Supplemental Operating and Financial Data
September 30, 2014
(Unaudited)

Assisted Living Property – Vacaville, CA
Operated by Brookdale Senior Living

Table of Contents

Company Information

Company

Founded in 1992, LTC Properties, Inc. ("LTC") 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 and other health care related properties leased to qualified, 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, visit the Company's website at www.LTCreit.com.

Board of Directors

Wendy Simpson
Chairman

Boyd Hendrickson
Lead Director

Edmund King

James Pieczynski

Devra Shapiro

Timothy Triche, MD

Management

Wendy Simpson
Chairman, Chief Executive Officer and President

Pam Kessler
Executive Vice President, CFO, and Secretary

Clint Malin
Executive Vice President and Chief Investment Officer

Brent Chappell
Senior VP, Investment and Portfolio Management

Cece Chikhale
Vice President, Controller and Treasurer

Mark Hemingway
Vice President of Marketing

Peter Lyew
Vice President and Director of Taxes

Contact Information

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

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

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

Additional Information

Analyst Coverage		
Crowell, Weedon, & Co. Douglas A. Christopher, CFA	**J.J. B. Hilliard, W.L. Lyons, Inc.** John Roberts	**JMP Securities, LLC** Peter Martin
KeyBanc Capital Markets, Inc. Karin A. Ford	**Mizuho Securities USA Inc.** Richard Anderson	**MLV & Co LLC** Paul Morgan
RBC Capital Markets Corporation Mike Carroll	**Stifel, Nicolaus & Company, Inc.** Daniel 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, 2013 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 21, 24, and 25 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.LTCreit.com.

Real Estate Activities

(dollar amounts in thousands)

ACQUISITIONS

Date	# of Properties	Property Type	# Beds/Units	Location	Operator	Date of Construction	Purchase Price	Annual GAAP Revenue	GAAP Lease Yield
9/13/2013	1	UDP (1)(2)	60 units	Littleton, CO	Under Development Property	2013-2014 (1)	$ 1,200	- (1)	- (1)
9/20/2013	1	UDP (1)(2)	48 units	Aurora, CO	Under Development Property	2013-2015 (1)	850	- (1)	- (1)
10/31/2013	4	Land	N/A	Various cities in MI	Prestige Healthcare	N/A	1,163	-	-
11/1/2013	1	SNF	120 beds	Trinity, FL	Traditions Management	2008 (3)	14,402	- (3)	- (3)
12/20/2013	1	UDP (1)(2)	60 units	Westminster, CO	Under Development Property	2013-2015 (1)	1,425	(1)	- (1)
	8		168 units/120 beds				$ 19,040		
10/22/2014	1	UDP (1)(2)	66 units	Burr Ridge, IL	Under Development Property	2014-2016 (1)	$ 1,400	- (1)	- (1)

(1) See page 7 for Development Activities.
(2) Simultaneous with the purchase, we entered into a lease agreement and development commitments totaling $42.5 million. See page 7 for Development Activities.
(3) The property was included in a master lease at an incremental initial cash yield of 8.75%. The GAAP yield on the master lease is 10.7%.

LOAN ORIGINATIONS

Date	# of Properties	Property Type	# Beds/Units	Location	Borrower	Operator	Origination	Development Funding	Funded to Date	Annual Revenue	Interest Rate
10/31/13	15	SNF	2,058 beds	Various cities in MI	Affiliates of Madison Healthcare	Prestige Healthcare	$ 124,387	$ 1,513	$ 125,900	$ 11,996	9.5%
7/31/14	1	ALF	100 beds	Phoenix, AZ	GrayHC-PVRE	Gray Health Care	$ 3,027	$ -	$ -	$ 242	7.0%

Real Estate Activities

(dollar amounts in thousands)

LEASE-UP

Date Opened	Occupancy at Sept 30, 2014	Commitment Year	Project Type	Location	# of Projects	Property Type	Approximate Cash Lease/Loan Yield	# Beds/Units	Total Commitment	3Q14 Funding	Total Funded to Date
Oct-13	95%	2012	Development [1]	Wichita, KS	1	ALF/MC	9.25%	77 units	$ 10,585	$ 101	$ 10,225
Feb-14	61%	2012	Redevelopment [2]	Slinger, WI	1	SNF	10.08%	106 beds	10,600	-	10,600
Aug-14	37%	2013	Development [3]	Littleton, CO	1	MC	9.25%	60 units	9,931	1,153	9,529
					3			137 units/106 beds	$ 31,116	$ 1,254	$ 30,354

(1) Represents a newly developed 77-unit assisted living and memory care property in Kansas. GAAP rent began in 4Q13.
(2) Represents a mortgage and construction loan secured by a newly constructed 106-bed property which replaced a closed skilled nursing property. Funding was completed in 2Q14 and the closed skilled nursing property was sold in October 2014.
(3) Represents a newly developed 60-unit memory care property in Colorado. GAAP rent began in 3Q14.

