



Supplemental Operating and Financial Data
June 30, 2012
(Unaudited)



Cincinnati, OH
144 licensed beds



Table of Contents

Company Information	.....	3
Additional Information	.....	4
Forward-Looking Statements & Non-GAAP Information	.....	5
Acquisitions & Developments	.....	6
Proforma Definition	.....	7
Proforma Real Estate Portfolio Summary	.....	8
Real Estate Portfolio Metrics	.....	9-10
Proforma Real Estate Portfolio Diversification	.....	11-13
Proforma Top Ten Operators - Owned Portfolio	.....	14
Market Capitalization	.....	15
Proforma Market Capitalization	.....	16
Proforma Lease & Mortgage Loan Receivable Maturity	.....	17
Proforma Debt Maturity	.....	18
Financial Data Summary	.....	19-20
Consolidated Statements of Income	.....	21
Consolidated Balance Sheets	.....	22
Funds from Operations	.....	23
Glossary	.....	24-26



Company Information



Company

Founded in 1992, LTC Properties, Inc. is a self-administered real estate investment trust that primarily invests in senior housing and long-term care properties through facility lease transactions, mortgage loans, and other investments. Our primary objectives are to sustain and enhance stockholder equity value and provide current income for distribution to stockholders through real estate investments in long-term care properties and other health care related properties managed by experienced operators. To meet these objectives, we attempt to invest in properties that provide opportunity for additional value and current returns to our stockholders and diversify our investment portfolio by geographic location, operator, and form of investment. For more information on LTC Properties, Inc., visit the Company's website at www.LTCProperties.com.

Board of Directors

Andre Dimitriadis
Executive Chairman

Wendy Simpson

Edmund King

Timothy Triche, MD

Boyd Hendrickson
Lead Director

Devra Shapiro

Management

Andre Dimitriadis
Executive Chairman

Wendy Simpson
Chief Executive Officer and President

Pam Kessler
Executive Vice President and Chief Financial Officer

Clint Malin
Executive Vice President and Chief Investment Officer

Andy Stokes
Senior Vice President, Marketing & Strategic Planning

Contact Information

Corporate Office
2829 Townsgate Road, Suite 350
Westlake Village, CA 91361

Investor Relations
Investor.Relations@LTCProperties.com
(805) 981-8655

www.LTCProperties.com
(805) 981-8655 phone
(805) 981-8663 fax



Additional Information

Analyst Coverage

BMO Capital Markets Corp.

Richard Anderson

J.J. B. Hilliard, W.L. Lyons, Inc.

John Roberts

JMP Securities, LLC

Peter Martin

KeyBanc Capital Markets, Inc.

Karin Ford

RBC Capital Markets Corporation

Mike Carroll

Sandler O'Neill + Partners, L.P.

James Milam

Sidoti & Company, LLC

Peter Sicher

Stifel, Nicolaus & Company, Inc.

Dan Bernstein

Wells Fargo Securities, LLC

Todd Stender

Any opinions, estimates, or forecasts regarding LTC's performance made by the analysts listed above do not represent the opinions, estimates, or forecasts of LTC or its management.

Forward-Looking Statements

This supplemental information contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, adopted pursuant to the Private Securities Litigation Reform Act of 1995. Statements that are not purely historical may be forward-looking. You can identify some of the forward-looking statements by their use of forward-looking words, such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates” or “anticipates,” or the negative of those words or similar words. Forward-looking statements involve inherent risks and uncertainties regarding events, conditions and financial trends that may affect our future plans of operation, business strategy, results of operations and financial position. A number of important factors could cause actual results to differ materially from those included within or contemplated by such forward-looking statements, including, but not limited to, the status of the economy, the status of capital markets (including prevailing interest rates), and our access to capital; the income and returns available from investments in health care related real estate, the ability of our borrowers and lessees to meet their obligations to us, our reliance on a few major operators; competition faced by our borrowers and lessees within the health care industry, regulation of the health care industry by federal, state and local governments, (including as a result of the Patient Protection and Affordable Care Act of 2010 and the Health Care and Education Reconciliation Act of 2010), changes in Medicare and Medicaid reimbursement amounts (including due to federal and state budget constraints), compliance with and changes to regulations and payment policies within the health care industry, debt that we may incur and changes in financing terms, our ability to continue to qualify as a real estate investment trust, the relative illiquidity of our real estate investments, potential limitations on our remedies when mortgage loans default, and risks and liabilities in connection with properties owned through limited liability companies and partnerships. For a discussion of these and other factors that could cause actual results to differ from those contemplated in the forward-looking statements, please see the discussion under “Risk Factors” and other information contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and in our publicly available filings with the Securities and Exchange Commission. We do not undertake any responsibility to update or revise any of these factors or to announce publicly any revisions to forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Information

This supplemental information contains certain non-GAAP information including EBITDA, normalized EBITDA, FFO, normalized FFO, normalized interest coverage ratio, and normalized fixed charges coverage ratio. A reconciliation of this non-GAAP information is provided on pages 20 and 23 of this supplemental information, and additional information is available under the “Non-GAAP Financial Measures” subsection under the “Selected Financial Data” section of our website at www.LTCProperties.com.



Acquisitions and Developments

(dollar amounts in thousands)

ACQUISITIONS

DATE	# OF PROPERTIES	ASSET CLASS	# BEDS/UNITS	LOCATION	OPERATOR	DATE OF CONSTRUCTION	PURCHASE PRICE	ANNUAL GAAP REVENUE	GAAP Lease Yield
2/28/11	2	OTHER	118 beds/93 units	SC	Prestige Healthcare	1965-2001	\$ 11,450	\$ 1,158	10.1%
3/9/11	4	SNF	524	TX	Meridian Senior Properties	2007-2008	45,000 ⁽¹⁾	4,722	10.5% ⁽¹⁾
8/1/11	1	SNF	140	TX	Senior Care Centers	2008	10,000	1,058	10.5%
10/11/11	1	SNF	196	TX	Fundamental	2005	15,500	1,881	11.0% ⁽²⁾
10/11/11	1 ⁽³⁾	UDP ⁽³⁾	N/A ⁽³⁾	TX	Under Development Property	2012 ⁽³⁾	844	-	- ⁽³⁾
11/1/11	1	SNF	156	CA	Traditions Management	1990	17,500	1,814	10.3%
Total 2011	10		1,134 beds/93 units				\$ 100,294		
3/23/12	1	SNF	144	TX	Senior Care Centers	2002	\$ 18,600	\$ 1,988	10.7%
5/14/12	1 ⁽⁴⁾	UDP ⁽⁴⁾	N/A ⁽⁴⁾	CO	Under Development Property	2012 ⁽⁴⁾	1,882	-	- ⁽⁴⁾
7/2/12	1	SNF	90	TX	Senior Care Centers	2011	6,500	701	10.7%
7/31/12	2	SNF	288	OH	Carespring Health Care Mgt	2009-2010	54,000	5,426	10.1%
Total 2012	5		522 beds				\$ 80,982		
Total	15		1,656 beds/93 units				\$ 181,276		

