

HEALTH CARE PROPERTY INVESTORS INC
Form 8-K/A
November 01, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

October 27, 2004

Date of Report (Date of earliest event reported)

HEALTH CARE PROPERTY INVESTORS, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State of Incorporation)

001-08895
(Commission File Number)

33-0091377
(IRS Employer

Identification Number)

3760 Kilroy Airport Way

Suite 300

Long Beach, California 90806

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(Address of principal executive offices) (Zip Code)

(562) 733-5100

(Registrant's telephone number, including area code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On October 27, 2004, the company issued a press release, which set forth our results of operations for the quarter ended September 30, 2004. A copy of the press release was filed with the Securities and Exchange Commission as an exhibit to our Current Report on Form 8-K dated October 27, 2004. The press release contained two typographical errors, which we are correcting with this Current Report on Form 8-K/A.

The first typographical error was a mislabeled line item in the Funds From Operations Information (Unaudited) Operating Results table on page 6 of the press release. The first line item under Net income applicable to common shares was incorrectly labeled Equity income (loss) from unconsolidated joint ventures instead of Real estate depreciation and amortization.

The second typographical error was a mislabeled line item in the Consolidated Balance Sheets (Unaudited) table on page 7 of the press release. The second line item under Assets Real estate investments was incorrectly labeled Equity income (loss) from unconsolidated joint ventures instead of Accumulated depreciation and amortization.

Set forth below is a revised version of the complete press release dated October 27, 2004, which contains the two corrections referenced above. The information contained herein shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

NEWS RELEASE

HEALTH CARE PROPERTY INVESTORS, INC. REPORTS RESULTS FOR

THE QUARTER ENDED SEPTEMBER 30, 2004

LONG BEACH, CA, October 27, 2004 Health Care Property Investors, Inc. (NYSE:HCP), a health care real estate investment trust (REIT), today announced operating results for the quarter ended September 30, 2004. Net income applicable to common shares for the quarter ended September 30, 2004 totaled \$29.2 million, or \$0.22 per diluted share of common stock. This compares with net income applicable to common shares of \$38.7 million, or \$0.30 per diluted share of common stock for the quarter ended September 30, 2003. The Company's operating results for the quarter ended September 30, 2004 include asset impairment charges of \$13.2 million. Net income applicable to common shares for the quarter ended September 30, 2003 include preferred stock redemption charges of \$6.8 million.

Funds From Operations (FFO) was \$48.9 million, or \$0.37 per diluted share of common stock, for the quarter ended September 30, 2004. This compares with FFO of \$53.5 million, or \$0.42 per diluted share of common stock, for the quarter ended September 30, 2003. Prior to asset impairment charges, FFO was \$0.46 and \$0.42 per diluted share for the quarters ended September 30, 2004 and 2003, respectively. Preferred stock redemption charges reduced FFO per diluted share of common stock by \$.05 for the quarter ended September 30, 2003.

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The Company's presentation of FFO for all periods includes the effect of asset impairment charges, consistent with recent clarifications from the National Association of Real Estate Investment Trusts (NAREIT). FFO is a supplemental non-GAAP financial measurement used to evaluate the operating performance of real estate investment trusts.

THIRD QUARTER DEVELOPMENTS

During the third quarter of 2004, the Company made investments of approximately \$215 million, or approximately \$115 million net of related mezzanine debt repayments. This brings aggregate investments, including development properties placed in service, for the first nine months to approximately \$420 million, or \$320 million net of related mezzanine debt repayments. For the nine months ended September 30, 2004, the Company's investments have been allocated among the following sectors 48% assisted living and continuing care retirement communities, 21% long term care, 21% medical office buildings, and 10% life sciences.

On October 26, 2004, HCP closed a new \$500 million, three-year, unsecured revolving credit facility. The facility is priced at 65 basis points over LIBOR with a 15 basis point facility fee, based upon the Company's current credit rating. This pricing represents an improvement over the former \$490 million unsecured revolving credit facility. Bank of America Securities LLC and JP Morgan Securities, Inc. acted as joint lead arrangers and joint book managers of the new facility.