DEVELOPMENT ACTIVITIES

Estimated Rent Inception Date	Commitment Year	Project Type	Location	# of Projects	Property Type	Approximate Cash Lease Yield	# Beds/Units	Investment Commitment	3Q14 Funding	Total Funded to Date	Remaining Commitment
4Q14	2012	Development	Frisco, TX	1	ALF/MC	9.25%	80 units	$ 5,800 [1]	$ 375	$ 5,340	$ 460
4Q14	2012	Expansion/Renovation	Fort Collins, CO	2	ALF/MC	7.75% [2]	-	8,000	3,794	4,642	3,358
4Q14	2012	Development	Coldspring, KY	1	SNF	8.50%	143 beds	23,500 [1]	2,029	15,932	7,568
4Q14	2013	Renovation	Hillview/Lauderdale, TN	2	SNF	7.00%	-	2,200	268	1,978	222
4Q14	2013	Renovation	St. Petersburg, FL	1	SNF	8.75%	-	500	146	146	354
				7			80 units/143 beds	$ 40,000	$ 6,612	$ 28,038	$ 11,962
1Q15	2013	Development	Aurora, CO	1	MC	9.25%	48 units	$ 9,622 [1]	$ 2,297	$ 6,884	$ 2,738
2Q15	2013	Development	Westminster, CO	1	MC	9.25%	60 units	10,703 [1]	1,889	6,664	4,039
- [3]	2013	Renovation [4]	Various cities in MI	15	SNF	9.41%	-	12,000	816	1,513	10,487
				17			108 units	$ 32,325	$ 5,002	$ 15,061	$ 17,264
2Q16	2014	Development	Burr Ridge, IL	1	MC	9.30%	66 units	$ 12,248 [1]	$ -	$ - [5]	$ 12,248
			Total	25		WA 8.87%	254 units/143 beds	$ 84,573	$ 11,614	$ 43,099	$ 41,474

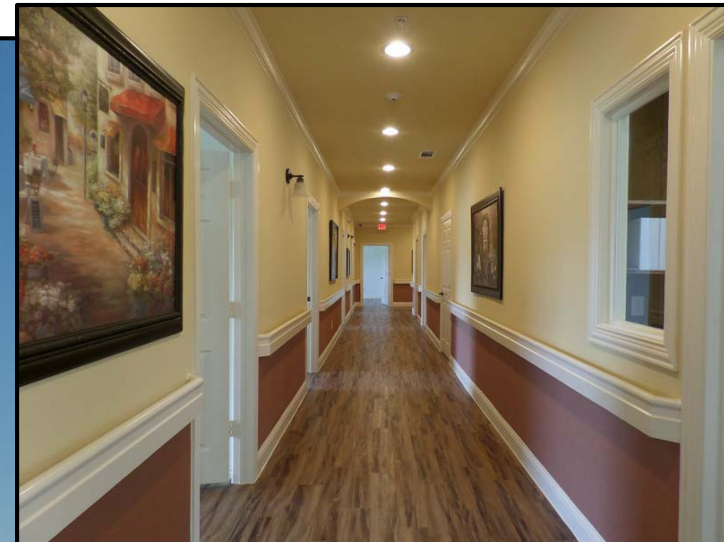
(1) Includes land and excludes capitalized interest on our open commitment.
(2) Based on Treasury rate and/or Treasury rate plus spread but not less than the rate shown.
(3) Interest on additional loan proceeds (see footnote 4 below) begins upon funding. Under the mortgage loan, the commitment to fund additional loan proceeds for approved capital improvement projects expires on March 31, 2016.
(4) Mortgage loan originated on October 31, 2013 provides for a $12.0 million commitment to fund renovations and/or expansions at certain properties securing the mortgage loan.
(5) Subsequent to September 30, 2014, we purchased a parcel of land in Illinois for $1.4 million and entered into a development commitment to construct a 66-unit free-standing memory care property.

Real Estate Activities

Lease-Up in Littleton, CO
Willowbrook Place, Kipling Parkway
60-unit memory care property
Certificate of Occupancy – August 14, 2014
Operated by Anthem Memory Care

Real Estate Activities

Development in Frisco, TX
80-unit assisted living and memory care property
To be operated by Mustang Creek Management



Real Estate Portfolio Summary

(dollar amounts in thousands)

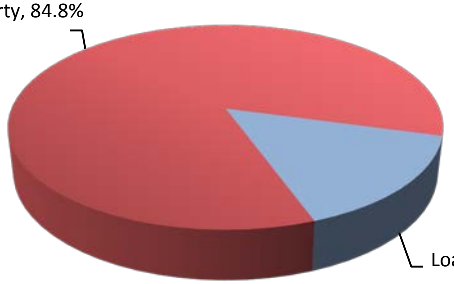
Real Estate Snapshot – Owned and Loan Portfolio

Type of Property	Gross Investments	% of Investments	Trailing Twelve Months Ended September 30, 2014 Rental Income[1]	Interest Income[1]	% of Revenues	# of Properties	SNF Beds	ALF Units	Investment per Bed/Unit
Skilled Nursing[2]	$ 615,869	54.1%	$ 51,260	$ 14,125	56.6%	101	12,183	-	$50.55
Assisted Living	429,922	37.7%	42,342	1,131	37.7%	106	-	4,931	$87.19
Range of Care	46,293	4.1%	5,059	291	4.6%	9	733	348	$42.82
Under Development[3]	36,096	3.2%	-	-	-	-	-	-	
Other[4]	10,883	0.9%	1,290	-	1.1%	1	-	-	
Total	$ 1,139,063	100.0%	$ 99,951	$15,547 [5]	100.0%	217	12,916	5,279	

(1) Includes rental income and interest income from mortgage loans and excludes rental income from properties sold during the trailing twelve months ended September 30, 2014.
(2) Includes a mortgage and construction loan secured by a newly constructed 106-bed replacement property and a closed skilled nursing property which was sold in October 2014.
(3) Includes two MC developments with a total of 108 units, a combination ALF and MC development with a total of 80 units, and a SNF development with 143 beds.
(4) Includes one school property and five parcels of land held-for-use.
(5) Includes eleven months of interest from a $124,387 mortgage loan originated in 4Q13 and $1,513 of renovation funding on this loan. Assuming a full year of interest income from this mortgage loan, total portfolio interest income would be $16,612.

