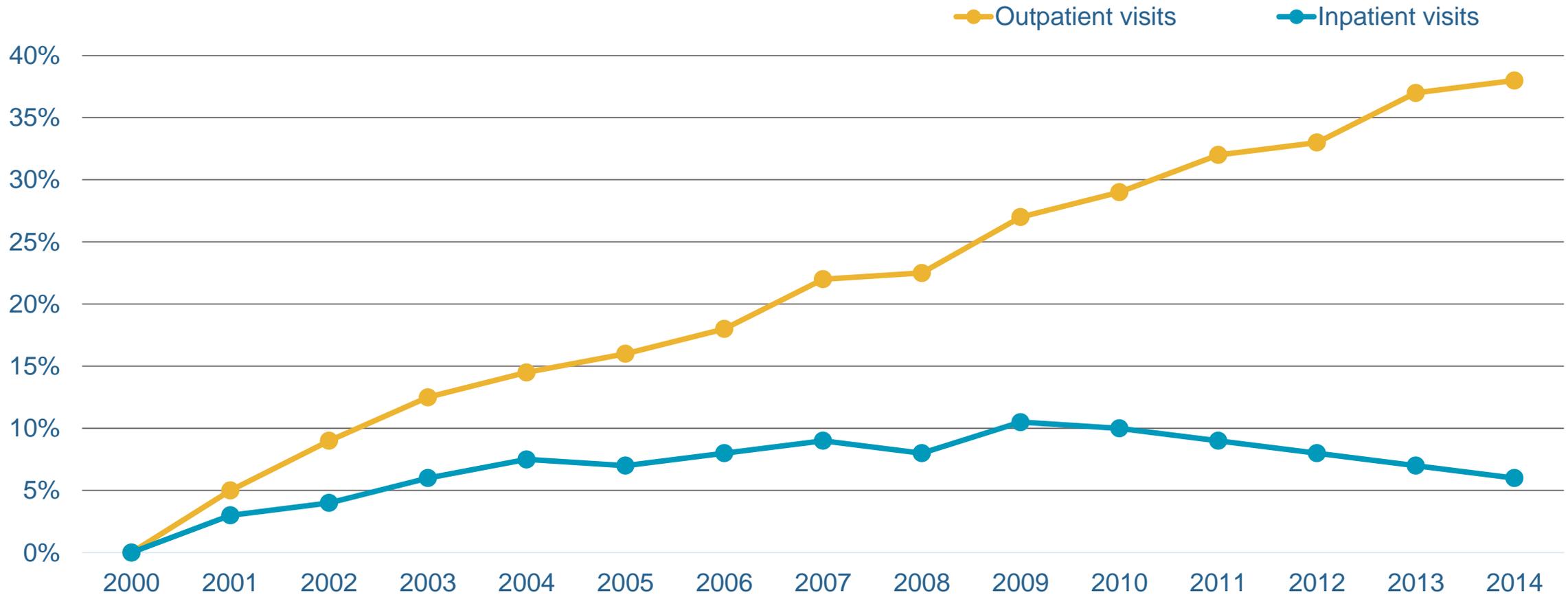
welltower Portfolio Mix⁽¹⁾



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

1. Based on In-Place NOI for 4Q17. Please see non-GAAP financial measures and reconciliations at the end of this presentation.
2. Comprises Seniors Housing Triple-Net and Seniors Housing Operating properties.

Outpatient Will Continue to Dominate Care Delivery



**36% increase in total outpatient visits since 1999,
compared with 6% rise in inpatient visits**

Superior Assets Lead to Superior Operating Results

Outpatient Medical

	Welltower ⁽¹⁾	Outpatient Medical Peers ⁽²⁾
Occupancy	94%	91%
Average Property Size <i>Square Feet</i>	65,630	64,803
Health System Affiliation⁽³⁾	95%	95%
NOI Margin	68%	65%
NOI per Square Foot <i>Annualized</i>	\$22.92	\$18.31
Lease Expirations⁽⁴⁾ <i>Through 2021</i>	34%	51%
In-house Managed⁽⁵⁾	99%	<i>Data Not Available</i>

1. Data as of 12/31/2017. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

2. Data obtained from publicly available documents for the following peers: HCP, HR, HTA, VTR. Peer data is as of 12/31/17.