During the third quarter, the Company identified 11 properties with an estimated fair value of \$15 million for future disposition. A \$13.2 million impairment charge related to these properties was recorded in the third quarter with \$5.7 million recorded in continuing operations and \$7.5 million recorded in discontinued operations. The assets consist of three medical office buildings, six skilled nursing facilities, and two assisted living facilities.

On October 27, 2004, the Company announced that its Board of Directors declared a quarterly common stock cash dividend of \$0.4175 per share. The common stock dividend will be paid on November 19, 2004 to stockholders of record as of the close of business on November 8, 2004. This dividend equals \$1.67 per share on an annualized basis.

FUTURE OPERATIONS

For the full year 2004, the Company presently expects net income applicable to common shares to range between \$1.02 and \$1.06 per diluted share, and expects FFO to range between \$1.62 and \$1.66 per diluted share, including the impact of impairment charges through September 30, 2004, but excluding the impact of future impairments, if any. Excluding asset impairment charges, the Company expects FFO to range between \$1.74 and \$1.78 per diluted share.

COMPANY INFORMATION

Health Care Property Investors, Inc. has scheduled a conference call and webcast for Thursday, October 28, 2004 at 9:00 a.m. Pacific Time (12:00 p.m. Eastern Time) in order to present the Company's performance and operating results for the quarter ended September 30, 2004. The conference call is accessible by dialing 800-599-9795 (U.S.) and 617-786-2905 (International). The participant pass code is 75064602. The webcast is accessible via the Company's Internet web site at www.hcpi.com. A webcast replay of the conference call will be available after 2:00 p.m. Pacific Time on October 28, 2004 through November 11, 2004 on the Company's website or by dialing 888-286-8010 (U.S.) and 617-801-6888 (International). The replay pass code is 45156300.

Health Care Property Investors, Inc. (NYSE:HCP) is a self-administered real estate investment trust (REIT) that invests directly or through joint ventures in health care facilities. As of September 30, 2004, the Company's portfolio of properties, including investments through joint ventures and mortgage loans, included 536 properties in 43 states and consisted of 29 hospitals, 179 long-term care facilities, 124 assisted living and continuing care retirement communities (CCRCs), 180 medical office buildings and 24 other health care facilities. For more information on Health Care Property Investors, Inc., visit the Company's web site at www.hcpi.com.

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Contact:

Health Care Property Investors, Inc., Long Beach, California

Laura Catalino

Assistant Treasurer and Director of Investor Relations

(562) 733-5146

Talya Nevo-Hacohen

Senior Vice President Strategic Development and Treasurer

(562) 733-5104

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: The statements contained in this release and in the supplement, which are not historical facts, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Examples of such forward looking statements include the Company's beliefs and statements regarding decisions to dispose of assets; estimated fair market value of assets; and net income and FFO guidance for the remainder of 2004. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements. These risks and uncertainties include competition for the acquisition and financing of health care facilities, competition for lessees and mortgagors (including new leases and mortgages and the renewal or roll-over of existing leases); continuing operational difficulties in the long-term care and assisted living sectors; the Company's ability to acquire, sell or lease facilities and the timing of acquisitions, sales and leasings; changes in health care laws and regulations and other changes in the health care industry which affect the operations of the Company's lessees or mortgagors; changes in management; costs of compliance with building regulations; changes in tax laws and regulations; changes in the financial position of the Company's lessees and mortgagors; changes in rules governing financial reporting, including new accounting pronouncements; and changes in economic conditions, including changes in interest rates and the availability and cost of capital, which affect opportunities for profitable investments. Some of these risks, and other risks, are described from time to time in Health Care Property Investors' Securities and Exchange Commission filings.

