HCP, INC.
Form 424B5
October 10, 2007

The information in this prospectus supplement and the accompanying prospectus is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not offers to sell these securities, and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)

Reg. Statement No. 333-137225

Subject to Completion, Dated October 10, 2007

Preliminary Prospectus Supplement

(To Prospectus dated September 8, 2006)

$

HCP, Inc.

% Senior Notes Due

The notes will mature on , . HCP will pay interest on the notes on and of each year, beginning , 2008.

The notes are redeemable, in whole or in part, at any time under a make-whole redemption provision described in this prospectus supplement. In addition, if we experience a change in control and the ratings on the notes are downgraded below investment grade as a result, we may be required to repurchase the notes on the terms described in this prospectus supplement.

The notes will be senior unsecured obligations and will rank equally with HCP s existing and future unsecured senior indebtedness. The notes will be issued only in denominations of $1,000 and integral multiples of $1,000.

Investing in the notes involves risk. See Risk Factors beginning on page S-8 of this prospectus supplement and page 4 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public offering price(1)	%	$
Underwriting discount	%	$
Proceeds (before expenses) to HCP(1)	%	$

(1) Plus accrued interest, if any, from October , 2007, if settlement occurs after that date.

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

We expect that delivery of the notes will be made to investors through the book-entry delivery system of The Depository Trust Company on or about October , 2007.

Joint Book-Running Managers

Barclays Capital

UBS Investment Bank

Banc of America Securities LLC

The date of this prospectus supplement is October , 2007

You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not authorized anyone to provide you with information that is different. We are not making an offer to sell these securities in any jurisdiction where the offer or sale of these securities is not permitted. This document may only be used where it is legal to sell these securities. You should assume that the information in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference.

All references in this prospectus supplement to HCP, we, us or our mean HCP, Inc., or HCP, its majority-owned subsidiaries and other entities controlled by HCP, except where it is clear from the context that the term means only the issuer, HCP. Unless otherwise stated, currency amounts in this prospectus supplement are stated in United States dollars.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. This prospectus supplement also adds to, updates and changes information contained in the accompanying prospectus. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. The accompanying prospectus is part of a registration statement that we filed with the Securities and Exchange Commission using a shelf registration statement. Under the shelf registration process, from time to time, we may offer and sell debt securities, warrants or other rights, stock purchase contracts, units, common stock, preferred stock or depositary shares, or any combination thereof, in one or more offerings.

It is important that you read and consider all of the information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents to which we have referred you in Incorporation by Reference on page S-2 of this prospectus supplement and Where You Can Find More Information on page 2 of the accompanying prospectus.

INCORPORATION BY REFERENCE

The Securities and Exchange Commission, or SEC, allows us to incorporate by reference information into this prospectus supplement and the accompanying prospectus. This means that we can disclose important information to you by referring you to another document that HCP has filed separately with the SEC that contains that information. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus. Information that HCP files with the SEC after the date of this prospectus supplement will automatically modify and supersede the information included or incorporated by reference in this prospectus supplement and the accompanying prospectus to the extent that the subsequently filed information modifies or supersedes the existing information. We incorporate by reference (other than any portions of any such documents that are not deemed filed under the Securities Exchange Act of 1934 in accordance with the Securities Exchange Act of 1934 and applicable SEC rules):

- our Current Report on Form 8-K filed on January 5, 2007, two Current Reports on Form 8-K filed on January 9, 2007, each of our Current Reports on Form 8-K filed on January 19, 2007, January 22, 2007, February 1, 2007, February 9, 2007, June 6, 2007, August 1, 2007, August 6, 2007, as amended on September 24, 2007, September 10, 2007, two Current Reports on Form 8-K filed on September 20, 2007 and our Current Report on Form 8-K filed on October 5, 2007;

- our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2007 and June 30, 2007;

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2006; and

- any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until we sell all of the securities offered by this prospectus supplement.