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

4. Based on occupied square feet.

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 ⁽¹⁾	HC REIT Peers ⁽²⁾	Public Operators ⁽³⁾	Industry Benchmarks ⁽⁴⁾
Property Age <i>Years</i>	19	36	32	39
Occupancy	82%	80%	82%	82%
Quality Mix <i>Private & Medicare Revenue %</i>	65% ⁽⁵⁾	44%	51%	46%
EBITDARM Coverage	1.56x	1.57x	<i>Data Not Available</i>	<i>Data Not Available</i>
EBITDARM per Bed <i>Annual</i>	\$19,707	\$16,274	\$13,857	<i>Data Not Available</i>

1. Welltower data as of 9/30/2017 for stable portfolio. 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 TTM 3Q17 results obtained from publicly available documents for the following peers: OHI, VTR (SNF only), QCP, LTC and SBRA. Quality mix excludes SBRA.

3. Average TTM 3Q17 results obtained from publicly available documents for the following publicly traded skilled nursing operators: GEN, DVCR, ENSG, and NHC. Quality mix excludes NHC.

4. Property age per 4Q17 NIC MAP for Majority NC Properties in the primary and secondary markets; occupancy and quality mix per NIC Skilled Nursing Data Report, September 30, 2017 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 September 30, 2017.

5. Per page 8 of 4Q17 Supplement.

Superior Assets Lead to Superior Operating Results

	US Seniors Housing				UK Seniors Housing	
	Welltower US RIDEA ⁽¹⁾	HC REIT Peers ⁽²⁾	Public Operators ⁽³⁾	Industry Benchmarks	Welltower UK RIDEA ⁽¹⁾	Industry Benchmarks
Property Age <i>Years</i>	15	19 ⁽⁴⁾	20 ⁽⁴⁾	21 ⁽⁵⁾	10	20 ⁽⁹⁾
Housing Value <i>Median</i>	\$531,238	\$244,284 ⁽⁴⁾	\$216,911 ⁽⁴⁾	\$209,770 ⁽⁶⁾	£492,616	£289,612 ⁽¹⁰⁾
Household Income <i>Median</i>	\$92,235	\$64,663 ⁽⁴⁾	\$61,049 ⁽⁴⁾	\$61,045 ⁽⁶⁾	<i>Data Not Available</i>	<i>Data Not Available</i>
REVPOR <i>Monthly</i>	\$6,891	\$4,000 ⁽⁷⁾	\$4,256 ⁽⁷⁾	\$4,593 ⁽⁵⁾	£6,414	£3,241 ⁽¹¹⁾
SSREVPOR Growth <i>Year-over-year</i>	4.0%	2.7% ⁽⁷⁾	2.0% ⁽⁷⁾	2.4% ⁽⁵⁾	3.7%	7.4% ⁽¹¹⁾
SSNOI per Unit <i>Annual</i>	\$23,054	\$11,912 ⁽⁷⁾	\$12,212 ⁽⁷⁾	\$17,827 ⁽⁸⁾	£23,897	£8,045 ⁽¹¹⁾
SSNOI Growth <i>Year-over-year</i>	0.6%	(1.0%) ⁽⁷⁾	(3.1%) ⁽⁷⁾	<i>Data Not Available</i>	5.1%	<i>Data Not Available</i>

Detailed Footnotes

1. Data as of 12/31/2017 for properties included in the seniors housing operating segment. Property age, housing value and household income are NOI-weighted as of December 31, 2017. 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. 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. REVPOR is based on total 4Q17 results. Please see non-GAAP financial measures and reconciliations at the end of this presentation.
2. Average Trailing 4 quarters as of 9/30/2017 results for the following peers: HCP, SNR, SNH, SBRA, and VTR. Housing value and household income are based on 5-mile radius median data.
3. Average Trailing 4 quarters as of 9/30/2017 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, Claritas, and/or publicly available documents.
5. Per NIC 4Q17 Majority AL properties in primary and secondary markets.
6. US Median per Claritas 2018.
7. Derived or obtained from publicly available documents as of 3Q17.
8. The State of Seniors Housing 2017. Represents 2016 results.
9. Property age per LaingBuisson, Care of Older People 28th Edition.
10. UK Average, CACI 2017 CI.
11. Knight Frank 2017 Care Homes Trading Performance Review and assumes a 5% management fee.