DEVELOPMENT PROPERTIES

LOCATION	PROPERTY TYPE	INCREMENTAL CASH	ESTIMATED COMPLETION DATE	TOTAL COMMITMENT	FUNDED TO DATE	REMAINING COMMITMENT
Amarillo, TX	SNF	9.00% ⁽³⁾	April 2013	\$ 8,250	\$ 115	\$ 8,135
Littleton, CO	Memory Care	9.25% ⁽⁴⁾	December 2013	7,935	150	7,785
Total				\$ 16,185	\$ 265	\$ 15,920

(1) GAAP yield assumes a total purchase price of \$45,000 which includes \$41,000 of cash paid at closing and \$4,000 paid on August 31, 2011.

(2) GAAP yield assumes \$8,250 construction funding as noted in (3) below.

(3) Acquired a vacant parcel of land in Texas and entered into a commitment to fund the construction of a 120-bed skilled nursing property which will replace an existing 90-bed skilled nursing property we own. The incremental cash lease yield excludes other properties in the master lease. The cash yield including the other properties is 9.6%

(4) Acquired a vacant parcel of land in Colorado and entered into a commitment to fund the construction of a 60-unit free-standing private-pay memory care property.

REAL ESTATE PORTFOLIO



Proforma Definition

- ❑ Actual rolling four (4) quarters ended June 30, 2012 or Balance Sheet data as of June 30, 2012 adjusted for the following:
 - Includes the acquisition of a 90-bed SNF in Brownwood, TX for \$6.5M and a 10.7% GAAP yield.
 - Includes the acquisition of two skilled nursing facilities with a total of 288 licensed beds for \$54.0M and a 10.1% GAAP yield. One property located in Cincinnati, Ohio was built in 2009 and the other property, located in Dayton, Ohio, was built in 2010.
 - Includes the private placement debt financing of \$85.8M Senior Unsecured Notes at 5.03% maturing in July 2024. Net proceeds, after property acquisitions and estimated transaction costs, of \$24.6M were used to pay down our unsecured line of credit.



Proforma Real Estate Portfolio Summary

(dollar amounts in thousands)

Real Estate Portfolio Snapshot

Type of Property	Six Months Ended June 30, 2012					# of Properties	No. of SNF Beds	No. of ALF Units	No. of ILF Units	Investment per Bed/Unit
	Gross Investments	% of Investments	Rental Income	Interest Income	% of Revenues					
Skilled Nursing	\$ 462,593	54.2%	\$ 26,925	\$ 1,511	55.6%	90	10,515	-	-	\$43.99
Assisted Living	308,534	36.1%	16,546	1,277	34.8%	102	-	4,365	-	\$70.68
Other Senior Housing	67,685	7.9%	3,915	175	8.0%	14	913	330	423	\$40.63
Schools	12,236	1.4%	796	-	1.6%	2	-	-	-	
Under Development ⁽¹⁾	2,995	0.4%	-	-	-	-	-	-	-	
Total	\$ 854,043	100.0%	\$ 48,182	\$2,963	100.0%	208	11,428	4,695	423	

(1) We have two properties under development: 120-bed skilled nursing property in Texas which will replace an existing 90-bed skilled nursing property we own and 60-unit free-standing memory care property in Colorado.



Dayton, OH
144 licensed beds





Real Estate Portfolio Metrics

“Same Property Portfolio” Statistics ⁽¹⁾

Owned Properties	Occupancy		EBITDAR Coverage		EBITDARM Coverage	
	1Q12	4Q11	1Q12	4Q11	1Q12	4Q11
Assisted Living ⁽²⁾	78.1%	78.7%	1.39	1.38	1.61	1.60
Assisted Living ⁽³⁾	88.2%	88.5%	1.45	1.43	1.71	1.68
Skilled Nursing	78.6%	79.1%	1.86	2.01	2.56	2.71
Other Senior Housing	87.4%	86.5%	1.36	1.43	1.77	1.85

(1) Information is for the trailing twelve months through March 31, 2012 and December 31, 2011 and is from property level operator financial statements which are unaudited and have not been independently verified by us.

(2) Includes properties leased to Assisted Living Concepts, Inc. (ALC)

(3) Excludes properties leased to Assisted Living Concepts, Inc. (ALC)

“Same Property Portfolio” Quality Mix

Owned Properties Payor Source ⁽¹⁾	For the Three Months Ended March 31, 2012
Private Pay	59.8%
Medicare	13.8%
Medicaid	26.3%

(1) Quality mix for our skilled nursing portfolio, for the period presented, is 25.6% Private Pay, 25.3% Medicare, and 49.1% Medicaid.



Real Estate Portfolio Metrics

Historical Portfolio Snapshot ⁽¹⁾

The Centers for Medicare & Medicaid Services (or CMS) annually updates Medicare skilled nursing facility prospective payment system rates and other policies. In 4Q2010 CMS implemented the Resource Utilization Groups, version four (or RUG-IV) patient classification system. Although the implementation of RUG-IV was intended to be budget-neutral, according to CMS, this change in case-mix classification methodology resulted in a significant increase in Medicare expenditures, in part because the proportion of patients grouped in the highest-paying RUG therapy categories greatly exceeded CMS expectations. In July 2011, CMS issued its final rule updating skilled nursing facility rates for fiscal year 2012, which began in 4Q2011. The final rule included a recalibration of the case-mix indexes that form RUG-IV and reduced average aggregate Medicare reimbursement to skilled nursing facilities by 11.1%. The following table represents a snapshot of our historical portfolio of stabilized skilled nursing properties in 3Q2010 (prior to the implementation of RUG-IV) through 1Q2012 on a same property basis to illustrate the trend in the lease coverage as RUG-IV is implemented (4Q2010) and Medicare rates were subsequently cut (4Q2011).

RUG-IV	Period ⁽²⁾	EBITDAR Coverage	EBITDARM Coverage
2Q RUG-IV	1Q2012	2.01	2.76
3Q RUG-IV	4Q2011	2.16	2.93
4Q RUG-IV	3Q2011	2.27	3.04
3Q RUG-IV	2Q2011	2.20	2.98
2Q RUG-IV	1Q2011	2.16	2.94
1Q RUG-IV	4Q2010	2.02	2.79
No RUG-IV	3Q2010	1.89	2.64

(1) Data from property level operator financial statements which are unaudited and have not been independently verified by us.