Investment Type	Gross Investment	%
Real Property	$ 966,012	84.8%
Loans Receivable	173,051	15.2%
Total	$ 1,139,063	100.0%

Gross Investment By Investment Type



Real Estate Portfolio Metrics

Same Property Portfolio Statistics (1)

Owned Properties	Occupancy 2Q14	Occupancy 1Q14	Normalized EBITDARM Coverage 2Q14	Normalized EBITDARM Coverage 1Q14	Normalized EBITDAR Coverage 2Q14	Normalized EBITDAR Coverage 1Q14
Assisted Living (2)	80.2%	80.4%	1.40	1.40	1.18	1.18
Assisted Living (3)	89.5%	89.2%	1.66	1.64	1.42	1.40
Skilled Nursing	79.9%	79.9%	2.29	2.29	1.69	1.69
Range of Care	83.4%	83.6%	1.80	1.81	1.30	1.31

(1) Information is for the trailing twelve months through June 30, 2014 and March 31, 2014 and is from property level operator financial statements which are unaudited and have not been independently verified by us.

(2) Includes properties leased to Extendicare and Enlivant, formerly Assisted Living Concepts

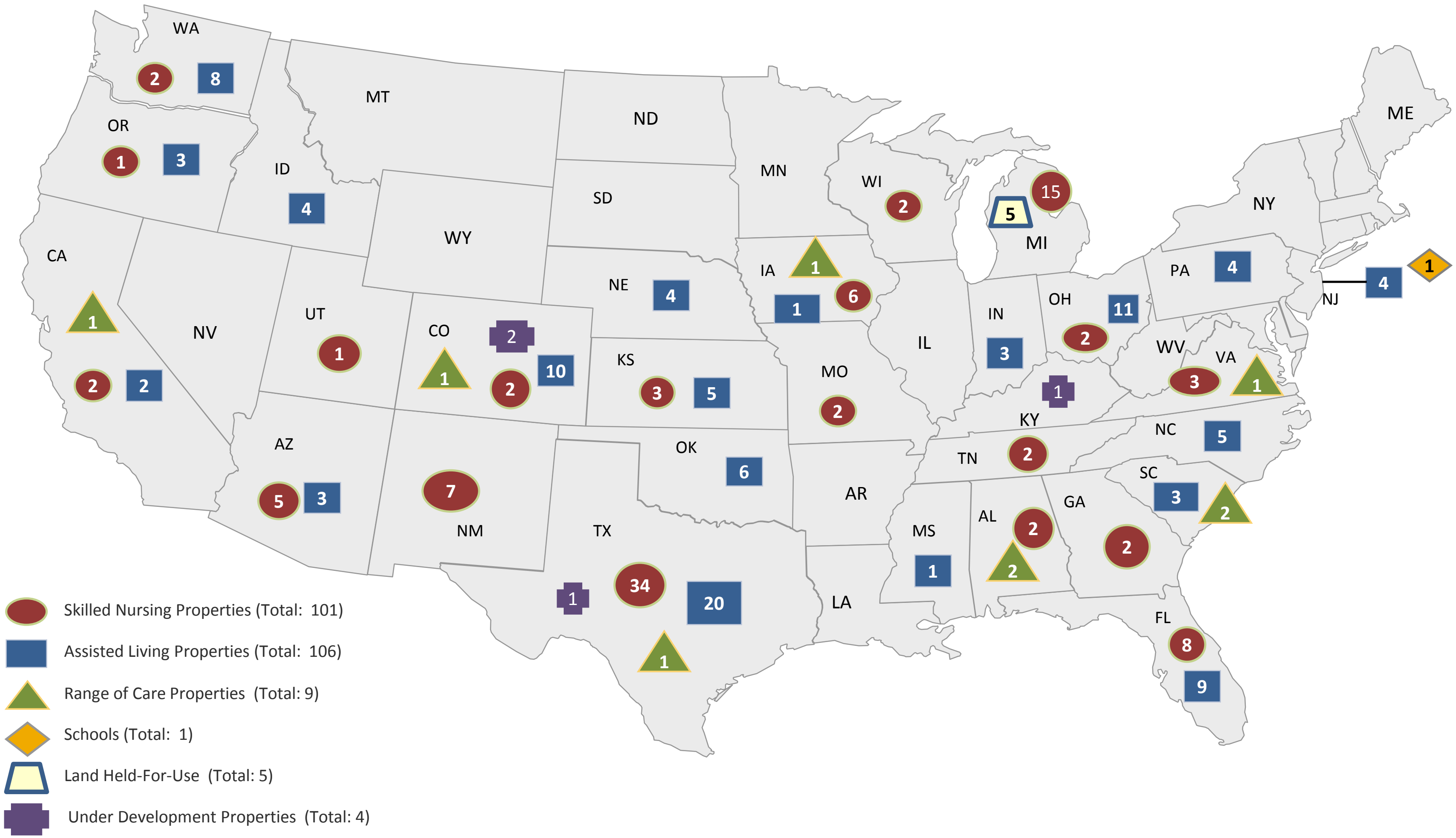
(3) Excludes properties leased to Extendicare and Enlivant, formerly Assisted Living Concepts

Stabilized Property Portfolio Quality Mix

Owned Properties Payor Source (1)	For the Twelve Months Ended June 30, 2014
Private Pay	58.7%
Medicare	15.3%
Medicaid	26.0%

(1) Quality mix for our skilled nursing portfolio, for the twelve months presented, is 25.4% Private Pay, 27.9% Medicare, and 46.7% Medicaid.