Financial Disclosures



Non-GAAP Financial Measures

Welltower Inc. believes that revenues, net income and net income attributable to common stockholders (NICS), as defined by U.S. generally accepted accounting principles (U.S. GAAP), are the most appropriate earnings measurements. 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), Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) and Adjusted EBITDA (A-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.

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 the company's 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 paid to operators, 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-IPNOI 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 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, major capital restructurings and entrance fee communities for periods prior to 1Q16 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.

Historical In-Place NOI Reconciliations

\$s in thousands	Three months ended 12/31/17	
Net income (loss)	\$	(89,743)
Loss (gain) on real estate dispositions, net		(56,381)
Loss (income) from unconsolidated entities		59,449
Income tax expense (benefit)		25,663
Other expenses		60,167
Impairment of assets		99,821
Provision for loan losses		62,966
Loss (gain) on extinguishment of debt, net		371
Loss (gain) on derivatives, net		-
General and administrative expenses		28,365
Depreciation and amortization		238,458
Interest expense		127,217
Consolidated net operating income	\$	556,353
NOI attributable to unconsolidated investments		21,539
NOI attributable to noncontrolling interests		(29,760)
Pro rata net operating income (NOI)	\$	548,132
Interest income		(11,975)
Other income		(1,937)
Held for sale & dispositions		(25,601)
Non IP NOI		(10,278)
Timing adjustments ⁽¹⁾		1,535
In-P lace NOI	\$	499,876
Annualized In-P lace NOI	\$	1,999,504
In-P lace NOI by country		
United States	\$	414,411 82.9%
United Kingdom		43,048 8.6%
Canada		42,417 8.5%
Total In-P lace NOI	\$	499,876 100.0%
In-P lace NOI by property type		
Long-Term/Post-Acute	\$	62,941 12.6%
Seniors Housing Triple-Net		130,778 26.2%
Outpatient Medical		84,136 16.8%
Seniors Housing Operating		222,021 44.4%
Hospital		- 0.0%
Life Science		- 0.0%
Total In-P lace NOI	\$	499,876 100.0%
Notes:		
(1) Represents timing adjustments for current quarter acquisitions, construction conversions and segment transitions.		

\$s in thousands	Three months ended 3/31/18	
Net income	\$	31,694
Loss (gain) on real estate dispositions, net		(6,718)
Loss (income) from unconsolidated entities		(768)
Income tax expense (benefit)		84
Other expenses		-
Loss (income) from discontinued operations, net		203
Provision for loan losses		-
Loss (gain) on extinguishment of debt, net		18,038
Transaction costs		7,714
General and administrative expenses		16,821
Depreciation and amortization		43,387
Interest expense		29,791
Consolidated net operating income	\$	140,246
NOI attributable to unconsolidated investments		2,624
NOI attributable to noncontrolling interests		-
Pro rata net operating income (NOI)	\$	142,870
Interest income		(9,048)
Other income		(996)
Held for sale & dispositions		-
Non IP NOI		(5,346)
Timing adjustments		-
In-P lace NOI	\$	127,480
Annualized In-P lace NOI	\$	509,920
In-P lace NOI by country		
United States	\$	127,480 100.0%
United Kingdom		- 0.0%
Canada		- 0.0%
Total In-P lace NOI	\$	127,480 100.0%
In-P lace NOI by property type		
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		2,293 1.8%
Total In-P lace NOI	\$	127,480 100.0%

