

HCP, INC.
Form 424B5
October 04, 2007

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Reg. Statement No. 333-137225

Prospectus Supplement to Prospectus dated September 8, 2006

9,000,000 Shares

HCP, Inc.

Common Stock

We are offering 9,000,000 shares of our common stock to the public. Our common stock is traded on the New York Stock Exchange under the symbol HCP. The last reported sale price of our common stock on the New York Stock Exchange on October 2, 2007 was \$34.99 per share.

Investing in our common stock involves risk. See Risk Factors beginning on page 4 of the accompanying prospectus.

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

Goldman, Sachs & Co. has agreed to purchase the common stock from us at a price of \$33.67 per share which will result in approximately \$303.0 million of gross proceeds to us.

Goldman, Sachs & Co. may offer the common stock in transactions on the New York Stock Exchange, in the over-the-counter market or through negotiated transactions at market prices or at negotiated prices.

To the extent that Goldman, Sachs & Co. sells more than 9,000,000 shares of common stock, Goldman, Sachs & Co. has the option to purchase up to an additional 1,350,000 shares from us at a price of \$33.67 per share.

Goldman, Sachs & Co. expects to deliver the shares against payment in New York, New York on October 5, 2007.

Goldman, Sachs & Co.

Prospectus Supplement dated October 2, 2007.

CALCULATION OF REGISTRATION FEE

Title of Securities to be registered	Amount to be registered(1)	Proposed Maximum Offering Price Per Security(2)	Proposed Maximum Aggregated Offering Price	Amount of Registration Fee(3)
Common Stock, par value \$1.00 per share	10,350,000	\$ 32.85	\$ 339,997,500	\$ 10,437.92

(1) Includes 1,350,000 shares of Common Stock, par value \$1.00 per share, that may be purchased by the underwriter upon exercise of the underwriter's option to purchase additional shares.

(2) Calculated in accordance with Rule 457(c). Based on the average of the high and low price of the Common Stock on the New York Stock Exchange on September 27, 2007.

(3) Calculated in accordance with Rule 456(b) and 457(r) of the Securities Act.

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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.

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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, and two Current Reports on Form 8-K filed on September 20, 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;
- the description of our common stock contained in our Registration Statement on Form 10 dated May 7, 1985 (File No. 1-8895), including the amendments dated May 20, 1985 and May 23, 1985, and any other amendment or report filed for the purpose of updating such description, including the description of amendments to our charter contained in our Quarterly Reports on Form 10-Q for the quarters ended June 30, 2001 and June 30, 2004; 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, the accompanying prospectus, and the information incorporated by reference, including the Risk Factors section beginning on page 4 of the accompanying prospectus. 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, 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.

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.

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The Offering

Common Stock offered by HCP, Inc.	9.00 million shares
Common Stock outstanding after this offering(1)	215.4 million shares
Option to purchase additional shares	1.35 million shares
Common Stock outstanding after this offering if option to purchase additional shares is exercised in full	216.8 million shares
Use of Proceeds	We expect that the net proceeds from this offering will be approximately \$302.6 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.
New York Stock Exchange symbol	HCP

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 and in the accompanying prospectus beginning on page 4 before deciding to invest in the stock.

For additional information regarding the common stock, see Description of the Common Stock.

(1) Based on 206.4 million shares of our common stock outstanding as of June 30, 2007. Does not include:

- 4.8 million shares of common stock issuable upon the exercise of outstanding options;
- 6.9 million additional shares reserved for future awards under stock incentive plans;
- up to 1.35 million shares issuable upon exercise of the underwriter's option to purchase additional shares; and
- 10.1 million shares of common stock issuable in exchange for non-managing member units of affiliated entities.

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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. and CNL Retirement Corp., which we acquired on October 5, 2006.

	Three Months Ended June 30, 2007		Six Months Ended June 30, 2007	
		2006		2006
	(in thousands)			
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	