

## HCP Announces Tax Basis of QCP Distribution

IRVINE, Calif., Nov. 28, 2016 /PRNewswire/ -- As previously disclosed on October 31, 2016, HCP (NYSE:HCP) completed the spin-off (the "Spin-Off") of its HCR ManorCare portfolio of skilled nursing and assisted living assets, as well as certain other assets, into Quality Care Properties, Inc. ("QCP"). HCP common stockholders on October 24, 2016, the record date for the Spin-Off (the "Record Date"), received one share of QCP common stock for every five shares of HCP common stock they held (the "Distributed Shares") and cash in lieu of fractional shares of QCP. The following information only applies to holders of HCP common stock on the Record Date.

### Tax Basis of Distributed QCP Stock

For U.S. federal income tax purposes, HCP intends to report that the fair market value of the QCP common stock distributed per each share of HCP common stock outstanding on the Record Date was approximately \$6.17, or \$30.85 for each share of QCP common stock. Accordingly, every HCP common stockholder who received a Distributed Share will have a tax cost basis of \$30.85 per Distributed Share.

### Impact of Distribution on HCP Common Stockholders

For U.S. federal income tax purposes, HCP's distributions (including both cash distributions and stock distributions such as the Distributed Shares) are treated as taxable dividends to the extent of HCP's earnings and profits ("E&P"). Such amounts in excess of E&P will be treated as a non-taxable return of capital to the extent of the holder's tax basis in HCP common stock, and any remaining excess above such basis will be treated as capital gain. The actual amounts of HCP's overall E&P, and the taxable income and the non-taxable return of capital (including both cash distributions and stock distributions such as the Distributed Shares), will not be available until early 2017. The Spin-Off did not create additional E&P for HCP.

**The above summary does not constitute tax advice. It does not purport to be complete or to describe the tax consequences that may apply to particular categories of stockholders. Each stockholder is urged to consult a tax advisor as to the specific tax consequences of the distribution to such stockholder, including the effect of any state, local or non-U.S. tax laws, and of changes in applicable tax laws. For more information, please refer to QCP's registration statement on Form 10, as filed with the Securities and Exchange Commission on October 13, 2016.**

### About HCP

HCP, Inc. is a fully integrated real estate investment trust (REIT) that invests primarily in real estate serving the healthcare industry in the United States. HCP owns a large-scale portfolio diversified across multiple sectors, led by senior housing, life science and medical office. 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](http://www.hcpi.com).


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