In-Place NOI Concentration 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 December 31, 2017									
New York	8.2%	6.0%	\$ 53,564	\$ 72,018	\$ 20,188	\$ 10,945	\$ 156,715	7.8%	9.5%
Los Angeles	15.3%	11.2%	99,188	2,675	-	23,230	125,093	6.3%	7.5%
Philadelphia	14%	10%	9,301	25,719	40,116	21,783	96,919	4.8%	5.8%
Dallas	4.2%	3.1%	27,259	17,329	3,720	27,667	75,975	3.8%	4.6%
Boston	9.2%	6.7%	59,559	1,757	8,257	1,094	70,667	3.5%	4.3%
Seattle	3.2%	2.3%	20,680	16,173	-	13,279	50,132	2.5%	3.0%
San Francisco	5.2%	3.8%	34,037	12,049	-	-	46,086	2.3%	2.8%
Houston	1.8%	1.3%	11,667	4,168	-	24,276	40,111	2.0%	2.4%
Chicago	3.8%	2.8%	24,752	11,576	1,412	2,085	39,825	2.0%	2.4%
Washington DC	3.6%	2.6%	23,354	3,819	5,977	-	33,150	1.7%	2.0%
San Diego	4.2%	3.1%	27,574	-	2,754	1,596	31,924	1.6%	1.9%
San Jose	2.7%	2.0%	17,448	-	-	1,665	19,113	1.0%	1.2%
Other Top 31 US MSAs and Coastal States	31.5%	23.1%	204,797	154,646	94,202	121,723	575,368	28.8%	34.7%
Other United States	5.7%	4.2%	36,776	124,036	68,276	67,476	296,564	14.8%	17.9%
Total United States	100.0%	73.2%	649,956	445,965	244,902	316,819	1,657,642	82.9%	100.0%
London	69.6%	6.2%	54,838	32,384	-	19,725	106,947	5.3%	62.1%
Other Southern England	22.0%	2.0%	17,380	28,480	-	-	45,860	2.3%	26.6%
Other United Kingdom	8.4%	0.7%	6,613	12,775	-	-	19,388	1.0%	11.3%
Total United Kingdom	100.0%	8.9%	78,831	73,639	-	19,725	172,195	8.6%	100.0%
Toronto	25.8%	4.6%	41,036	-	-	-	41,036	2.1%	24.2%
Montreal	11.8%	2.1%	18,807	-	-	-	18,807	0.9%	11.1%
Ottawa	12.1%	2.2%	19,313	-	-	-	19,313	1.0%	11.4%
Calgary	6.1%	1.1%	9,668	-	6,862	-	16,530	0.8%	9.7%
Vancouver	7.6%	1.4%	12,092	1,464	-	-	13,556	0.7%	8.0%
Other Top 10 Canadian MSAs	12.5%	2.2%	19,893	-	-	-	19,893	1.0%	11.7%
Remaining Canada	24.1%	4.3%	38,488	2,044	-	-	40,532	2.0%	23.9%
Total Canada	100.0%	17.9%	159,297	3,508	6,862	-	169,667	8.5%	100.0%
Total In-Place NOI ⁽¹⁾		100.0%	\$ 888,084	\$ 523,112	\$ 251,764	\$ 336,544	\$ 1,999,504	100.0%	
	% of Total		44.4%	26.2%	12.6%	16.8%	100.0%		
Sunrise Senior Living North America		27.2%	\$ 241,323	\$ -	\$ -	\$ -	\$ 241,323	12.1%	
Sunrise Senior Living United Kingdom		8.9%	78,845	-	-	-	78,845	3.9%	
Brookdale Senior Living		2.4%	21,277	130,805	-	-	152,082	7.6%	
Genesis Healthcare		0.0%	-	-	136,257	-	136,257	6.8%	
Revera		13.3%	118,410	-	-	-	118,410	5.9%	
Benchmark Senior Living		10.1%	90,076	-	-	-	90,076	4.5%	
Brandywine Senior Living		0.0%	-	74,285	-	-	74,285	3.7%	
Belmont Village		8.3%	73,464	-	-	-	73,464	3.7%	
Senior Resource Group		8.2%	73,024	-	-	-	73,024	3.7%	
Sagora Senior Living		3.6%	31,798	20,884	-	-	52,682	2.6%	
Avery		0.0%	(27)	50,782	-	-	50,755	2.5%	
Remaining partners		18.0%	159,894	246,356	115,507	336,544	858,301	43.0%	
Total In-Place NOI ⁽¹⁾		100.0%	\$ 888,084	\$ 523,112	\$ 251,764	\$ 336,544	\$ 1,999,504	100.0%	
Notes:									
(1) Please refer to "Historical In-Place NOI Reconciliations" for a reconciliation of In-Place NOI to net income.									

