

HCP Achieves Additional Milestones on Previously Announced Brookdale Transactions

**Closed on the Sale of RIDEA II to Columbia Pacific Advisors for \$332 Million
Under Contract to Sell a Portfolio of Brookdale Communities for \$428 Million**

IRVINE, Calif., June 5, 2018 /PRNewswire/ -- HCP, Inc. (NYSE: HCP) today provided an update on several transactions which improve the quality of its senior housing portfolio while further reducing Brookdale Senior Living Inc. ("Brookdale") operator concentration.

RIDEA II JOINT VENTURE SALE

HCP has closed on the previously announced disposition of its remaining investment in the RIDEA II senior housing joint venture ("RIDEA II") to an investor group led by Columbia Pacific Advisors, LLC generating \$332 million of proceeds. The RIDEA II joint venture owned 49 communities, of which 46 were managed by Brookdale.

MASTER TRANSACTIONS AND COOPERATION AGREEMENT ("MTCA") WITH BROOKDALE

In November 2017, in connection with the MTCA, HCP announced the agreement to sell or transition 68 Brookdale communities.

22-Community Portfolio Sale: HCP entered into definitive agreements to sell a portfolio of 22 Brookdale-managed senior housing communities comprising 2,781 units to an institutional investor for \$428 million. This transaction is expected to close in the third quarter and is subject to customary closing conditions and regulatory license transfer approvals.

Operator Transition Update: In March, HCP announced an agreement to transition management of a portfolio of 24 HCP-owned senior housing communities from Brookdale to Atria Senior Living, Inc. As of June 4th, we have successfully transitioned 18 of the 24 communities. Additionally, we have transitioned one community to another existing operating partner, Sonata Senior Living.

Remaining MTCA Transactions: For the remaining 21 Brookdale-managed communities, HCP is finalizing agreements with other operators to transition additional communities and is marketing select assets for sale. The transitions or sales are expected to be completed during 2018.

BROOKDALE 25 TRANSACTIONS

Closed Transactions: A total of five communities comprising 353 units sold for a combined \$32 million. Four of the dispositions closed in late 2017 and one closed during the second quarter of 2018.

Under Contract: HCP is under contract to sell an additional 15 communities comprising 1,433 units for a total of \$98 million in three separate transactions. These transactions are expected to close in the third quarter and are subject to customary closing conditions and regulatory license transfer approvals.

Sales or Transitions: The remaining five assets are expected to be sold or transitioned during 2018.

"We are pleased to demonstrate continued progress executing on our strategic portfolio repositioning," said Tom Herzog, President and Chief Executive Officer of HCP. "The vast majority of dispositions transactions are now closed or under contract, resulting in a senior housing portfolio with improved operator diversification and stronger demographics. Additionally, the proceeds generated from these sales will further strengthen our balance sheet."

Pricing on the combined \$863 million of disposition transactions under contract or closed during 2018 represents a 7.1% blended cap rate on trailing-twelve month property EBITDAR.

An updated investor presentation, including additional details on timing and pricing of the announced dispositions, can be found on the Company's website under the Presentations tab in the Investor Relations section at <http://ir.hcpi.com>.

About HCP

HCP, Inc. is a fully integrated real estate investment trust (REIT) that invests in real estate serving the healthcare industry in the United States. HCP owns a large-scale portfolio primarily diversified across life science, medical office and senior housing. Recognized as a global leader in sustainability, HCP has been a publicly-traded company since 1985 and was the first healthcare REIT selected to the S&P 500 index. For more information regarding HCP, visit www.hcpi.com.

Forward-Looking Statements

Statements in this release that are not historical facts are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, among other things, statements regarding our and our officers' intent, belief or expectation as identified by the use of words such as "may," "will," "project," "expect," "believe," "intend," "anticipate," "seek," "forecast," "plan," "potential," "estimate," "could," "would," "should" and other comparable and derivative terms or the negatives thereof. Examples of forward-looking statements include, among other things, statements regarding our pending and planned transactions and transitions, including the anticipated benefits from, and results of, the transactions and transitions, execution plans, expected proceeds, anticipated use of proceeds, additional agreements or terms that may be agreed to by the parties, and the anticipated closing or completion timeframes of the transactions and transitions. Forward-looking statements reflect our current expectations and views about future events and are subject to risks and uncertainties that could significantly affect our future financial condition and results of operations. While forward-looking statements reflect our good faith belief and assumptions we believe to be reasonable based upon current information, we can give no assurance that our expectations or forecasts will be attained. Further, we cannot guarantee the accuracy of any such forward-looking statement contained in this release, and such forward-looking statements are subject to known and unknown risks and uncertainties that are difficult to predict. See Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 for a description of risks and uncertainties that may cause our actual results to differ materially from the expectations contained in the forward-looking statements herein. Except as required by law, we do not undertake, and hereby disclaim, any obligation to update any forward-looking statements, which speak only as of the date on which they are made.

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SOURCE HCP, Inc.

<https://ir.healthpeak.com/2018-06-05-HCP-Achieves-Additional-Milestones-on-Previously-Announced-Brookdale-Transactions>