HEALTH CARE PROPERTY INVESTORS, INC.**Summary Information (Unaudited)****In Thousands, Except Per Share Data**

| | Quarter Ended September 30, | | Nine Months Ended September 30, | |
|--|-----------------------------|-----------|---------------------------------|------------|
| | 2004 | 2003 | 2004 | 2003 |
| Revenue | \$ 111,226 | \$ 96,864 | \$ 314,901 | \$ 273,713 |
| Net income applicable to common shares | \$ 29,208 | \$ 38,680 | \$ 107,062 | \$ 80,414 |
| Basic earnings per share | \$ 0.22 | \$ 0.31 | \$ 0.81 | \$ 0.66 |
| Diluted earnings per share | \$ 0.22 | \$ 0.30 | \$ 0.80 | \$ 0.65 |
| Shares used to calculate diluted earnings per share | 133,584 | 127,862 | 133,047 | 123,447 |
| Funds from operations ¹ | \$ 48,892 | \$ 53,466 | \$ 160,867 | \$ 132,309 |
| Diluted funds from operations per share ¹ | \$ 0.37 | \$ 0.42 | \$ 1.21 | \$ 1.07 |
| Impairments | \$ 13,180 | \$ | \$ 16,617 | \$ 11,652 |
| Per share impact of impairments on diluted funds from operations | \$ 0.09 | \$ | \$ 0.12 | \$ 0.09 |

¹ The Company believes that Funds From Operations (FFO) and Diluted Funds From Operations per share are important supplemental measures of operating performance for a real estate investment trust. Because the historical cost accounting convention used for real estate assets requires straight-line depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen and fallen with market conditions, presentations of operating results for a real estate investment trust that uses historical cost accounting for depreciation could be less informative. The term FFO was designed by the real estate investment trust industry to address this issue.

The Company defines FFO as net income applicable to common shares (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from real estate dispositions, plus real estate depreciation and amortization, and after adjustments for unconsolidated joint ventures. Adjustments for unconsolidated joint ventures are calculated to reflect FFO on the same basis. FFO does not represent cash generated from operating activities in accordance with generally accepted accounting principles, is not necessarily indicative of cash available to fund cash needs, and should not be considered as an alternative to net income. A reconciliation of net income applicable to common shares to FFO is provided herein.

HEALTH CARE PROPERTY INVESTORS, INC.

Consolidated Statements of Income (Unaudited)

In Thousands, Except Per Share Data

| | Quarter Ended September 30, | | Nine Months Ended September 30, | |
|---|-----------------------------|------------------|---------------------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Revenues | | | | |
| Rental income | \$ 100,304 | \$ 82,282 | \$ 281,953 | \$ 239,519 |
| Equity income (loss) from unconsolidated joint ventures | (459) | 290 | 1,627 | 454 |
| Interest and other income | 11,381 | 14,292 | 31,321 | 33,740 |
| | <u>111,226</u> | <u>96,864</u> | <u>314,901</u> | <u>273,713</u> |
| Expenses | | | | |
| Interest | 23,233 | 21,833 | 65,694 | 65,521 |
| Real estate depreciation and amortization | 22,888 | 18,229 | 64,084 | 54,467 |
| Operating expenses from medical office buildings | 10,581 | 7,763 | 29,351 | 22,173 |
| General and administrative | 9,657 | 5,516 | 25,350 | 16,419 |
| Impairments | 5,680 | | 6,896 | |
| | <u>72,039</u> | <u>53,341</u> | <u>191,375</u> | <u>158,580</u> |
| Income from operations | 39,187 | 43,523 | 123,526 | 115,133 |
| Minority interests | (2,946) | (2,038) | (9,099) | (6,297) |
| Income from continuing operations | 36,241 | 41,485 | 114,427 | 108,836 |
| Discontinued operations | | | | |
| Operating income (loss) from discontinued operations | (90) | 3,038 | 2,095 | 8,900 |
| Gain (loss) on real estate dispositions and impairments | (1,661) | 5,086 | 6,387 | (3,549) |
| | <u>(1,751)</u> | <u>8,124</u> | <u>8,482</u> | <u>5,351</u> |
| Net income | 34,490 | 49,609 | 122,909 | 114,187 |
| Dividends to preferred stockholders | (5,282) | (4,147) | (15,847) | (15,220) |
| Preferred stock redemption charges | | (6,782) | | (18,553) |
| Net income applicable to common shares | <u>\$ 29,208</u> | <u>\$ 38,680</u> | <u>\$ 107,062</u> | <u>\$ 80,414</u> |
| Basic earnings per share | | | | |
| Income from continuing operations applicable to common shares | 0.23 | 0.24 | 0.75 | 0.61 |
| Discontinued operations | (0.01) | 0.07 | 0.06 | 0.05 |
| Net Income applicable to common shares | <u>\$ 0.22</u> | <u>0.31</u> | <u>\$ 0.81</u> | <u>\$ 0.66</u> |