Real Estate Portfolio Diversification



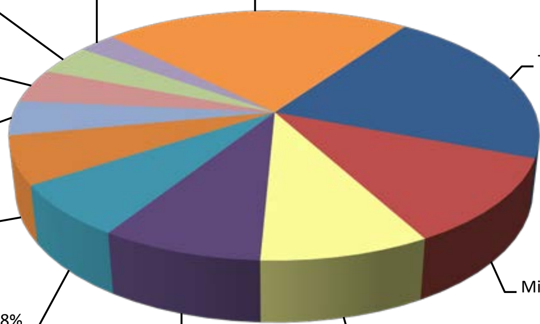
- LTC owns or holds mortgages on 217 properties, four parcels of land under development, and five parcels of land held-for-use in 29 states.

Real Estate Portfolio Diversification

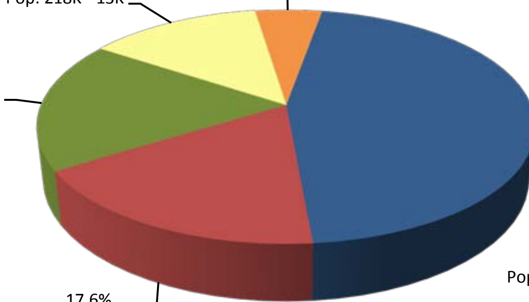
(dollar amounts in thousands)

State Diversification By Property Type - Owned and Loan Portfolio

Gross Investment By State



Gross Portfolio By MSA[1]



State [2]	# of Props	SNF	%	ALF	%	ROC	%	UDP	%	OTH	%	Gross Investment	%
Texas	55	$ 193,780	31.4%	$ 37,565	8.7%	$ 2,994	6.5%	$ 5,586	15.5%	$ -	-	$ 239,925	21.1%
Michigan	15	125,900	20.4%	-	-	-	-	-	-	1,613	14.8%	127,513	11.2%
Ohio	13	54,000	8.8%	44,647	10.4%	-	-	-	-	-	-	98,647	8.7%
Colorado	13	6,038	1.0%	72,721	16.9%	2,007	4.3%	13,833	38.3%	-	-	94,599	8.3%
Florida	17	41,080	6.7%	36,586	8.5%	-	-	-	-	-	-	77,666	6.8%
New Jersey	5	-	-	61,397	14.3%	-	-	-	-	9,270	85.2%	70,667	6.2%
California	5	20,649	3.3%	28,070	6.5%	2,387	5.2%	-	-	-	-	51,106	4.5%
New Mexico	7	50,622	8.2%	-	-	-	-	-	-	-	-	50,622	4.4%
Arizona	8	36,092	5.9%	8,143	1.9%	-	-	-	-	-	-	44,235	3.9%
Kansas	8	14,111	2.3%	17,145	4.0%	-	-	-	-	-	-	31,256	2.7%
All Others	71	73,597	12.0%	123,648	28.8%	38,905	84.0%	16,677	46.2%	-	-	252,827	22.2%
Total	217	$ 615,869	100.0%	$ 429,922	100.0%	$ 46,293	100.0%	$ 36,096	100.0%	$ 10,883	100.0%	$ 1,139,063	100.0%

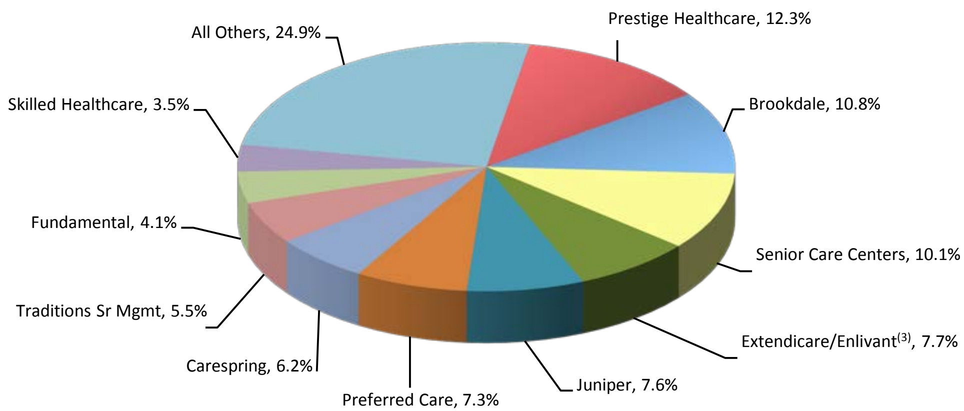
(1) The MSA rank by population as of July 1, 2013, as estimated by the United States Census Bureau.
(2) Due to master leases with properties in multiple states, revenue by state is not available.

Real Estate Portfolio Diversification

(dollar amounts in thousands)

Operator Diversification – Owned and Loan Portfolio

Gross Investment By Operator



Operators[1]	# of Properties	Gross Investment	%	Annual Income[2]	%
Prestige Healthcare	17	$ 139,702	12.3%	$ 13,231	11.1%
Brookdale Senior Living	37	123,230	10.8%	12,154	10.2%
Senior Care Centers	9	114,539	10.1%	12,336	10.4%
Extendicare and Enlivant [3]	37	88,034	7.7%	10,963	9.2%
Juniper Communities	6	87,088	7.6%	7,031	5.9%
Preferred Care	29	83,526	7.3%	11,297	9.5%
Carespring Health Care Management	2	70,678	6.2%	5,431	4.6%
Traditions Senior Management	5	63,047	5.5%	6,761	5.7%
Fundamental	7	46,134	4.1%	4,832	4.1%
Skilled Healthcare Group	5	40,270	3.5%	4,501	3.8%
All Others	63	282,815	24.9%	30,297	25.5%
Total	217	$ 1,139,063	100.0%	$ 118,834	100.0%