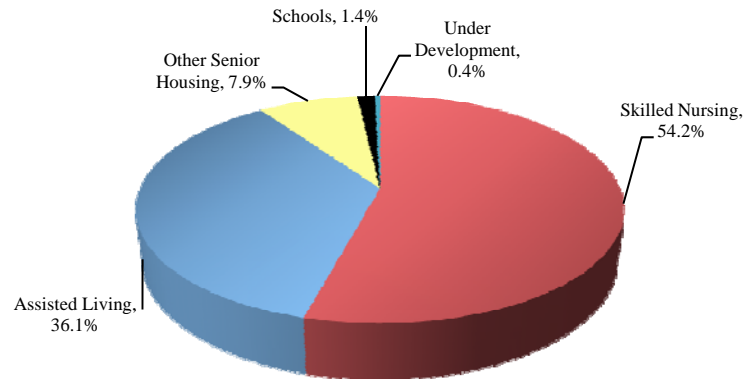
(2) Coverage is based on the trailing twelve months for each period presented.



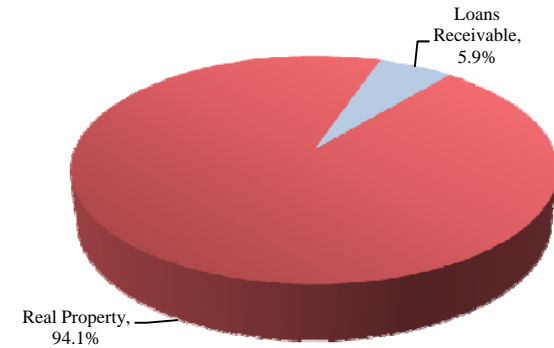
Proforma Real Estate Portfolio Diversification

Property and Asset Type Diversification - Owned and Loan Portfolio

Gross Investment By Property Type



Gross Investment By Asset Type



Property Type	# of Properties	Gross Investment	%	Six Months Ended June 30, 2012	
				Revenue	%
Skilled Nursing	90	\$ 462,593	54.2%	\$ 28,436	55.6%
Assisted Living	102	308,534	36.1%	17,823	34.8%
Other Senior Housing	14	67,685	7.9%	4,090	8.0%
Schools	2	12,236	1.4%	796	1.6%
Under Development ⁽¹⁾	-	2,995	0.4%	-	-
Total	208	\$ 854,043	100.0%	\$ 51,145	100.0%

Asset Type	Gross Investment	%
Real Property	\$ 803,797	94.1%
Loans Receivable	50,246	5.9%
Total	<u>\$ 854,043</u>	<u>100.0%</u>

(1) We have two properties under development: 120-bed skilled nursing property in Texas which will replace an existing 90-bed skilled nursing property we own and 60-unit free-standing memory care property in Colorado.

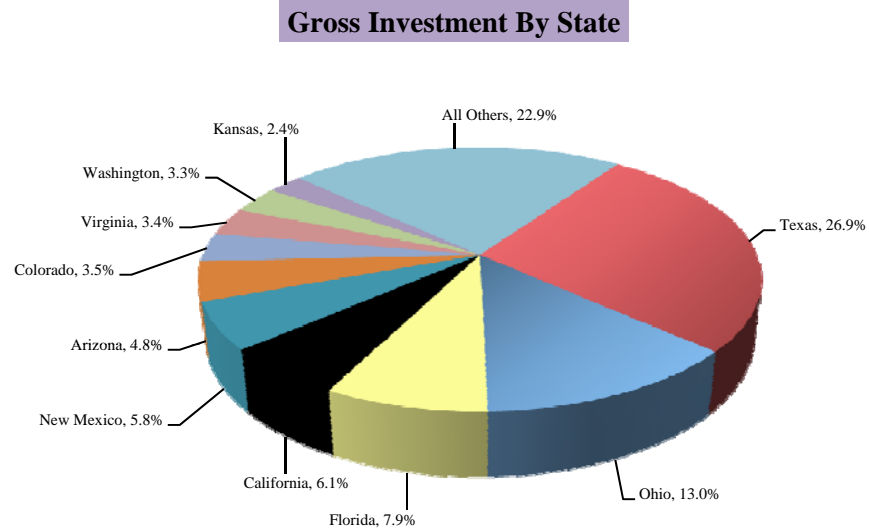


Proforma Real Estate Portfolio Diversification

(dollar amounts in thousands)

State Diversification By Property Type - Owned and Loan Portfolio

State ⁽¹⁾	Gross Investment	%
Texas	\$ 229,490	26.9%
Ohio	110,804	13.0%
Florida	67,859	7.9%
California	51,701	6.1%
New Mexico	49,114	5.8%
Arizona	41,212	4.8%
Colorado	29,849	3.5%
Virginia	29,052	3.4%
Washington	27,888	3.3%
Kansas	20,844	2.4%
All Others	196,230	22.9%
Total	\$ 854,043	100.0%



State ⁽¹⁾	# of Props	ALF	%	SNF	%	Other	%	School	%	UDP ⁽²⁾	%	Gross Investment	%
Texas	56	\$ 32,193	10.4%	\$ 187,703	40.6%	\$ 8,632	12.8%	\$ -	-	\$ 962	32.1%	\$ 229,490	26.9%
Ohio	19	44,647	14.5%	66,157	14.3%	-	-	-	-	-	-	110,804	13.0%
Florida	17	36,613	11.9%	17,826	3.9%	13,420	19.8%	-	-	-	-	67,859	7.9%
California	5	28,071	9.1%	20,649	4.5%	2,981	4.4%	-	-	-	-	51,701	6.1%
New Mexico	7	-	-	49,114	10.6%	-	-	-	-	-	-	49,114	5.8%
Arizona	7	5,120	1.7%	36,092	7.8%	-	-	-	-	-	-	41,212	4.8%
Colorado	10	18,402	6.0%	7,407	1.6%	2,007	3.0%	-	-	2,033	67.9%	29,849	3.5%
Virginia	4	-	-	15,713	3.4%	13,339	19.7%	-	-	-	-	29,052	3.4%
Washington	10	19,080	6.2%	8,808	1.9%	-	-	-	-	-	-	27,888	3.3%
Kansas	7	6,733	2.2%	14,111	3.1%	-	-	-	-	-	-	20,844	2.4%
All Others	66	117,675	38.0%	39,013	8.3%	27,306	40.3%	12,236	100.0%	-	-	196,230	22.9%
Total	208	\$ 308,534	100.0%	\$ 462,593	100.0%	\$ 67,685	100.0%	\$ 12,236	100.0%	\$ 2,995	100.0%	\$ 854,043	100.0%