You may request a copy of any of these filings at no cost by writing to or telephoning us at the following address and telephone number:

Legal Department
HCP, Inc.
3760 Kilroy Airport Way, Suite 300
Long Beach, California 90806
(562) 733-5100
legaldept@hcpi.com

SUMMARY

The information below is a summary of the more detailed information included elsewhere in or incorporated by reference in this prospectus supplement. You should read carefully the following summary together with the more detailed information contained in this prospectus supplement, including the Risk Factors section beginning on page S-8, the accompanying prospectus, including the Risk Factors section beginning on page 4, and the information incorporated by reference. This summary is not complete and does not contain all of the information you should consider when making your investment decision.

Our Company

We invest primarily in real estate serving the healthcare industry in the United States. We are a Maryland corporation and were organized to qualify as a real estate investment trust, or REIT, in 1985. We are headquartered in Long Beach, California, with operations in Nashville, Tennessee, Chicago, Illinois and San Francisco, California. As of June 30, 2007, our portfolio of properties, excluding assets held for sale but including investments through joint ventures and mortgage loans, included 675 properties and consisted of 273 senior housing facilities, 265 medical office buildings, 42 hospitals, 66 skilled nursing facilities and 29 other healthcare facilities. We acquire healthcare facilities and lease them to healthcare providers and provide mortgage financing secured by healthcare facilities. Our portfolio includes:

- senior housing, including independent living facilities, assisted living facilities, and continuing care retirement communities;
- medical office buildings;
- life science facilities, including laboratories and office buildings;
- hospitals;
- skilled nursing facilities; and
- other healthcare facilities, including physical group practice clinics and health and wellness centers.

Our executive offices are located at 3760 Kilroy Airport Way, Suite 300, Long Beach, California 90806, and our telephone number is (562) 733-5100.

Healthcare Industry

In 2004, healthcare was the single largest industry in the United States, representing 16.0% of U.S. Gross Domestic Product and growing at a rate faster than the overall economy, according to data made available by the U.S. Bureau of Labor Statistics and the Centers for Medicare and Medicaid.

The delivery of healthcare services requires real estate and as a consequence, healthcare providers depend on real estate to maintain and grow their businesses. HCP believes that the current healthcare real estate market provides an investment opportunity for investors based on:

- likelihood of consolidation of the fragmented healthcare real estate sector;
- specialized nature of healthcare real estate investing; and
- compelling demographics driving the demand for healthcare services.

Senior citizens are the largest consumers of healthcare services. According to the Centers for Medicare and Medicaid, on a per capita basis, the 75 years and older segment of the population spends 75% more on healthcare than the 65 to 74-year-old segment and nearly 300% more than the population average.

Recent Developments

Acquisition of Slough Estates USA Inc.

On August 1, 2007, we closed our acquisition of Slough Estates USA Inc. (SEUSA) for aggregate consideration of approximately $2.9 billion (the Acquisition), subject to certain adjustments. SEUSA s portfolio is concentrated in the San Francisco Bay Area and San Diego County and comprises 83 existing properties representing approximately 5.2 million square feet of life science/pharma space. In addition to the existing portfolio, SEUSA has an established development infrastructure and a pipeline currently comprised of 3.8 million square feet in the San Francisco Bay Area and San Diego County.

In connection with our acquisition of SEUSA, we obtained from a syndicate of banks a bridge loan for $2.75 billion.

Portfolio Sale to Emeritus Corporation

On August 15, 2007, we closed the sale of 41 senior housing facilities to Emeritus Corporation for an aggregate cash price of $501.5 million.

Change of Corporate Name

On September 7, 2007, we amended our Charter to change our name from Health Care Property Investors, Inc. to HCP, Inc.

Common Stock Offering

On October 5, 2007, we completed a registered offering of 9 million shares of our common stock, par value $1.00 per share, pursuant to an underwriting agreement between us and Goldman, Sachs & Co. (the Common Stock Issuance). We also granted Goldman, Sachs & Co. a 10-day option to purchase up to an additional 1,350,000 shares of common stock from us. The net proceeds from this offering were approximately $302.6 million, and would be $348.0 million if Goldman, Sachs & Co. exercises its option to purchase additional shares in full. The net proceeds from the offering will be used to repay a portion of our outstanding indebtedness under our bridge loan.