(1) We have investments in 29 states leased or mortgaged to 38 different operators.
(2) Includes annualized GAAP rent for leased properties and trailing twelve months interest income from properties secured by mortgage loans, except for Prestige Healthcare which originated in 4Q13. Prestige Healthcare includes annualized GAAP rent for leased properties and annualized interest income from properties secured by a mortgage loan. Also, Prestige Healthcare includes additional interest from capital improvement funding under the mortgage loan.
(3) Formerly Assisted Living Concepts

Top Ten Operators

Prestige Healthcare (privately held) provides skilled nursing, assisted living, and independent living services, and other rehabilitative and healthcare services at 35 facilities in seven states. As of September 30, 2014, the LTC portfolio consisted of 15 skilled nursing properties and five parcels of land held-for-use in Michigan and two range of care properties in South Carolina with a gross investment balance of $139.7 million.

Brookdale Senior Living (NYSE: BKD) operates 1,150 independent living, assisted living, and memory care communities and continuing care retirement centers, with the ability to serve approximately 110,000 residents. As of September 30, 2014, the LTC portfolio consisted of 37 assisted living properties in nine states with a gross investment balance of $123.2 million.

Senior Care Centers (privately held) provides skilled nursing care, memory care, assisted living, and independent living services in 82 facilities exclusively in Texas. As of September 30, 2014, the LTC portfolio consisted of nine skilled nursing properties in Texas with a gross investment balance of $114.5 million.

Extendicare (TSX: EXE) **and Enlivant** (privately held), formerly known as Assisted Living Concepts operate 37 of our assisted living properties in 10 states with a gross investment balance of $88.0 million as of September 30, 2014. Extendicare operates 251 senior care centers in North America with the capacity to care for approximately 27,600 residents. EXE offers a continuum of health care services that includes skilled nursing care, rehabilitative therapies and home health care services. Privately held Enlivant and its subsidiaries own or operate over 200 senior living residences with over 9,000 units in 20 states.

Juniper Communities (privately held) operates 20 facilities comprised of skilled nursing, assisted living, memory care, and independent living facilities in four states. As of September 30, 2014, the LTC portfolio consisted of six assisted living and memory care properties in three states with a gross investment balance of $87.1 million.

Preferred Care (privately held) operates 106 facilities comprised of skilled nursing, assisted living, and independent living facilities, as well as five specialty care facilities, in 12 states. As of September 30, 2014, the LTC portfolio consisted of 27 skilled nursing and two range of care properties in six states with a gross investment balance of $83.5 million. They also operate one skilled nursing facility under a sub-lease with another lessee in our portfolio which is not included in the Preferred Care rental revenue.

Carespring Health Care Management (privately held) provides skilled nursing, assisted living, and independent living services, and other rehabilitative and healthcare services at 10 facilities in two states. As of September 30, 2014, the LTC portfolio consisted of two skilled nursing properties in Ohio and a parcel of land under development in Kentucky with a gross investment balance of $70.7 million.

Traditions Senior Management and other affiliated entities (privately held) operate 21 facilities consisting of independent living, assisted living, and skilled nursing facilities in eight states. As of September 30, 2014, the LTC portfolio consisted of four skilled nursing properties and one range of care property operated by Traditions and another affiliate in three states with a gross investment balance of $63.0 million. They also operate two skilled nursing properties under a sub-lease with Preferred Care, Inc. which is not included in the Traditions rental revenue.

Fundamental (privately held) includes skilled nursing facilities, assisted living facilities, long term acute care hospitals, hospices, outpatient clinics, behavioral health services and other healthcare services at 77 locations in 9 states. As of September 30, 2014, the LTC portfolio consisted of seven skilled nursing properties in three states, with a gross investment balance of $46.1 million.

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 73 skilled nursing and 22 assisted living facilities in eight states. As of September 30, 2014, the LTC portfolio consisted of five skilled nursing properties in New Mexico with a gross investment balance of $40.3 million. On August 18th, Skilled Healthcare announced the signing of a definitive agreement to combine with Genesis HealthCare with closing expected to occur in early 2015. The combined company would reportedly have trailing 12-month revenues in excess of $5.5 billion with more than 500 facilities in 34 states and approximately 95,000 employees.

Extendicare (TSX: EXE) and Enlivant (privately held) (1)

Enlivant (1)

Where Senior Living Thrives™

Co-lessee	Extendicare and Enlivant
Total # of Properties	37 properties
Total # of Units	1,430 units
Lease Expiration	December 31, 2014
Normalized EBITDARM Coverage (2)	0.75x
Normalized EBITDAR Coverage (2)	0.59x
% of Portfolio Income	9.2% of Annual Income

Master Lease I		
States	**# of Properties**	**# of Units**
Idaho	4	148
Iowa	1	35
New Jersey	1	39
Ohio	5	191
Texas	7	278
Total	18	691