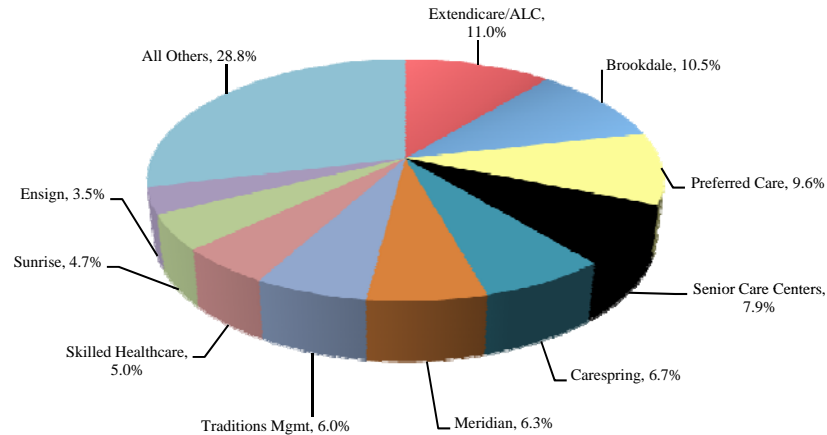
(1) Due to master leases with properties in multiple states, revenue by state is not available.

(2) Under Development Properties. See definition in the Glossary.

Proforma Real Estate Portfolio Diversification

Operator Diversification - Owned Portfolio

Gross Investment By Operator



Operator	# of Properties	Gross Investment	%	Annualized GAAP Rent	%
Extendicare REIT and Assisted Living Concepts, Inc	37	\$ 88,034	11.0%	\$ 10,963	12.0%
Brookdale Senior Living Communities, Inc.	35	84,210	10.5%	10,734	11.7%
Preferred Care	25	77,206	9.6%	10,588	11.6%
Senior Care Centers, LLC	5	63,698	7.9%	6,730	7.4%
Carespring Health Care Mgt, LLC	2	54,000	6.7%	5,434	5.9%
Meridian Senior Properties Fund II, LP	4	50,841	6.3%	4,742	5.2%
Traditions Management	4	48,500	6.0%	5,243	5.7%
Skilled Healthcare Group, Inc.	5	40,270	5.0%	4,501	4.9%
Sunrise Senior Living	6	37,659	4.7%	4,614	5.0%
Ensign Group, Inc.	3	28,496	3.5%	1,596	1.7%
All Others	48	230,883	28.8%	26,397	28.9%
Total	174	\$ 803,797	100.0%	\$ 91,542	100.0%



Proforma Top Ten Operators – Owned Portfolio

Extendicare REIT and Assisted Living Concepts, Inc. (TSX: EXE.UN) operates 262 senior care facilities in Canada and in the United States with the ability to serve approximately 28,213 residents. EHSI offers a continuum of health care services, including nursing care, assisted living and related medical specialty services, such as sub-acute care and rehabilitative therapy on an inpatient and outpatient basis. ALC (NYSE: ALC) and its subsidiaries operate 211 residences which include licensed assisted living and independent living residences with capacity for 9,325 residents in 20 states. As of June 30, 2012 the LTC portfolio consisted of 37 assisted living properties in 10 states with a gross investment balance of \$88.0 million.

Brookdale Senior Living, Inc. (NYSE: BKD) operates 647 independent living, assisted living, and dementia-care communities and continuing care retirement centers, with the ability to serve approximately 67,000 residents. As of June 30, 2012, the LTC portfolio consisted of 35 assisted living properties in 8 states with a gross investment balance of \$84.2 million.

Preferred Care, Inc. (Privately held) operates 87 facilities comprised of skilled nursing, assisted living, and independent living facilities, as well as 5 specialty care facilities, in 11 states. As of June 30, 2012, the LTC portfolio consisted of 23 skilled nursing and 2 other senior housing properties in 6 states with a gross investment balance of \$77.2 million. They also operate 1 skilled nursing facility under a sub-lease with another lessee we have which is not included in the Preferred Care rental revenue.

Senior Care Centers, LLC (Privately held) provides skilled nursing care, Alzheimer's care, assisted living, and independent living services in 35 facilities exclusively in Texas. As of proforma June 30, 2012, the LTC portfolio consisted of 5 skilled nursing properties in 1 state with a gross investment balance of \$63.7 million. They also operate 4 skilled nursing properties under a sub-lease with Meridian Senior Properties Fund II, LP which is not included in the Senior Care Centers, LLC rental revenue.

Carespring Health Care Mgmt, LLC (Privately held) provides skilled nursing, assisted living, and independent living services, and other rehabilitative and healthcare services at 13 facilities in 2 states. As of proforma June 30, 2012, the LTC portfolio consisted of 2 skilled nursing properties in 1 state with a gross investment balance of \$54.0 million.

Meridian Realty Advisors, LP through its affiliates including Meridian Senior Properties Fund II, LP (Privately held) acquires and develops independent living, assisted living/memory care and skilled nursing facilities and (owns or leases) 10 skilled nursing facilities and one assisted living facility, all located in Texas. They are currently developing three new assisted living/memory care facilities and one skilled nursing facility. As of June 30, 2012, the LTC portfolio consisted of 4 skilled nursing properties in 1 state with a gross investment balance of \$50.8 million.

Traditions Senior Management, Inc. (Privately held) operates 10 facilities in 4 states consisting of independent living, assisted living, and skilled nursing. As of June 30, 2012, the LTC portfolio consisted of 3 skilled nursing and 1 other senior housing properties in 3 states with a gross investment balance of \$48.5 million. They also operate 2 skilled nursing properties under a sub-lease with Preferred Care, Inc. which is not included in the Traditions Management rental revenue.

Skilled Healthcare Group (NYSE: SKH) is a holding company with subsidiaries that operate skilled nursing facilities, assisted living facilities, a rehabilitation therapy business, and a hospice business. Skilled Healthcare operates in 8 states, including 74 skilled nursing facilities and 23 assisted living facilities. As of June 30, 2012, the LTC portfolio consisted of 5 skilled nursing properties in 1 state with a gross investment balance of \$40.3 million.

Sunrise Senior Living (NYSE: SRZ) operates 311 communities in the United States, Canada and the United Kingdom, with a total capacity of approximately 31,000 units. Sunrise offers a full range of personalized senior living services, including independent living, assisted living, care for individuals with Alzheimer's disease and other forms of memory loss, as well as Nursing and Rehabilitative services. As of June 30, 2012, the LTC portfolio consisted of 6 assisted living properties in 2 states with a gross investment balance of \$37.7 million.