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| Diluted earnings per share | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| Income from continuing operations applicable to common shares | \$ 0.23 | \$ 0.24 | \$ 0.74 | \$ 0.61 |
| Discontinued operations | (0.01) | 0.06 | 0.06 | 0.04 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net Income applicable to common shares | \$ 0.22 | \$ 0.30 | \$ 0.80 | \$ 0.65 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Shares used to calculate earnings per share | | | | |
| Basic | 132,182 | 126,308 | 131,525 | 122,307 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Diluted | 133,584 | 127,862 | 133,047 | 123,447 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

HEALTH CARE PROPERTY INVESTORS, INC.

Funds From Operations Information (Unaudited)

In Thousands, Except Per Share Data

OPERATING RESULTS:

| | Quarter Ended September 30, | | Nine Months Ended September 30, | |
|---|-----------------------------|------------------|---------------------------------|-------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Net income applicable to common shares | \$ 29,208 | \$ 38,680 | \$ 107,062 | \$ 80,414 |
| Real estate depreciation and amortization | 22,888 | 18,229 | 64,084 | 54,467 |
| Gain on real estate dispositions | (5,839) | (5,086) | (16,108) | (8,103) |
| Depreciation and amortization included in discontinued operations | 256 | 1,414 | 1,536 | 4,715 |
| Joint venture FFO adjustments | 2,379 | 229 | 4,293 | 816 |
| Funds from operations¹ | \$ 48,892 | \$ 53,466 | \$ 160,867 | \$ 132,309 |
| Dividend on convertible partnership units | | 1,274 | 2,195 | 1,274 |
| Diluted funds from operations | \$ 48,892 | \$ 54,740 | \$ 163,062 | \$ 133,583 |
| Diluted funds from operations per share ¹ | \$ 0.37 | \$ 0.42 | \$ 1.21 | \$ 1.07 |
| Shares used to calculate diluted FFO | 133,584 | 131,040 | 134,799 | 124,507 |
| Impairments | \$ 13,180 | \$ | \$ 16,617 | \$ 11,652 |
| Per share impact of impairments on diluted funds from operations | \$ 0.09 | \$ | \$ 0.12 | \$ 0.09 |

FUTURE OPERATIONS:

| | Full Year 2004 | |
|--|----------------|---------|
| | Low | High |
| Diluted earnings per share | \$ 1.02 | \$ 1.06 |
| Real estate depreciation and amortization | 0.69 | 0.69 |
| Gain on real estate dispositions | (0.12) | (0.12) |
| Joint venture FFO adjustments | 0.04 | 0.04 |
| Dilutive impact of operating partnership units | (0.01) | (0.01) |

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| | | |
|--|-------------------|-------------------|
| Diluted funds from operations per share | \$ 1.62 | \$ 1.66 |
| | <u> </u> | <u> </u> |
| Impairments per share ² | 0.12 | 0.12 |
| | <u> </u> | <u> </u> |
| Diluted funds from operations per share, excluding impairment charges¹ | 1.74 | 1.78 |
| | <u> </u> | <u> </u> |

¹ The Company believes that Funds From Operations (FFO) and Diluted Funds From Operations per share are important supplemental measures of operating performance for a real estate investment trust. Because the historical cost accounting convention used for real estate assets requires straight-line depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen and fallen with market conditions, presentations of operating results for a real estate investment trust that uses historical cost accounting for depreciation could be less informative. The term FFO was designed by the real estate investment trust industry to address this issue.

The Company defines FFO as Net Income applicable to common shares (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from real estate dispositions, plus real estate depreciation and amortization, and after adjustments for unconsolidated joint ventures. Adjustments for unconsolidated joint ventures are calculated to reflect FFO on the same basis. FFO does not represent cash generated from operating activities in accordance with generally accepted accounting principles, is not necessarily indicative of cash available to fund cash needs and should not be considered as an alternative to net income.