The Offering

The summary below describes the principal terms of the notes. Some of the terms and conditions described below are subject to important limitations and exceptions. See Description of the Notes for a more detailed description of the terms and conditions of the notes.

Issuer	HCP, Inc.
Securities Offered	$ aggregate principal amount of % Senior Notes due , .
Issue Price	% plus accrued interest, if any, from October , 2007.
Interest Payment Dates	Interest on the notes is payable semi-annually on and of each year, commencing , 2008.
Optional Redemption	At any time, we may redeem all or part of the notes under a make-whole redemption provision. See Description of the Notes Optional Redemption.
Offer to Repurchase	If we experience a Change of Control and the notes are rated below Investment Grade by Standard & Poor s Ratings Services and Moody s Investors Service, Inc. as a result, we will offer to repurchase all of the notes at a price equal to 101% of the principal amount plus accrued and unpaid interest to the repurchase date. See Description of the Notes Offer to Repurchase Upon a Change of Control Repurchase Event for further information about the offer to repurchase and for definitions of Change of Control and Investment Grade.
Covenants	The indenture governing the notes contains certain covenants. Under specified circumstances, the indenture governing the notes restricts our ability to incur additional indebtedness. See Description of the Debt Securities We May Offer Covenants in the accompanying prospectus.
Ranking	The notes will be senior unsecured obligations of HCP, ranking equally in right of payment with other senior unsecured indebtedness of HCP from time to time outstanding.
Form and Denomination	We will issue the notes in fully registered form in denominations of $1,000 and integral multiples of $1,000. The notes will be represented by permanent global securities registered in the name of a nominee of The Depository Trust Company, or DTC. You will hold beneficial interests in the notes through DTC, and DTC and its direct and indirect participants will record your beneficial interest on their books. Except under limited circumstances, we will not issue certificated notes.

Use of Proceeds	We expect that the net proceeds from this offering will be approximately $ million after deducting expenses. We intend to use the net proceeds from the offering to repay outstanding indebtedness under our bridge loan. See Use of Proceeds.
Trustee, Registrar and Paying Agent	The Bank of New York

You should carefully consider the information set forth under Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2006, in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2007, in this prospectus supplement beginning at page S-8 and in the accompanying prospectus beginning on page 4 before deciding to invest in the notes.

For additional information regarding the notes, see Description of the Notes.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following table sets forth our summary consolidated financial data. You should read this information together with our financial statements, including the related notes, included in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 from which such information has been derived. Our unaudited summary consolidated financial data as of June 30, 2007 and for the three and six months ended June 30, 2006 and 2007 has been prepared on the same basis as our annual consolidated financial statements and includes all adjustments, consisting of only normal recurring adjustments, necessary for the fair presentation of this data in all material respects. The results for any interim period are not necessarily indicative of the results of operations to be expected for a full fiscal year. The following data is presented on a historical basis. The data as of and for the three and six months ended June 30, 2006 and 2007 does not include the financial data of SEUSA, which we acquired on August 1, 2007, and the data as of and for the three and six months ended June 30, 2006 does not include the financial data of CNL Retirement Properties, Inc. (CRP) and CNL Retirement Corp., the external advisor to CRP (the Advisor) (together the CRP Acquisitions), which we acquired on October 5, 2006.

