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## Health Care REIT, Inc. Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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Thank you, sir. [Operator Instructions] I'll go first to Rich Anderson with BMO Capital Markets.

**Richard Anderson - BMO Capital Markets**

Hi, thanks and good morning everybody.

**George L. Chapman - Chairman and Chief Executive Officer**

Hi, Rich.

**Richard Anderson - BMO Capital Markets**

I am sort of curious how you raised your acquisition guidance, and you disposition guidance at the same time. Usually you do one or the other in response to cap rate movements and what not. So, how would you sort of reconcile, what are you seeing in a cap rate... from a cap rate perspective and any sort of color on how that might have influenced dispositions to change that guidance?

**George L. Chapman - Chairman and Chief Executive Officer**

Well, cap rates, Rich, have been generally tweaking upward, probably a little slower than really the market should demand, but that happens in every cycle. It just so happens that we have been making a decision to, as you know, for the last two to three years to commence the combination projects and have opportunities to dispose of certain assets, we believe, this quarter or next and we are going to act on that, we hope. And at the same time, we are seeing a great deal of activity through the Chuck and his group, Fred and whatever. And we are very, very bullish about our ability to bring home a lot of transactions. So, it just so happens that they hit at the same time, and it might be convenient, but we think it's very favorable for the company and repositioning our portfolio toward combination facility, as well as more acute care and combination facilities. Ray or Scott, do you want to add anything?

**Raymond W. Braun - President**

No.

**Scott A. Estes - Senior Vice President and Chief Financial Officer**

No.

**Richard Anderson - BMO Capital Markets**

Okay. So, why the aversion to the capital markets, particularly your equity, the stock has done very well. I don't think anyone would misunderstand the use of the... your stock to fund pretty heavy investment guidance for 2008. What's... why you are not thinking in terms of equity?

**George L. Chapman - Chairman and Chief Executive Officer**

I think we will think about all of our capital raising possibilities as we move on. Our ability to recycle assets and use cash, we think, is a great opportunity. We are going to keep our leverage, debt and equity in the range of Baa2 BBB flat kind of ratings, and try to pick the best way to raise the capital from time to time. Scott?

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