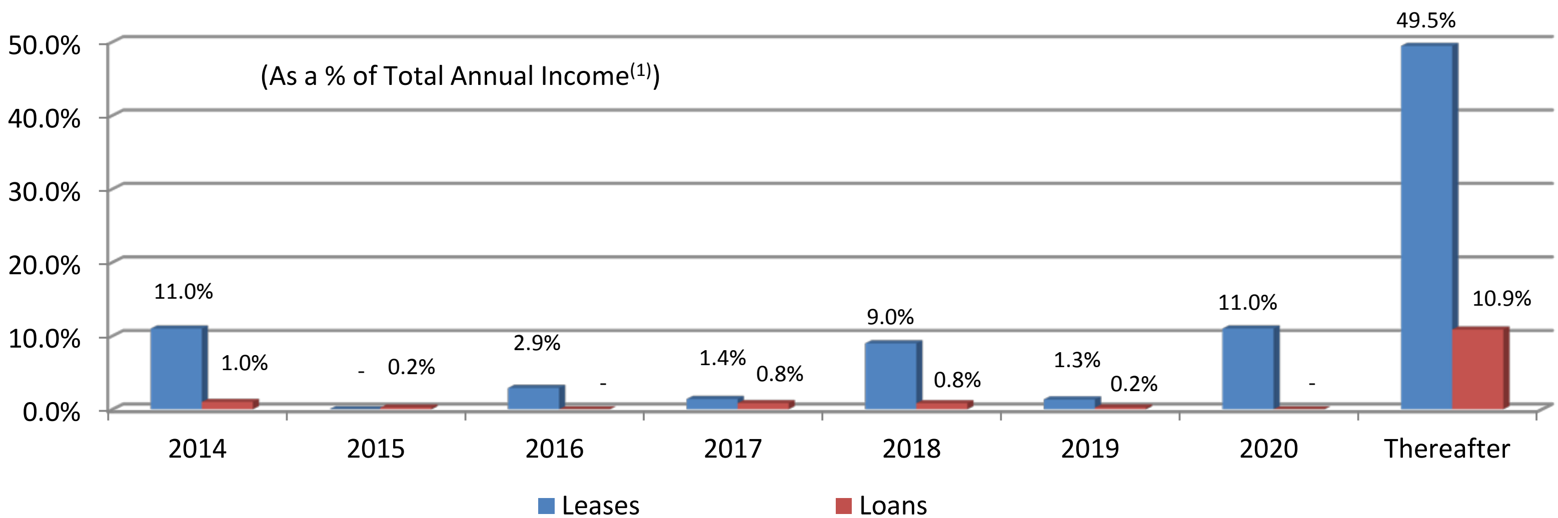
Master Lease II		
States	**# of Properties**	**# of Units**
Arizona	2	76
Indiana	2	78
Nebraska	4	158
Oregon	3	119
Washington	8	308
Total	19	739

(1) Formerly Assisted Living Concepts
(2) Twelve Months Ended June 30, 2014

Real Estate Portfolio Maturity

(dollar amounts in thousands)

Year	Rental Income[(1)]	% of Total	Interest Income[(1)]	% of Total	Annual Income[(1)]	% of Total
2014	$ 13,047	12.8%	$ 1,197	7.2%	$ 14,244	12.0%
2015	-	-	291	1.8%	291	0.2%
2016	3,440	3.4%	63	0.4%	3,503	2.9%
2017	1,653	1.6%	996	6.0%	2,649	2.2%
2018	10,666	10.4%	985	5.9%	11,651	9.8%
2019	1,596	1.6%	174	1.0%	1,770	1.5%
2020	13,055	12.8%	-	-	13,055	11.0%
Thereafter	58,766	57.4%	12,905	77.7%	71,671	60.4%
Total	$ 102,223	100.0%	$ 16,611	100.0%	$ 118,834	100.0%

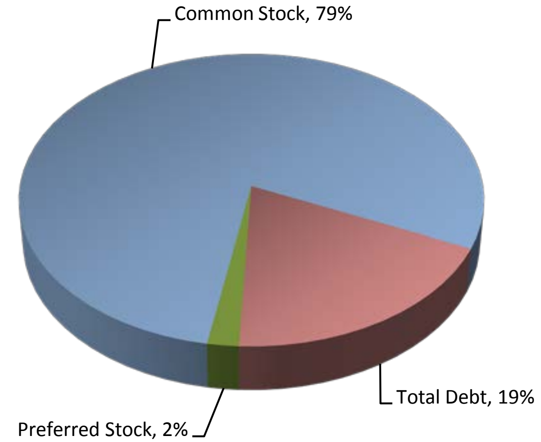


(1) Includes annualized GAAP rent for leased properties and trailing twelve months interest income from properties secured by mortgage loans, except for Prestige Healthcare which originated in 4Q13. Prestige Healthcare includes annualized GAAP rent for leased properties and annualized interest income from properties secured by a mortgage loan. Also, Prestige Healthcare includes additional interest from capital improvement funding under the mortgage loan.

Enterprise Value

(In thousands, except per share amounts and number of shares)	No. of shares	9/30/14 Closing Price	At September 30, 2014	Capitalization
Debt				
Bank borrowings [(1)]			$ 19,500	
Senior unsecured notes -weighted average rate 4.8% [(2)]			281,633	
Bonds payable - weighted average rate 3.3% [(3)]			1,400	
Total debt			302,533	19%
Equity				
Preferred stock - Series C [(4)]			38,500	2%
Common stock [(5)]	34,844,551	$ 36.89 [(6)]	1,285,415	79%
Total equity			1,323,915	81%
Total Market Value			**$ 1,626,448**	100%
Less: Cash and cash equivalents			(7,589)	
Enterprise Value			**$ 1,618,859**	
Debt to Enterprise Value			18.7%	
Debt & Preferred to Enterprise Value			21.1%	
Debt to Normalized EBITDA [(7)]			2.9x	