² Represents actual impairment charges through September 30, 2004. Future impairments, if any, are excluded because they cannot be projected.

HEALTH CARE PROPERTY INVESTORS, INC.**Consolidated Balance Sheets (Unaudited)****In Thousands**

| | September 30, | December 31, |
|--|----------------------|---------------------|
| | 2004 | 2003 |
| | <u> </u> | <u> </u> |
| Assets | | |
| Real estate investments: | | |
| Buildings and improvements | \$ 2,946,794 | \$ 2,682,206 |
| Accumulated depreciation and amortization | (513,518) | (486,421) |
| | <u>2,433,276</u> | <u>2,195,785</u> |
| Construction in progress | 21,199 | 64,303 |
| Land | 300,283 | 283,352 |
| | <u>2,754,758</u> | <u>2,543,440</u> |
| Loans receivable, net | 144,529 | 184,360 |
| Loans to joint venture partners | 6,512 | 83,253 |
| Investments in and advances to unconsolidated joint ventures | 58,520 | 172,450 |
| Accounts receivable, net | 16,910 | 16,471 |
| Cash and cash equivalents | 11,369 | 17,768 |
| Other assets | 21,041 | 18,215 |
| | <u> </u> | <u> </u> |
| Total Assets | <u>\$ 3,013,639</u> | <u>\$ 3,035,957</u> |
| Liabilities and Stockholders Equity | | |
| Bank notes payable | \$ 142,800 | \$ 198,000 |
| Senior notes payable | 1,051,485 | 1,050,476 |
| Mortgage notes payable | 196,009 | 158,808 |
| Accounts payable and accrued expenses | 60,577 | 55,055 |
| Deferred revenue | 16,281 | 16,080 |
| Minority interests in joint ventures | 24,065 | 12,931 |
| Minority interests convertible into common stock | 101,195 | 103,990 |
| Stockholders equity: | | |
| Preferred stock | 285,173 | 285,173 |
| Common stock | 133,004 | 131,040 |
| Additional paid-in capital | 1,391,191 | 1,355,299 |
| Cumulative net income | 1,301,958 | 1,179,049 |
| Cumulative dividends | (1,678,982) | (1,497,727) |
| Other equity | (11,117) | (12,217) |
| | <u> </u> | <u> </u> |
| Total Stockholders Equity | <u>1,421,227</u> | <u>1,440,617</u> |
| | <u> </u> | <u> </u> |
| Total Liabilities and Stockholders Equity | <u>\$ 3,013,639</u> | <u>\$ 3,035,957</u> |

HEALTH CARE PROPERTY INVESTORS, INC.**Supplemental Financial and Operating Information****OTHER INFORMATION**

The following summarizes certain information for the quarter and nine months ended September 30, 2004 and 2003 (In thousands):

| | Quarter Ended September 30, | | Nine Months Ended September 30, | |
|---|--|------------------|--|-------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Capitalized interest | \$ | \$ 183 | \$ 881 | \$ 464 |
| Amortization of deferred financing costs | 606 | 659 | 2,261 | 1,980 |
| Income from straight line rents and interest | 377 | (296) | 4,070 | 1,430 |
| Lease commissions and tenant and capital improvements on medical office buildings | 1,633 | 2,196 | 2,951 | 5,004 |
| | | | | |
| | Quarter Ended September 30, | | Nine Months Ended September 30, | |
| | 2004 | 2003 | 2004 | 2003 |
| Rental Income: | | | | |
| Triple net | \$ 72,438 | \$ 61,364 | \$ 202,304 | \$ 177,968 |
| Medical office buildings | 27,866 | 20,918 | 79,649 | 61,551 |
| | | | | |
| | \$ 100,304 | \$ 82,282 | \$ 281,953 | \$ 239,519 |

HEALTH CARE PROPERTY INVESTORS, INC.