	Three Months Ended June 30, 2007	**2006**	**Six Months Ended June 30, 2007**	**2006**
	(in thousands, except share and per share data)			
Revenues and other income:				
Rental and related revenues	$ 204,580	$ 109,894	$ 407,946	$ 209,147
Income from direct financing leases	15,215		30,205	
Investment management fee income	4,220	943	10,459	1,997
Interest and other income	18,732	5,395	34,947	19,084
	242,747	116,232	483,557	230,228
Costs and expenses:				
Interest	72,359	33,485	151,337	65,418
Depreciation and amortization	60,434	26,975	121,328	52,469
Operating	38,949	19,143	81,350	36,589
General and administrative	18,292	8,396	38,884	16,868
	190,034	87,999	392,899	171,344
Operating income	52,713	28,233	90,658	58,884
Equity income from unconsolidated joint ventures	1,302	2,714	2,516	6,536
Gains on sale of real estate interests, net	10,141		10,141	
Minority interests share of earnings	(6,739)	(4,170)	(11,974)	(7,947)
Income from continuing operations	57,417	26,777	91,341	57,473
Discontinued operations:				
Operating income	11,796	17,219	19,115	35,820
Gains on sales of real estate, net of impairments	2,071	(2,429)	106,116	6,162
	13,867	14,790	125,231	41,982
Net income	71,284	41,567	216,572	99,455
Preferred stock dividends	(5,283)	(5,283)	(10,566)	(10,566)
Net income applicable to common shares	$ 66,001	$ 36,284	$ 206,006	$ 88,889
Basic earnings per common share:				
Continuing operations	$ 0.25	$ 0.16	$ 0.39	$ 0.34
Discontinued operations	0.07	0.11	0.62	0.31
Net income applicable to common shares	$ 0.32	$ 0.27	$ 1.01	$ 0.65
Diluted earnings per common share:				
Continuing operations	$ 0.25	$ 0.16	$ 0.39	$ 0.34
Discontinued operations	0.07	0.10	0.61	0.31
Net income applicable to common shares	$ 0.32	$ 0.26	$ 1.00	$ 0.65
Weighted average shares used to calculate earnings per common share:				
Basic	205,755	136,484	204,882	136,262
Diluted	207,024	137,192	206,470	137,024

	As of June 30, 2007	**As of December 31, 2006**
	(in thousands)	
Consolidated Balance Sheet Data:		
Cash and cash equivalents	$ 351,217	$ 60,687
Total assets	8,879,326	10,012,749
Total debt	4,934,137	6,556,948
Total stockholders equity	3,604,387	3,294,036

RISK FACTORS

Before purchasing the notes, you should consider carefully the information under the heading Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2007, in the accompanying prospectus and the following factors, each of which could materially adversely affect our operating results and financial condition. You should also carefully consider the other information included in this prospectus supplement, the accompanying prospectus and other information incorporated by reference herein. Each of the risks described in our Form 10-K, Form 10-Q and the accompanying prospectus and below could result in a decrease in the value of the notes and your investment therein. Although we have tried to discuss what we believe are key risk factors, please be aware that other risks may prove to be important in the future. New risks may emerge at any time, and we cannot predict those risks or estimate the extent to which they may affect our financial performance or the value of the notes. The information contained, and incorporated by reference, in this prospectus supplement and in the accompanying prospectus includes forward-looking statements that involve risks and uncertainties, and we refer you to the Cautionary Language Regarding Forward-Looking Statements section in the accompanying prospectus.

Our indebtedness could adversely affect our financial results and prevent us from fulfilling our obligations under the notes.

In addition to our currently outstanding indebtedness, we may be able to borrow substantial additional unsecured indebtedness in the future. If new indebtedness is added to our current debt levels, the related risks that we now face could increase.

Our indebtedness, including the indebtedness we may incur in the future, could have important consequences for the holders of the notes, including:

- limiting our ability to satisfy our obligations with respect to the notes;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements;
- requiring a substantial portion of our cash flow from operations for the payment of principal of, and interest on, our indebtedness and reducing our ability to use our cash flow to fund working capital, capital expenditures and general corporate requirements;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry; and
- putting us at a disadvantage compared to competitors with less indebtedness.

Our business operations may not generate the cash needed to service our indebtedness.

Our ability to make payments on our indebtedness, including these notes, and to fund planned capital expenditures will depend on our ability to generate cash in the future. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to pay our indebtedness, including these notes, or to fund our other liquidity needs.

Although these notes are referred to as senior notes, they will be effectively subordinated to our secured indebtedness and all liabilities of our subsidiaries.

The notes are unsecured and therefore will be effectively subordinated to any secured indebtedness we may incur to the extent of the value of the assets securing such indebtedness. In the event of a bankruptcy or similar proceeding involving us, our assets which serve as collateral will be available to satisfy the obligations under any secured indebtedness before any payments are made on the notes.