The Ensign Group (NASDAQ: ENSG) provides skilled nursing and assisted living services, physical, occupational and speech therapies, home health and hospice services, and other rehabilitative and healthcare services for both long-term residents and short-stay rehabilitation patients at 106 facilities in 10 states. As of June 30, 2012, the LTC portfolio consisted of 3 skilled nursing properties in 1 state with a gross investment balance of \$28.5 million.



Market Capitalization

(In thousands, except per share amounts and number of shares)

At June 30, 2012

Capitalization

Debt

Bank borrowings - LIBOR + 125 bps	\$	68,000	
Senior unsecured notes -weighted average rate 5.24% ⁽¹⁾		100,000	
Bonds payable - weighted average rate 2.22% ⁽²⁾		2,635	
Total debt		170,635	13.0%

Equity

	No. of shares	Closing Price		
Preferred stock -Series C ⁽³⁾			38,500	2.9%
Common stock ⁽⁴⁾	30,444,774	\$ 36.28 ⁽⁵⁾	1,104,536	84.1%
Non-controlling interest			406	0.0%
Total equity			1,143,442	87.0%

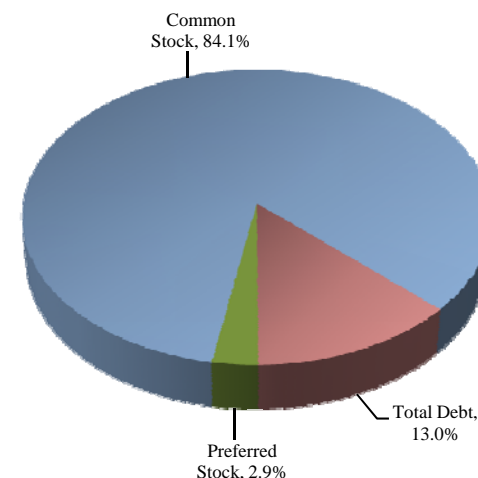
Market Capitalization

\$ 1,314,077 100.0%

Debt to Market Cap 13.0%

Debt & Preferred to Market Cap 15.9%

Capitalization



(1) Includes amortization of debt issue cost.

(2) Includes letter of credit fees.

(3) Non-traded shares. Two million shares outstanding with a face rate of 8.5% and a liquidation value of \$19.25 per share, convertible into common stock on a one-for-one basis. Our Series C preferred stock are not redeemable by us.

(4) Traded on NYSE.

(5) Closing price of our common stock as reported by the NYSE on June 29, 2012, the last trading of second quarter 2012.

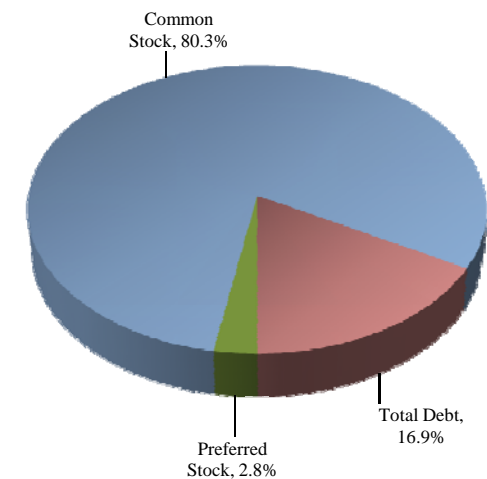


Proforma Market Capitalization

(In thousands, except per share amounts and number of shares)

		At June 30, 2012	Capitalization
Debt			
Bank borrowings - LIBOR + 125 bps		\$ 43,400	
Senior unsecured notes -weighted average rate 5.17% ⁽¹⁾		185,800	
Bonds payable - weighted average rate 2.22% ⁽²⁾		2,635	
Total debt		231,835	16.9%
Equity			
	No. of shares	Closing Price	
Preferred stock -Series C (3)		38,500	2.8%
Common stock (4)	30,444,774	\$ 36.28 ⁽⁵⁾	80.3%
Non-controlling interest		406	0.0%
Total equity		1,143,442	83.1%
Market Capitalization		1,375,277	100.0%
Debt to Market Cap		16.9%	
Debt & Preferred to Market Cap		19.7%	

Capitalization



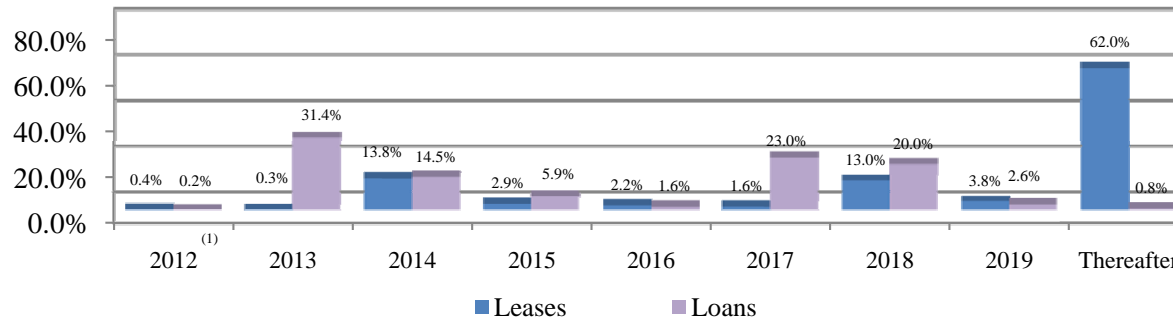
- (1) Includes amortization of debt issue cost.
- (2) Includes letter of credit fees.
- (3) Non-traded shares. Two million shares outstanding with a face rate of 8.5% and a liquidation value of \$19.25 per share, convertible into common stock on a one-for-one basis. Our Series C preferred stock are not redeemable by us.
- (4) Traded on NYSE.
- (5) Closing price of our common stock as reported by the NYSE on June 29, 2012, the last trading of second quarter 2012.



Proforma Lease and Mortgage Loan Receivable Maturity

(dollar amounts in thousands)

Investment Portfolio Maturity Schedule (as a % of total gross owned investment and mortgage loans outstanding)



LTC's investment portfolio has a long-term weighted roll-over maturity schedule. Over 78% of the portfolio has lease expirations after 2017. Over 23% of outstanding mortgage loans mature after 2017.