Capitalization



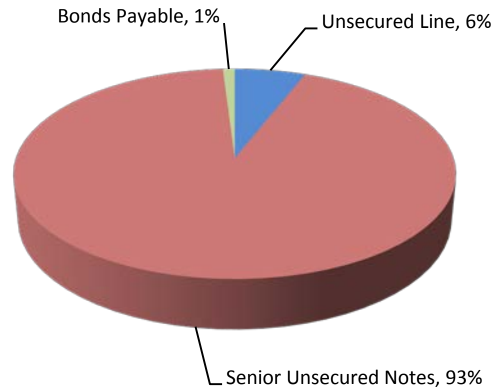
(1) Subsequent to September 30, 2014, we amended our Unsecured Credit Agreement increasing the commitment to $400,000 with the opportunity to increase the credit line up to $600,000. The maturity of the facility was also extended to October 14, 2018.
(2) Includes amortization of debt issue cost.
(3) Subsequent to September 30, 2014, we redeemed $1,400 multifamily tax-exempt revenue bonds that was secured by five assisted living properties in Washington.
(4) 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 is not redeemable by us.
(5) Traded on NYSE.
(6) Closing price of our common stock as reported by the NYSE on September 30, 2014, the last trading day of third quarter 2014.
(7) Normalized EBITDA for the twelve months ended September 30, 2014.

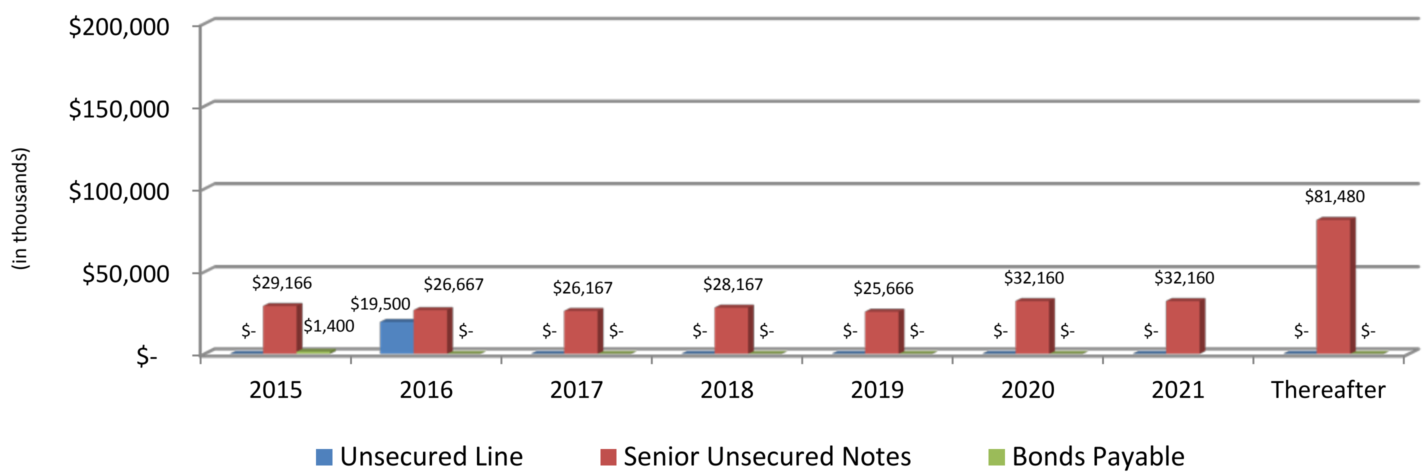
Debt Maturity

(dollar amounts in thousands)

Year	Unsecured Line of Credit [1]	Senior Unsecured Notes [2]	Bonds Payable [3]	Total
2015	$ -	$ 29,166	$ 1,400	$ 30,566
2016	19,500	26,667	-	46,167
2017	-	26,167	-	26,167
2018	-	28,167	-	28,167
2019	-	25,666	-	25,666
2020	-	32,160	-	32,160
2021	-	32,160	-	32,160
Thereafter	-	81,480	-	81,480
Total	$ 19,500	$ 281,633	$ 1,400	$ 302,533

Debt Structure





(1) Subsequent to September 30, 2014, we amended our Unsecured Credit Agreement increasing the commitment to $400,000 with the opportunity to increase the credit line up to $600,000. The maturity of the facility was also extended to October 14, 2018.
(2) Reflects scheduled principal payments.
(3) Subsequent to September 30, 2014, we redeemed $1,400 multifamily tax-exempt revenue bonds that was secured by five assisted living properties in Washington.

Financial Data Summary

(dollar amounts in thousands)

Balance Sheet, Leverage Ratios and Coverage Ratios

	Trailing Twelve Months Ended			
	9/30/14	12/31/13	12/31/12	12/31/11
Balance Sheet:				
Gross real estate assets	$1,139,063	$1,104,732	$940,176	$779,033
Net real estate assets	902,699	884,361	740,846	599,916
Gross asset value	1,187,205	1,150,110	988,140	825,293
Total debt	302,533	278,835	303,935	159,200
Total liabilities	320,894	298,972	326,484	178,387
Preferred stock	38,500	38,500	38,500	38,500
Total equity	631,677	632,438	463,108	468,710
Leverage Ratios:				
Debt to gross asset value	25.5%	24.2%	30.8%	19.3%
Debt & preferred stock to gross asset value	28.7%	27.6%	34.7%	24.0%
Debt to total enterprise value	18.7%	18.1%	21.6%	14.1%
Debt & preferred stock to total enterprise value	21.1%	20.6%	24.3%	17.5%
Coverage Ratios:				
Debt to normalized EBITDA	2.9x	2.9x	3.7x	2.1x
Normalized EBITDA / interest incurred	7.7x	7.7x	8.3x	11.7x
Normalized EBITDA / fixed charges	6.2x	6.1x	6.2x	6.3x