In addition, most of our assets are held through direct or indirect subsidiaries and, accordingly, the notes will be effectively subordinated to all liabilities of our subsidiaries including the guarantees of our new credit facilities issued by certain of our subsidiaries. Our subsidiaries and general and limited partnerships will not guarantee the notes. In the event of a bankruptcy, liquidation or reorganization of any of our subsidiaries or partnerships, creditors of our subsidiaries and partnerships will generally be entitled to payment of their claims from the assets of those subsidiaries and partnerships before any assets are made available for distribution to us, except to the extent we may also have a claim as a creditor.

An active trading market may not develop for the notes.

Prior to this offering, there was no existing trading market for the notes. Although the underwriters have informed us that they currently intend to make a market in the notes after we complete the offering, they have no obligation to do so and may discontinue making a market at any time without notice. We do not intend to apply for listing of the notes on any securities exchange.

The liquidity of any market for the notes will depend on a number of factors, including:

- the number of holders of the notes;
- our performance;
- the market for similar securities;
- the interest of securities dealers in making a market in the notes; and
- prevailing interest rates.

We cannot assure you that an active market for the notes will develop or, if developed, that it will continue.

Downgrades or other changes in our credit ratings could affect our financial results and reduce the market value of the notes.

The credit ratings assigned to our unsecured indebtedness, including the notes upon issuance, may affect our ability to obtain new financing and the costs of our financing. It is possible that rating agencies may downgrade our credit ratings or change their outlook about us, which could increase our cost of capital and make our efforts to raise capital more difficult and, in turn, adversely affect our financial results. Such a downgrade in rating may also reduce the price that a subsequent purchaser may be willing to pay for the notes.

USE OF PROCEEDS

We anticipate that the net proceeds from this offering, after deducting underwriting discounts and estimated expenses payable by us, will be approximately $ million. We intend to use the proceeds from this offering to repay outstanding indebtedness under our bridge loan.

Our bridge loan for $2.75 billion matures on July 31, 2008, and accrues interest at a rate per annum equal to LIBOR plus a margin ranging from 0.425% to 1.25%, depending upon our debt ratings. Based on our debt ratings on October 10, 2007, the margin on the bridge loan facility is 0.70%. The bridge loan facility includes two 6-month extensions.

Affiliates of certain of the underwriters are lenders under our bridge loan and therefore will receive a portion of the net proceeds from the offering through the repayment of debt under that facility.

RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following table sets forth our ratios of earnings to fixed charges and our ratios of earnings to combined fixed charges and preferred stock dividends for the periods indicated. In computing the ratios of earnings to fixed charges, earnings have been based on consolidated income from continuing operations before fixed charges (exclusive of capitalized interest). Fixed charges consist of interest on debt, including amounts capitalized, an estimate of interest in rental expense, and interest expense related to the guaranteed debt of the partnerships and limited liability companies in which we hold an interest. In computing the ratios of earnings to combined fixed charges and preferred stock dividends, preferred stock dividends consist of dividends on our 7.875% Series A Cumulative Redeemable Preferred Stock (until September 10, 2003 when the Series A Cumulative Redeemable Preferred Stock was redeemed), 8.70% Series B Cumulative Redeemable Preferred Stock (until October 1, 2003 when the Series B Cumulative Redeemable Preferred Stock was redeemed), 8.60% Series C Cumulative Redeemable Preferred Stock (until May 2, 2003 when the Series C Cumulative Redeemable Preferred Stock was redeemed), 7.25% Series E Cumulative Redeemable Preferred Stock and 7.10% Series F Cumulative Redeemable Preferred Stock.