SSNOI Reconciliations

(dollars in thousands)	Three Months Ended						Y/o/Y
	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17		
Net income (loss)	\$ 351,008	\$ 337,610	\$ 203,441	\$ 89,299	\$ (89,743)		
Loss (gain) on real estate dispositions, net	(200,165)	(244,092)	(42,155)	(1,622)	(56,381)		
Loss (income) from unconsolidated entities	2,829	23,106	3,978	(3,408)	59,449		
Income tax expense (benefit)	(16,585)	2,245	(8,448)	669	25,663		
Other expenses	8,838	11,675	6,339	99,595	60,167		
Impairment of assets	13,187	11,031	13,631	-	99,821		
Provision for loan losses	10,215	-	-	-	62,966		
Loss (gain) on extinguishment of debt, net	17,204	31,356	5,515	-	371		
Loss (gain) on derivatives, net	68	1,224	736	324	-		
Transaction costs	9,704	-	-	-	-		
General and administrative expenses	32,807	31,101	32,632	29,913	28,365		
Depreciation and amortization	227,916	228,276	224,847	230,138	238,458		
Interest expense	126,360	118,597	116,231	122,578	127,217		
Consolidated NOI from continuing operations ⁽¹⁾	\$ 583,486	\$ 552,129	\$ 556,747	\$ 567,486	\$ 556,353		
NOI attributable to unconsolidated investments	16,467	21,279	21,873	22,431	21,539		
NOI attributable to noncontrolling interests	(28,151)	(27,542)	(29,359)	(30,538)	(29,760)		
Pro rata net operating income (NOI)	\$ 571,802	\$ 545,866	\$ 549,261	\$ 559,379	\$ 548,132		
Seniors Housing Triple-net							
NOI	\$ 162,540	\$ 162,273	\$ 155,741	\$ 157,815	\$ 153,904		
Non-cash NOI on same store properties	(4,819)	(4,149)	(3,948)	(3,350)	(2,892)		
NOI attributable to non-same store properties	(42,602)	(43,062)	(37,784)	(39,607)	(34,984)		
Currency and ownership adjustments ⁽²⁾	(3,145)	(1,872)	(461)	(696)	(880)		
Normalizing adjustments for rent reallocations ⁽³⁾	-	-	-	-	-		
SSNOI	111,974	113,190	113,548	114,162	115,148	2.8%	
Long-Term/Post-Acute Care							
NOI	115,631	89,316	87,925	88,494	78,353		
Non-cash NOI on same store properties	(5,774)	(3,532)	(2,561)	(3,701)	(1,125)		
NOI attributable to non-same store properties	(43,789)	(29,597)	(28,197)	(27,263)	(19,599)		
Currency and ownership adjustments ⁽²⁾	(9,072)	(13)	13	(107)	(82)		
Normalizing adjustments for rent reallocations ⁽³⁾	(1,010)	-	-	-	-		
SSNOI	55,986	56,174	57,180	57,423	57,547	2.8%	
Seniors Housing Operating							
NOI	206,527	206,296	215,402	221,490	223,233		
Non-cash NOI on same store properties	79	119	454	77	234		
NOI attributable to non-same store properties	(7,530)	(6,619)	(6,012)	(9,354)	(18,338)		
Currency and ownership adjustments ⁽²⁾	129	(164)	(204)	(3,404)	(2,989)		
Normalizing adjustment for policy change ⁽⁴⁾	1,274	-	-	-	-		
Other normalizing adjustments ⁽⁵⁾	223	632	(115)	418	1,510		
SSNOI	200,702	200,264	209,525	209,227	203,650	15%	
Outpatient Medical							
NOI	87,221	87,836	90,167	90,940	92,354		
Non-cash NOI on same store properties	(2,035)	(1,902)	(1,944)	(1,512)	(1,603)		
NOI attributable to non-same store properties	(7,506)	(8,969)	(10,839)	(11,355)	(11,928)		
Currency and ownership adjustments ⁽²⁾	(239)	(305)	43	(226)	(292)		
Other normalizing adjustments ⁽⁵⁾	(590)	(195)	(157)	(23)	(159)		
SSNOI	76,851	76,465	77,270	77,824	78,372	2.0%	
Corporate & Land							
NOI	(117)	145	26	640	288		
NOI attributable to non-same store properties	117	(145)	(26)	(640)	(288)		
SSNOI	-	-	-	-	-		
Total							
NOI	\$ 571,802	\$ 545,866	\$ 549,261	\$ 559,379	\$ 548,132		
Non-cash NOI on same store properties	(12,549)	(9,464)	(7,999)	(8,486)	(5,386)		
NOI attributable to non-same store properties	(101,310)	(88,392)	(82,858)	(88,219)	(85,137)		
Currency and ownership adjustments	(12,327)	(2,354)	(609)	(4,433)	(4,243)		
Normalizing adjustments, net	(103)	437	(272)	395	1,351		
SSNOI	\$ 445,513	\$ 446,093	\$ 457,523	\$ 458,636	\$ 454,717	2.1%	