Rental Revenue and Interest Income Maturity

Year	Annualized GAAP Rental Income	% of Total	Interest Income ⁽²⁾	% of Total	Total Rental & Interest Income	% of Total
2012 ⁽¹⁾	\$ 496	0.5%	\$ 19	0.4%	\$ 515	0.5%
2013	453	0.5%	1,912	41.3%	2,365	2.5%
2014	12,951	14.1%	849	18.3%	13,800	14.3%
2015	2,539	2.8%	269	5.8%	2,808	2.9%
2016	2,129	2.3%	26	0.6%	2,155	2.2%
2017	1,615	1.8%	627	13.5%	2,242	2.3%
2018	11,262	12.3%	803	17.4%	12,065	12.5%
2019	1,596	1.7%	123	2.7%	1,719	1.9%
Thereafter	58,501	64.0%	-	-	58,501	60.9%
Total	\$ 91,542	100.0%	\$ 4,628	100.0%	\$ 96,170	100.0%

(1) The lease that expired in July 2012 was replaced with a new lease expiring in July 2022.

(2) Reflects annualized contract rate of interest for loans, net of collectability reserves, if applicable.

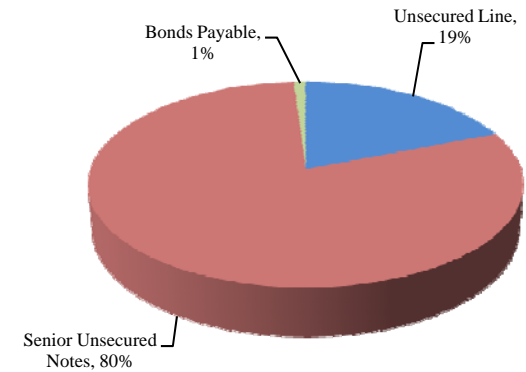


Proforma Debt Maturity

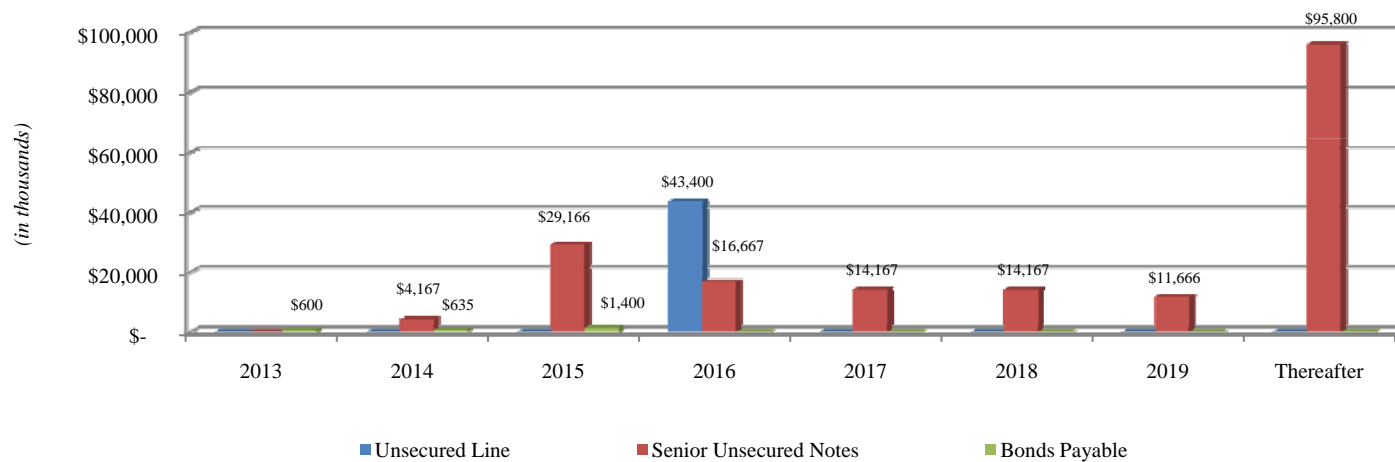
(in thousands)

Year	Unsecured Line of Credit	Senior Unsecured Notes ⁽¹⁾	Bonds Payable ⁽¹⁾	Total
2013	\$ -	\$ -	\$ 600	\$ 600
2014	-	4,167	635	4,802
2015	-	29,166	1,400	30,566
2016	43,400	16,667	-	60,067
2017	-	14,167	-	14,167
2018	-	14,167	-	14,167
2019	-	11,666	-	11,666
Thereafter	-	95,800	-	95,800
Total	\$ 43,400	\$ 185,800	\$ 2,635	\$ 231,835

Debt Structure



(1) Reflects scheduled principal payments.





Financial Data Summary

(dollar amounts in thousands)

Balance Sheet and Coverage Ratios

	Trailing twelve months ended				
	12/31/09	12/31/10	12/31/11	6/30/12	Proforma 6/30/12
Net real estate assets	\$444,163	\$515,983	\$599,916	\$605,652	\$666,152
Total assets	490,593	561,264	647,097	654,854	722,014
Total debt	25,410	91,430	159,200	170,635	231,835
Total liabilities	36,280	103,742	178,387	189,392	250,592
Preferred stock	186,801	126,913	38,500	38,500	38,500
Total equity	454,313	457,522	468,710	465,462	471,422
Debt to gross asset value ratio ⁽¹⁾	4.0%	12.7%	19.3%	20.3%	25.5%
Debt & preferred stock to gross asset value ratio ⁽¹⁾	33.4%	30.3%	24.0%	24.8%	29.7%
Debt to market capitalization ratio	3.0%	9.5%	14.0%	13.0%	16.9%
Debt & preferred stock to market capitalization ratio	25.1%	23.0%	17.4%	15.9%	19.7%
Debt to normalized EBITDA	0.4x	1.4x	2.1x	2.2x	2.7x
Normalized interest coverage ratio	25.4x	24.5x	11.8x	10.1x	7.2x
Normalized fixed charge coverage ratio	3.5x	4.0x	6.4x	7.1x	5.6x

(1) Gross asset value represents undepreciated book value.



Financial Data Summary

(dollar amounts in thousands)

Reconciliation of Normalized EBITDA and Fixed Charges

	Trailing twelve months ended				
	12/31/09	12/31/10	12/31/11	6/30/12	Proforma 6/30/12
Net income	\$ 44,360	\$ 46,053	\$ 49,443	\$ 51,072	\$ 53,042
Less: Gain on sale	-	(310)	-	(16)	(16)
Add: Interest expense	2,418	2,653	6,434	7,824	11,814
Add: Depreciation and amortization (including discontinued operations)	14,822	16,109	19,623	20,651	20,651
Adjusted EBITDA	61,600	64,505	75,500	79,531	85,491
(Deduct)/Add back:					
Non-recurring one-time items	(198)	467	-	(347)	(347)
Normalized EBITDA	\$ 61,402	\$ 64,972	\$ 75,500	\$ 79,184	\$ 85,144
Interest expense	\$ 2,418	\$ 2,653	\$ 6,434	\$ 7,824	\$ 11,814
Preferred stock dividend	15,141	13,662	5,512	3,272	3,272
Fixed Charges	\$ 17,559	\$ 16,315	\$ 11,946	\$ 11,096	\$ 15,086

Proforma Non-Cash Rental Revenue Components

	2Q12	3Q12 ⁽¹⁾	4Q12 ⁽¹⁾	1Q13 ⁽¹⁾	2Q13 ⁽¹⁾
Straight-line rent	\$ 686	\$ 866	\$ 917	\$ 712	638
Amort of lease inducement	(165)	(165)	(165)	(165)	(165)
Net	\$ 521	\$ 701	\$ 752	\$ 547	\$ 473

(1) Projections based on current in-place leases and the new leases from the newly acquired properties, assuming no modification or replacement of existing leases and no new leased investments are added to our portfolio.