	Year Ended December 31,						**For the Six Months Ended June 30, 2007**	
	2002	**2003**	**2004**	**2005**	**2006 Actual**	**2006 Pro Forma(1)**	**Actual**	**Pro Forma(1)**
Ratio of Earnings to Fixed Charges(2)	1.99	2.01	2.13	1.90	1.40		1.57	1.02
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends(3)	1.51	1.43	1.72	1.59	1.27		1.47	

(1) The unaudited pro forma condensed consolidated statement of income data used in the pro forma calculations were prepared under the purchase method of accounting as if the acquisition of SEUSA by HCP and related bridge loan had been completed (a) on January 1, 2006 for the Year Ended December 31, 2006 pro forma ratios, and (b) on January 1, 2007 for the Six Months Ended June 30, 2007 pro forma ratios. In addition, the unaudited pro forma condensed consolidated statement of income data used in the pro forma calculations were prepared under the purchase method of accounting as if the CRP Acquisitions and related financings had been completed on January 1, 2006 for the Year Ended December 31, 2006 pro forma ratios. We have included this information only for purposes of illustration, and it does not necessarily indicate what the ratios would have been if the acquisitions and the related financing transactions had actually been completed on those dates. Moreover, this information does not necessarily indicate what the future ratios of earnings to fixed charges will be. You should read this table in conjunction with the Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements included elsewhere in this prospectus supplement.

(2) For the Pro Forma Ratio of Earnings to Fixed Charges for Year Ended December 31, 2006, pro forma fixed charges exceeded pro forma earnings resulting in a deficiency of $135 million.

(3) For the Pro Forma Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends for Year Ended December 31, 2006 and for the Six Months ended June 30, 2007, pro forma fixed charges exceeded pro forma earnings resulting in deficiencies of $156 million and $5 million, respectively.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited pro forma condensed consolidated financial statements gives effect to our acquisition of SEUSA and reflect the incurrence of debt in order to finance the Acquisition. The unaudited pro forma condensed consolidated financial statements presented below have been prepared based on certain pro forma adjustments to the historical consolidated financial statements of HCP and SEUSA for the year ended December 31, 2006 and for the six months ended June 30, 2007. The unaudited pro forma condensed consolidated balance sheet as of June 30, 2007 has been prepared as if the Acquisition had occurred as of that date. The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2006 and for the six months ended June 30, 2007 have been prepared as if the Acquisition had occurred as of January 1, 2006.

In addition, the accompanying unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2006 gives effect to the CRP Acquisitions, which were completed on October 5, 2006, because the CRP Acquisitions are not fully reflected in our historical statement of operations for the year ended December 31, 2006. Such statement also reflects the incurrence of debt and gives effect to certain capital transactions we have undertaken in order to finance the CRP Acquisitions. The unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2006 has been prepared based on certain pro forma adjustments as if the CRP Acquisitions had occurred as of January 1, 2006.

The accompanying unaudited pro forma financial statements do not give effect to our recent Common Stock Issuance or to this offering of notes or the application of the net proceeds of either such offering to repay amounts outstanding under our bridge loan.

The allocation of the purchase price of SEUSA reflected in these unaudited pro forma condensed consolidated financial statements has been based upon preliminary estimates of the fair value of assets acquired and liabilities assumed. In the opinion of our management, all significant adjustments necessary to reflect the effects of the Acquisition and CRP Acquisitions that can be factually supported within the SEC regulations covering the preparation of pro forma financial statements have been made.

The unaudited pro forma condensed consolidated financial statements are provided for informational purposes only. The unaudited pro forma condensed consolidated financial statements are not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the transactions been completed as of the dates indicated or that may be achieved in the future. The completion of the valuation and the impact of ongoing integration activities could cause material differences in the information presented. Furthermore, following consummation of the Acquisition and the CRP Acquisitions, we expect to apply our own methodologies and judgments in accounting for the assets and liabilities acquired in the transactions, which may differ from those reflected in SEUSA s, or CRP s or the Advisor s historical financial statements.