Notes:

(1) Represents consolidated revenues less consolidated property operating expenses per Note 17 to Welltower's Form 10-K/10-Q for the respective period.

(2) Includes adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.334294 and to translate UK properties at a GBP/USD rate of 1.24837.

(3) Represents adjustments related to reallocation of property level rents due to dispositions within an existing master lease.

(4) Represents prior year costs that were expensed but would be capitalized under current cap-ex policy for one operator.

(5) Represents aggregate normalizing adjustments which are individually less than 0.50% of SSNOI growth per property type.

SHO Same Store Reconciliations

(dollars in thousands, except REVPOR & SSNO/unit)	United States		United Kingdom		Canada		Total	
	4Q16	4Q17	4Q16	4Q17	4Q16	4Q17	4Q16	4Q17
SHO SS REVPOR Growth:								
Consolidated SHO revenues ⁽¹⁾	\$ 486,000	\$ 544,733	\$ 67,047	\$ 75,745	\$ 110,548	\$ 110,308	\$ 663,595	\$ 730,786
Unconsolidated SHO revenues attributable to Welltower ⁽²⁾	20,754	21,787	-	-	19,626	21,018	40,380	42,805
SHO revenues attributable to noncontrolling interests ⁽³⁾	(28,816)	(41,809)	(3,356)	(5,185)	(25,936)	(25,934)	(58,108)	(72,928)
SHO pro rata revenues ⁽⁴⁾	477,938	524,711	63,691	70,560	104,238	105,392	645,867	700,663
Non-cash revenues on same store properties	(549)	(121)	(18)	(19)	-	-	(567)	(140)
Revenues attributable to non-same store properties	(9,929)	(47,250)	(8,327)	(11,465)	(6,598)	(2,908)	(24,854)	(61,623)
Currency and ownership adjustments ⁽⁵⁾	111	-	258	(3,503)	49	(4,883)	418	(8,386)
Other normalizing adjustments ⁽⁶⁾	-	303	-	-	-	-	-	303
SHO SS revenues ⁽⁷⁾	\$ 467,571	\$ 477,643	\$ 55,604	\$ 55,573	\$ 97,689	\$ 97,601	\$ 620,864	\$ 630,817
Avg. occupied units/month ⁽⁸⁾	22,949	22,539	2,306	2,222	12,205	11,853	37,460	36,614
SHO SS REVPOR ⁽⁹⁾	\$ 6,736	\$ 7,006	\$ 7,972	\$ 8,269	\$ 2,646	\$ 2,722	\$ 5,480	\$ 5,696
SS REVPOR YOY growth		4.0%		3.7%		2.9%		3.9%
SHO SS NOI Growth:								
Consolidated SHO NOI ⁽¹⁾	\$ 150,122	\$ 165,437	\$ 17,318	\$ 19,447	\$ 43,455	\$ 41,624	\$ 210,895	\$ 226,508
Unconsolidated SHO NOI attributable to Welltower ⁽²⁾	8,490	7,893	-	-	7,357	8,165	15,847	16,058
SHO NOI attributable to noncontrolling interests ⁽³⁾	(9,842)	(9,231)	3	(209)	(10,376)	(9,893)	(20,215)	(19,333)
SHO pro rata NOI ⁽⁴⁾	148,770	164,099	17,321	19,238	40,436	39,896	206,527	223,233
Non-cash NOI on same store properties	97	253	(18)	(19)	-	-	79	234
NOI attributable to non-same store properties	(3,448)	(17,467)	75	(238)	(4,157)	(633)	(7,530)	(18,338)
Currency and ownership adjustments ⁽⁵⁾	23	-	86	(1,116)	20	(1,873)	129	(2,989)
Other normalizing adjustments ⁽¹⁰⁾	1,385	895	112	615	-	-	1,497	1,510
SHO pro rata SSNOI ⁽⁷⁾	\$ 146,827	\$ 147,780	\$ 17,576	\$ 18,480	\$ 36,299	\$ 37,390	\$ 200,702	\$ 203,650
SHO SSNOI growth		0.6%		5.1%		3.0%		1.5%
SHO SSNOI/Unit:								
Trailing four quarters' SSNOI ⁽⁴⁾	\$ 596,536		\$ 77,146		\$ 148,984		\$ 822,666	
Average units in service ⁽¹¹⁾	25,876		2,586		13,100		41,562	
SSNOI/unit in USD	\$ 23,054		\$ 29,832		\$ 11,373		\$ 19,794	
SSNOI/unit in local currency ⁽⁵⁾			£ 23,897		C \$ 15,175			