Supplementary Information as of September 30, 2004 (Unaudited)

Dollars In Thousands, Except Investment Per Bed/Unit/Square Foot

PORTFOLIO OVERVIEW¹

| | Hospitals | Long-Term Care | Assisted Living & CCRCs | Medical Office Building (Excl. HCP MOP) | Other | HCP Medical Office Portfolio, LLC (HCP MOP ²) |
|---|---------------|-------------------|----------------------------|---|--------------------|--|
| Investment ³ | \$ 791,668 | \$ 741,600 | \$ 950,141 | \$ 712,878 | \$ 210,266 | \$ 48,975 |
| Number of properties ³ | 29 | 179 | 124 | 86 | 24 | 94 |
| Assets held for sale | | | | 3 | 3 | 3 |
| Number of beds/units/square feet ^{4, 5} | 3,466 Beds | 21,517 Beds | 13,326 Units | 5,063,000 Sq Ft | 1,440,000 Sq Ft | 5,229,000 Sq Ft |
| Investment per bed/unit/square foot ⁶ | \$ 228,000 | \$ 34,000 | \$ 71,000 | \$ 141 | \$ 146 | \$ 89 |
| Occupancy data: ^{4, 7} | | | | | | |
| Current quarter | 60% | 81% | 85% | 92% | 100% | 88% |
| Prior quarter 2004 | 63% | 81% | 82% | 91% | 100% | 87% |
| Cash flow coverage after management fees ^{4, 7, 8, 9} | 2.2x | 1.3x | 1.1x | N/A | N/A | N/A |

¹ All amounts exclude assets held for sale unless otherwise indicated.

² The Company is the managing member of HCP Medical Office Portfolio, LLC, an unconsolidated joint venture, and has a 33% interest therein.

³ Investment represents the historical cost of the Company's real estate investments and the net book value of our unconsolidated joint ventures and secured loans receivable. Number of properties includes facilities associated with all of the aforementioned investments.

⁴ Information for the Company's hospital, long-term care, and assisted living and CCRCs was derived solely from information provided by its lessees and mortgagors without verification of its accuracy.

⁵ Hospital and long-term care facilities are measured by bed count. Assisted living and CCRCs are apartment-like facilities and are stated in units (studio, one or two bedroom apartments). Medical office buildings and other health care facilities are measured in square feet.

⁶ Excludes facilities under construction.

⁷ Excludes facilities under construction, newly completed facilities under start up, vacant facilities and facilities where data is not available or meaningful.

⁸ Results are for a twelve month historical period and exclude data related to nine hospitals leased to HealthSouth until greater assurances about HealthSouth's financial information are received.

⁹ Includes imputed management fees of 2% for acute care hospitals and 5% for long-term care, assisted living and CCRCs.

TENANT OVERVIEW¹

PORTFOLIO BY OPERATOR/TENANT:

Nine Months Ended
September 30, 2004

| Operator/Tenant | Percentage of Revenue Less Operating Expenses ² |
|---|---|
| Tenet Healthcare | 13.1% |
| American Retirement Corp. | 9.6% |
| Emeritus Corporation | 5.7% |
| HealthSouth Corporation | 4.7% |
| Kindred Healthcare, Inc. | 3.9% |
| HCA Inc. | 3.1% |
| Not-for-profit investment grade tenants | 1.1% |
| Other publicly traded operators or guarantors | 9.9% |
| Other non-public operators and tenants | 48.9% |
| | 100.0% |

SAME PROPERTY OVERVIEW¹

SAME PROPERTY GROWTH:

Comparable Facilities for the Nine Months Ended September 30, 2004 vs. September 30, 2003

| | |
|--|------|
| Investment properties, excluding medical office buildings | |
| Number of same properties | 284 |
| Revenue percentage increase | 0.7% |
| Medical office buildings, excluding HCP MOP | |
| Number of same properties | 71 |
| Occupancy percentage at September 30, 2004 | 95% |
| Revenue percentage change | |

¹ All amounts exclude assets sold and assets held for sale.

² Since the tenant is responsible for operating expenses under a triple-net lease, management believes revenues are not comparable between property types without deducting operating expenses for properties leased under gross or modified gross leases. Revenue excludes non-property specific revenue and equity income from unconsolidated joint ventures.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HEALTH CARE PROPERTY INVESTORS, INC.
(Registrant)

Date: October 29, 2004

By: /s/ Edward J. Henning

Name: Edward J. Henning
Title: Senior Vice President, General Counsel and
Corporate Secretary