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the respective historical financial statements and the notes thereto of HCP, SEUSA, CRP and the Advisor. The historical financial information with respect to HCP for the year ended December 31, 2006 has been (a) restated to reflect the results of operations of certain properties that were initially classified as discontinued operations in the six months ended June 30, 2007, and (b) includes a reclassification of equity income from unconsolidated joint ventures to conform to the presentation for the six months ended June 30, 2007. The restated historical consolidated financial statements of HCP for the year ended December 31, 2006, are contained in its Form 8-K as filed with the SEC on September 20, 2007. The historical consolidated financial statements of HCP for the six months ended June 30, 2007 are contained in HCP s Form 10-Q as filed with the SEC on August 6, 2007. The historical consolidated financial statements of SEUSA for the six months ended June 30, 2007 and for the year ended December 31, 2006, are included as Exhibits 99.1 and 99.2 to HCP s Current Report on Form 8-K/A as filed with the SEC on September 24, 2007, respectively. The historical consolidated financial statements of CRP and the Advisor for the nine months ended September 30, 2006 are contained in HCP s Current Report on Form 8-K as filed with the SEC on January 9, 2007.

Unaudited Pro Forma Condensed Consolidated Balance Sheet
June 30, 2007
(In thousands)

	HCP Historical	SEUSA Historical (A)	Pro Forma Adjustments (B)		SEUSA and Pro Forma Adjustments	Consolidated Pro Forma HCP
ASSETS						
Real estate:						
Buildings and improvements	$ 6,205,698	$ 937,432	$ 569,581	(C)	$ 1,507,013	$ 7,712,711
Developments in process	29,056	213,493	96,607	(C)	310,100	339,156
Land	770,010	424,447	486,008	(C)	910,455	1,680,465
Less: accumulated depreciation and amortization	618,321	182,694	(182,694)	(C)		618,321
Net real estate	6,386,443	1,392,678	1,334,890		2,727,568	9,114,011
Net investment in direct financing leases	682,176					682,176
Loans receivable, net	203,147					203,147
Investments in and advances to unconsolidated joint ventures	214,904	22,309			22,309	237,213
Accounts receivable, net	33,652	1,628			1,628	35,280
Cash and cash equivalents	351,217	16,577	(168,521)	(F)	(151,944)	199,273
Intangible assets, net	328,753	20,117	328,489	(D)	348,606	677,359
Real estate held for sale, net	204,683					204,683
Other assets, net	474,351	146,748	(77,157)	(E)	69,591	543,942
Total assets	$ 8,879,326	$ 1,600,057	$ 1,417,701		$ 3,017,758	$ 11,897,084
LIABILITIES AND STOCKHOLDERS EQUITY						
Bank line of credit and term loan	$	$ 550,000	$ 2,200,000	(F)	$ 2,750,000	$ 2,750,000
Due to SEGRO		210,000	(210,000)	(F)		
Senior unsecured notes	3,223,422	383,608	(383,608)	(F)		3,223,422
Mortgage debt	1,260,885	52,291	(19,840)	(F)	32,451	1,293,336
Other debt	108,497					108,497
Intangible liabilities, net	145,047	6,713	147,734	(G)	154,447	299,494
Accounts payable and accrued expenses and deferred revenues	196,286	143,128	(62,268)	(H)	80,860	277,146
Total liabilities	4,934,137	1,345,740	1,672,018		3,017,758	7,951,895
Minority interests:						
Joint venture partners	34,305					34,305
Non-managing member unitholders	306,497					306,497
Total minority interests	340,802					340,802
Stockholders equity:						
Preferred stock	285,173	185,000	(185,000)	(I)		285,173
Common stock	206,379	1	(1)	(I)		206,379
Additional paid-in capital	3,392,612	33,413	(33,413)	(I)		3,392,612
Cumulative net income	2,155,265	37,485	(37,485)	(I)		2,155,265
Cumulative dividends	(2,449,360)					(2,449,360)
Accumulated other comprehensive income (loss)	14,318	(1,582)	1,582	(I)		14,318
Total stockholders equity	3,604,387	254,317	(254,317)			3,604,387
Total liabilities and stockholders equity	$ 8,879,326	$ 1,600,057	$ 1,417,701		$ 3,017,758	$ 11,897,084

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

Unaudited Pro Forma Condensed Consolidated Statement of Operations
For the six months ended June 30, 2007
(In thousands, except per share data)

	HCP Historical	SEUSA Historical (A)	Pro Forma Adjustments	Consolidated Pro Forma HCP
Revenues and other income:				
Rental and related revenues				