Consolidated Statements of Income

(dollar amounts in thousands, except per share amounts, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Revenues				
Rental income	\$ 21,175	\$ 19,337	\$ 42,047	\$ 37,519
Interest from mortgage loans	1,431	1,613	2,963	3,269
Interest and other income	484	230	720	645
Total revenues	<u>23,090</u>	<u>21,180</u>	<u>45,730</u>	<u>41,433</u>
Expenses				
Interest expense	2,004	1,543	4,037	2,647
Depreciation and amortization	5,369	4,918	10,536	9,350
Acquisition costs	141	35	182	165
Operating and other expenses	2,433	2,323	4,885	4,637
Total expenses	<u>9,947</u>	<u>8,819</u>	<u>19,640</u>	<u>16,799</u>
Income from continuing operations	13,143	12,361	26,090	24,634
Discontinued operations:				
Loss from discontinued operations	(30)	(99)	(61)	(218)
Gain on sale of assets, net	-	-	16	0
Net loss from discontinued operations	<u>(30)</u>	<u>(99)</u>	<u>(45)</u>	<u>(218)</u>
Net income	13,113	12,262	26,045	24,416
Income allocated to non-controlling interests	(10)	(48)	(21)	(96)
Net income attributable to LTC Properties, Inc.	<u>13,103</u>	<u>12,214</u>	<u>26,024</u>	<u>24,320</u>
Income allocated to participating securities	(91)	(85)	(185)	(174)
Income allocated to preferred stockholders	(818)	(818)	(1,636)	(7,442)
Net income available to common stockholders	<u>\$ 12,194</u>	<u>\$ 11,311</u>	<u>\$ 24,203</u>	<u>\$ 16,704</u>
Basic earnings per common share:	<u>\$0.40</u>	<u>\$0.38</u>	<u>\$0.80</u>	<u>\$0.59</u>
Diluted earnings per common share:	<u>\$0.40</u>	<u>\$0.37</u>	<u>\$0.80</u>	<u>\$0.59</u>
Weighted average shares used to calculate earnings per common share				
Basic	30,213	30,135	30,201	28,233
Diluted	<u>30,258</u>	<u>30,168</u>	<u>30,246</u>	<u>28,264</u>



Consolidated Balance Sheets

(amounts in thousands)

ASSETS

Real estate investments:

Land	\$ 60,362	\$ 57,059
Buildings and improvements	677,297	659,453
Accumulated depreciation and amortization	(186,394)	(175,933)
Net operating real estate property	551,265	540,579

Properties held-for-sale, net of accumulated depreciation and amortization: 2012 - \$613; 2011 - \$2,263	5,025	6,256
Net real estate property	556,290	546,835

Mortgage loans receivable, net of allowance for doubtful accounts: 2012 - \$884; 2011 - \$921	49,362	53,081
Real estate investments, net	605,652	599,916

Other assets:

Cash and cash equivalents	10,313	4,408
Debt issue costs, net	2,698	2,301
Interest receivable	1,062	1,494
Straight-line rent receivable, net of allowance for doubtful accounts: 2012 - \$688; 2011 - \$680	25,089	23,772
Prepaid expenses and other assets	7,341	7,851
Other assets related to properties held-for-sale, net of allowance for doubtful accounts: 2012 - \$839; 2011 - \$839	52	53
Notes receivable	2,647	817
Marketable securities	-	6,485
Total assets	\$ 654,854	\$ 647,097

LIABILITIES

Bank borrowings	\$ 68,000	\$ 56,000
Senior unsecured notes	100,000	100,000
Bonds payable	2,635	3,200
Accrued interest	1,156	1,356
Earn-out liabilities	6,524	6,305
Accrued expenses and other liabilities	10,938	11,314
Accrued expenses and other liabilities related to properties held-for-sale	139	212
Total liabilities	189,392	178,387

EQUITY

Preferred stock ⁽¹⁾	38,500	38,500
Common stock ⁽²⁾	304	303
Capital in excess of par value	507,752	507,343
Cumulative net income	698,767	672,743
Other	169	199
Cumulative distributions	(780,436)	(752,340)
Total LTC Properties, Inc. stockholders' equity	465,056	466,748
Non-controlling interests	406	1,962
Total equity	465,462	468,710
Total liabilities and equity	\$ 654,854	\$ 647,097

(1) Preferred stock \$0.01 par value; 15,000 shares authorized; shares issued and outstanding: 2012 - 2,000; 2011 - 2,000

(2) Common stock \$0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2012 - 30,445; 2011 - 30,346



Funds from Operations

(dollar amounts in thousands, except per share amounts)

FFO Reconciliation

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net income available to common stockholders	\$ 12,194	\$ 11,311	\$ 24,203	\$ 16,704
Add: Depreciation and amortization (continuing and discontinued operations)	5,369	4,987	10,536	9,508
Less: Gain on sale of real estate, net	-	-	(16)	-
FFO available to common stockholders	17,563	16,298	34,723	26,212
Add: Preferred stock redemption charge	-	-	-	3,566 ⁽¹⁾
Add: Preferred stock redemption dividend	-	-	-	472 ⁽²⁾
Add: Non-cash interest related to earn-out liabilities	110	177	220	177
Add: Non-recurring one time items	(347) ⁽³⁾	-	(347) ⁽³⁾	-
Normalized FFO available to common stockholders	17,326	16,475	34,596	30,427
Less: Non-cash rental income	(521)	(750)	(1,003)	(1,356)
Normalized adjusted FFO (AFFO)	16,805	15,725	33,593	29,071
Add: Non-cash compensation charges	458	363	910	721
Normalized funds available for distribution (FAD)	\$ 17,263	\$ 16,088	\$ 34,503	\$ 29,792
Diluted FFO available to common stockholders per share	\$0.57	\$0.53	\$1.13	\$0.92
Diluted normalized FFO available to common stockholders per share	\$0.56	\$0.54	\$1.12	\$1.06
Diluted normalized AFFO per share	\$0.55	\$0.51	\$1.09	\$1.01
Diluted normalized FAD per share	\$0.56	\$0.52	\$1.12	\$1.04

(1) Represents the original issue costs related to the redemption of the remaining Series F preferred stock.