Notes:

- (1) Represents consolidated revenues or consolidated NOI (revenues less property operating expenses) per Note 17 to Welltower's Form 10-Q/K.
- (2) Represents Welltower's interests in joint ventures where Welltower is the minority partner.
- (3) Represents minority partners' interests in joint ventures where Welltower is the majority partner.
- (4) Represents SHO revenues/NOI/SSNOI at Welltower pro rata ownership. See SSNOI Reconciliations for more information.
- (5) Includes adjustments where appropriate to reflect consistent property ownership percentages, to translate UK properties at a GBP/USD rate of 1.24837 and to translate Canadian properties at a USD/CAD rate of 1.334294.
- (6) Represents revenues-only component of aggregate SHO SSNOI normalizing adjustments which are individually less than 0.5% of SHO SSNOI growth.
- (7) Represents SS SHO revenues/NOI at Welltower pro rata ownership.
- (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.
- (10) Represents aggregate normalizing adjustments which are individually less than .50% of SSNOI growth.
- (11) Represents average units in service for SS properties related solely to referenced country on a pro rata basis.

Outpatient Medical NOI Reconciliations

\$s in thousands, except per square foot	Three months ended		
	12/31/2017		
	Total	Non Core ⁽¹⁾	Core
OM revenues	\$ 132,411	\$ (7,272)	\$ 125,139
OM property operating expenses	(40,057)	314	(39,743)
OM Core NOI	\$ 92,354	\$ (6,958)	\$ 85,396
OM Core NOI margin			68.2%
OM Core NOI			\$ 85,396
Less: In-Place NOI adjustments			(1,260)
OM In-Place NOI			84,136
OM In-Place NOI Annualized			\$ 336,544
OM Core NOI			\$ 85,396
Less: Interest Income			-
OM Core Rental NOI			\$ 85,396
Totals square feet			17,631,245
Less: lots, development, held for sale			(1,954,682)
Pro rata adjustments ⁽²⁾			(775,589)
Pro rata rentals square feet			14,900,974
OM Core Rental NOI per square foot annualized			\$ 22.92
OM Core Rental NOI			\$ 85,396
Non health system affiliated NOI			(4,103)
OM health system affiliated Core NOI			\$ 81,293
OM health system affiliated Core NOI%			95.2%
Notes:			
Unless otherwise noted, amounts presented on Welltower pro rata ownership basis and excludes assets sold or held for sale. See "Historical In-Place NOI Reconciliations" and "In-Place NOI Concentration Reconciliations" for reconciliation to net income.			
(1) Represents amounts from assets held for sale and non-core other income.			
(2) Represents amounts attributable to joint venture partners, both unconsolidated and noncontrolling.			

EBITDA and Adjusted EBITDA

We measure our credit strength both in terms of leverage ratios and coverage ratios. The leverage ratios indicate how much of our balance sheet capitalization is related to long-term debt, net of cash and IRC section 1031 deposits. We expect to maintain capitalization ratios and coverage ratios sufficient to maintain a capital structure consistent with our current profile. The coverage ratios are based on EBITDA which stands for earnings (net income per income statement) before interest expense, income taxes, depreciation and amortization. Covenants in our senior unsecured notes 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 A-EBITDA to exclude unconsolidated entities and 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 them to measure our interest coverage ratio, which represents EBITDA and A-EBITDA divided by total interest, and our fixed charge coverage ratio, which represents EBITDA and A-EBITDA divided by fixed charges. Fixed charges include total interest, secured debt principal amortization and preferred dividends. Our leverage ratios include net debt to A-EBITDA, book capitalization, undepreciated book capitalization and market capitalization. Book capitalization represents the sum of net debt (defined as total long-term debt less cash and cash equivalents and any IRC section 1031 deposits), total equity and redeemable noncontrolling interests. Undepreciated book capitalization represents book capitalization adjusted for accumulated depreciation and amortization. Market capitalization represents book capitalization adjusted for the fair market value of our common stock. Our leverage ratios are defined as the proportion of net debt to total capitalization.