(2) Represents the dividends on the Series F preferred stock up to the redemption date.

(3) Represents revenue from the Sunwest bankruptcy settlement distribution.

Adjusted Funds From Operations (“AFFO”): FFO excluding the effects of non-cash rental income.

Assisted Living Properties (“ALF”): Senior housing properties serving elderly persons who require assistance with activities of daily living, but do not require the constant supervision skilled nursing properties provide. Services are usually available 24 hours a day and include personal supervision and assistance with eating, bathing, grooming and administering medication. The facilities provide a combination of housing, supportive services, personalized assistance and health care designed to respond to individual needs.

Contractual Lease Rent: Rental revenue as defined by the lease agreement between us and the operator for the lease year.

EBITDA: Earnings before interest, taxes, depreciation and amortization.

EBITDAR Coverage: From the operator financial statements, the trailing twelve month’s earnings before interest, taxes, depreciation, amortization, and rent divided by the operator’s contractual lease rent. Management fees are imputed at 5% of revenues.

EBITDARM Coverage: From the operator financial statements, the trailing twelve month’s earnings before interest, taxes, depreciation, amortization, rent and management fees divided by the operator’s contractual lease rent.

Funds Available for Distribution (“FAD”): FFO excluding the effects of non-cash rental income and non-cash compensation charges.

Funds From Operations (“FFO”): As defined by the National Association of Real Estate Investment Trusts (“NAREIT”), net income available to common stockholders (computed in accordance with U.S. GAAP) excluding gains or losses on the sale of real estate and impairment write-downs of depreciable real estate plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

GAAP Lease Yield: GAAP rent divided by the purchase price.

GAAP Rent: Total rent we will receive as a fixed amount over the life of the lease and recognized evenly over that life. GAAP rent recorded in the early years of a lease is higher than the cash rent received and during the later years of the lease, the cash rent received is higher than GAAP rent recognized. GAAP rent is commonly referred to as straight-line rental income.

Gross Asset Value: Represents undepreciated book value.

Gross Investment: Original price paid for an asset plus capital improvements funded by LTC Properties, Inc. (“LTC”), without any depreciation deductions. Gross Investment is commonly referred to as undepreciated book value.

Independent Living Properties (“ILF”): Senior housing properties offering numerous levels of service, such as laundry, housekeeping, dining options/meal plans, exercise and wellness programs, transportation, social, cultural and recreational activities, on-site security and emergency response programs. Many offer on-site conveniences like beauty/barber shops, fitness facilities, game rooms, libraries and activity centers. ILFs are also known as retirement communities or senior apartments.



Glossary

Interest Income: Represents interest income from mortgage loans.

Licensed Beds/Units: The number of beds and/or units that an operator is authorized to operate at a senior housing property. Licensed beds and/or units may differ from the number of beds and/or units in service at any given time.

Net Real Estate Assets: Gross investment less accumulated depreciation. Net Real Estate Asset is commonly referred to as Net Book Value ("NBV").

Non-cash Rental Income: Straight-line rental income and amortization of lease inducement.

Non-cash Compensation Charges: Vesting expense relating to stock options and restricted stock.

Normalized AFFO: FFO adjusted for non-recurring, infrequent or unusual items and excludes the non-cash rental income.

Normalized FAD: FFO adjusted for non-recurring, infrequent or unusual items and excludes the non-cash rental income and non-cash compensation charges.

Normalized FFO: FFO adjusted for non-recurring, infrequent or unusual items.

Occupancy: The weighted average percentage of all beds and/or units that are occupied at a given time. The calculation uses the trailing twelve months and is based on licensed beds and/or units which may differ from the number of beds and/or units in service at any given time.

Operator Financial Statements: Property level operator financial statements are unaudited and have not been independently verified by us.

Other Senior Housing: Senior housing properties consisting of independent living properties and properties providing any combination of skilled nursing, assisted living and/or independent living services.

Private Pay: Private pay includes private insurance, HMO, VA, and other payors.

Purchase Price: Represents the fair value price of an asset that is exchanged in an orderly transaction between market participants at the measurement date. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets; it is not a forced transaction (for example, a forced liquidation or distress sale).

Quality Mix: LTC revenue by operator underlying payor source for the quarter presented. LTC is not a Medicaid or a Medicare recipient. Statistics represent LTC's rental revenues times operators' underlying payor source revenue percentage. Underlying payor source revenue percentage is calculated from property level operator financial statements which are unaudited and have not been independently verified by us.

Rental Income: Represents GAAP rent net of amortized lease inducement cost from continuing and discontinued operations.



Glossary

Same Property Portfolio (“SPP”): Same property statistics allow management to evaluate the performance of LTC’s leased property portfolio under a consistent population, which eliminates the changes in the composition of our portfolio of properties. We identify our same property portfolio as stabilized properties that are, and remained, in operations for the duration of the quarter-over quarter comparison periods presented. Accordingly, it takes a stabilized property a minimum of 12 months in operations to be included in our same property portfolio.

Schools: An institution for educating students which include private and charter schools. Private schools are not administered by local, state or national governments; therefore, funded in whole or part by student tuition rather than government funded. Charter schools provide an alternative to the traditional public school. Charter schools are generally autonomous entities authorized by the state or locality to conduct operations independent from the surrounding public school district. Laws vary by state, but generally charters are granted by state boards of education either directly or in conjunction with local school districts or public universities. Operators are granted charters to establish and operate schools based on the goals and objectives set forth in the charter. Upon receipt of a charter, schools receive an annuity from the state for each student enrolled.

Skilled Nursing Properties (“SNF”): Senior housing properties providing restorative, rehabilitative and nursing care for people not requiring the more extensive and sophisticated treatment available at acute care hospitals. Many SNFs provide ancillary services that include occupational, speech, physical, respiratory and IV therapies, as well as sub-acute care services which are paid either by the patient, the patient’s family, private health insurance, or through the federal Medicare or state Medicaid programs.

Stabilized: Newly acquired operating assets are generally considered stabilized at the earlier of lease-up (typically when occupancy reaches 80% at a SNF or 90% at an ALF) or 12 months from the acquisition date. Newly completed developments, including redevelopments, major renovations, and property additions, are considered stabilized at the earlier of lease-up or 24 months from the date the property is placed in service.

Under Development Properties (“UDP”): Development projects to construct senior living properties.