EBITDA/A-EBITDA Reconciliations

Dollars in thousands	Three Months Ended December 31, 2013	Three Months Ended December 31, 2017
Net income (loss)	\$ 25,696	\$ (89,743)
Interest expense ⁽¹⁾	124,485	127,217
Income tax expense (benefit)	435	25,663
Depreciation and amortization ⁽¹⁾	243,380	238,458
EBITDA	393,996	301,595
Loss (income) from unconsolidated entities	4,659	59,449
Stock-based compensation	3,527	2,643
Provision for loan losses	2,110	62,966
Loss (gain) on extinguishment of debt	3,467	371
Loss/impairment (gain) on properties, net	8,064	43,440
Loss (gain) on derivatives	6	-
Other expenses and transaction costs ⁽²⁾	15,693	60,167
Adjusted EBITDA	\$ 431,522	\$ 530,631
Interest Coverage Ratio:		
Interest expense ⁽¹⁾	\$ 124,485	\$ 127,217
Non-cash interest expense	(264)	(2,534)
Capitalized interest	2,003	3,456
Total interest	126,224	128,139
Adjusted EBITDA	\$ 431,522	\$ 530,631
Interest coverage ratio - adjusted	3.4x	4.1x
Fixed Charge Coverage Ratio:		
Total interest ⁽¹⁾	\$ 126,224	\$ 128,139
Secured debt principal amortization	16,312	16,572
Preferred dividends	16,531	11,676
Total fixed charges	159,067	156,387
Adjusted EBITDA	\$ 431,522	\$ 530,631
Fixed charge coverage ratio - adjusted	2.7x	3.4x
Net Debt to Adjusted EBITDA Ratio:		
Total debt	\$ 10,652,014	\$ 11,731,936
Less: cash and cash equivalents ⁽³⁾	(158,780)	(249,620)
Net debt	10,493,234	11,482,316
Adjusted EBITDA annualized	\$ 1,726,088	\$ 2,122,524
Net debt to adjusted EBITDA ratio	6.08x	5.41x
Notes:		
(1) 2013 includes amounts related to properties sold or classified as held for sale.		
(2) Certain severance-related costs are included in stock-based compensation and excluded from other expenses.		
(3) Includes IRC section 1031 deposits, if any.		

Capitalization Ratios

Dollars in thousands		
	12/31/2013	12/31/2017
Net Debt to Undepreciated Book Capitalization:		
Line of credit	\$ 130,000	\$ 719,000
Long-term debt obligations ⁽¹⁾	10,522,014	11,012,936
Cash and cash equivalents ⁽²⁾	(158,780)	(249,620)
Net debt	10,493,234	11,482,316
Accumulated depreciation and amortization	2,386,658	4,838,370
Total equity ⁽³⁾	11,791,370	15,300,645
Undepreciated book capitalization	\$ 24,671,262	\$ 31,621,331
Net debt to undepreciated book capitalization ratio	42.5%	36.3%
Net Debt to Enterprise Value:		
Outstanding common stock (000s)	289,564	371,732
Period end share price	\$ 53.57	\$ 63.77
Common equity market capitalization	\$ 15,511,943	23,705,350
Net debt	10,493,234	11,482,316
Preferred stock	1,017,361	718,503
Noncontrolling interests ⁽³⁾	376,787	877,498
Enterprise value	\$ 27,399,325	\$ 36,783,667
Net debt to enterprise value ratio	38.3%	31.2%
Notes:		
(1) Includes unamortized premiums/discounts and other fair value adjustments as reflected on our balance sheet.		
(2) Inclusive of IRC section 1031 deposits.		
(3) Includes all noncontrolling interests (redeemable and permanent).		