Financial Data Summary

(dollar amounts in thousands)

Reconciliation of Normalized EBITDA and Fixed Charges

	Trailing Twelve Months Ended			
	9/30/14	12/31/13	12/31/12	12/31/11
Net income	$ 67,049	$ 57,815	$ 51,327	$ 49,443
Less: Gain on sale of real estate, net	(1,140)	(1,605)	(16)	-
Add: Interest expense	12,297	11,364	9,932	6,434
Add: Depreciation and amortization	25,172	24,706	22,153	19,623
Adjusted EBITDA	103,378	92,280	83,396	75,500
Add back/(deduct):				
Non-recurring one-time items	1,980 (1)	2,687 (2)	(347) (3)	-
Normalized EBITDA	$ 105,358	$ 94,967	$ 83,049	$ 75,500
Interest expense:	$ 12,297	$ 11,364	$ 9,932	$ 6,434
Add: Capitalized interest	1,430	932	129	45
Interest incurred	13,727	12,296	10,061	6,479
Interest incurred	13,727	12,296	10,061	6,479
Preferred stock dividend	3,273	3,273	3,273	5,512
Fixed Charges	$ 17,000	$ 15,569	$ 13,334	$ 11,991

(1) Represents a $1,244 provision for loan loss reserve on a $124,387 mortgage loan origination and an $869 non-cash write off of straight-line rent offset by revenue from the Sunwest bankruptcy settlement distribution of $133.

(2) Represents the one-time severance and accelerated restricted stock vesting charge of $707 related to the retirement of the Company's former Senior Vice President, Marketing and Strategic Planning and (1) above.

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

Non-Cash Rental Revenue Components

	3Q14(1)	4Q14(1)	1Q15(1)	2Q15(1)	3Q15(1)
Straight-line rent	$ 673	$ 735	$ 844	$ 795	$ 618
Amort of lease inducement	(222)	(251)	(251)	(251)	(251)
Net	$ 451	$ 484	$ 593	$ 544	$ 367

(1) For leases in place at September 30, 2014, excluding leases on non-accrual status and no modification or replacement of existing leases, no lease renewals including the Extendicare/Enlivant (formerly Assisted Living Concepts) lease, and no new leased investments are added to our portfolio.

Consolidated Statements of Income

(unaudited amounts in thousands, except per share amounts)

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Revenues				
Rental income	$ 25,098	$ 24,645	$ 75,375	$ 72,907
Interest income from mortgage loans	4,213	1,086	12,445	3,195
Interest and other income	230	94	386	279
Total revenues	29,541	25,825	88,206	76,381
Expenses				
Interest expense	3,170	2,581	9,445	8,512
Depreciation and amortization	6,335	6,139	18,935	18,152
General and administrative expenses	2,914	2,676	8,567	8,962
Total expenses	12,419	11,396	36,947	35,626
Operating Income	17,122	14,429	51,259	40,755
Gain on sale of real estate, net	-	-	1,140	-
Income from continuing operations	17,122	14,429	52,399	40,755
Discontinued operations:				
Income from discontinued operations	-	238	-	805
Gain on sale of real estate, net	-	2,619	-	1,605
Net income from discontinued operations	-	2,857	-	2,410
Net Income	17,122	17,286	52,399	43,165
Income allocated to participating securities	(123)	(95)	(343)	(284)
Income allocated to preferred stockholders	(818)	(818)	(2,454)	(2,454)
Net income available to common stockholders	$ 16,181	$ 16,373	$ 49,602	$ 40,427
Basic earnings per common share:	$0.47	$0.47	$1.43	$1.24
Diluted earnings per common share:	$0.46	$0.47	$1.42	$1.24
Weighted average shares used to calculate earnings per common share:				
Basic	34,605	34,553	34,596	32,625
Diluted	36,629	36,580	36,620	34,657

Consolidated Balance Sheets

(amounts in thousands, unaudited)

ASSETS	September 30, 2014	December 31, 2013
Real estate investments:		
Land	$ 79,661	$ 80,993
Buildings and improvements	886,351	856,624
Accumulated depreciation and amortization	(234,634)	(218,700)
Net real estate property	731,378	718,917
Mortgage loans receivable, net of allowance for doubtful accounts: 2014 - $1,730; 2013 - $1,671	171,321	165,444
Real estate investments, net	902,699	884,361
Other assets:		
Cash and cash equivalents	7,589	6,778
Debt issue costs, net	2,036	2,458
Interest receivable	661	702
Straight-line rent receivable, net of allowance for doubtful accounts: 2014 - $720; 2013 - $1,541	31,581	29,760
Prepaid expenses and other assets	6,858	6,756
Notes receivable	1,147	595
Total assets	**$ 952,571**	**$ 931,410**

LIABILITIES	September 30, 2014	December 31, 2013
Bank borrowings	$ 19,500	$ 21,000
Senior unsecured notes	281,633	255,800
Bonds payable	1,400	2,035
Accrued interest	2,424	3,424
Accrued expenses and other liabilities	15,937	16,713
Total liabilities	320,894	298,972
EQUITY		
Stockholders' equity:		
Preferred stock (1)	38,500	38,500
Common stock (2)	348	347
Capital in excess of par value	691,249	688,654
Cumulative net income	834,247	781,848
Other	91	117
Cumulative distributions	(932,758)	(877,028)
Total equity	631,677	632,438
Total liabilities and equity	**$ 952,571**	**$ 931,410**

(1) Preferred stock $0.01 par value; 15,000 shares authorized; shares issued and outstanding: 2014 - 2,000; 2013 - 2,000

(2) Common stock $0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2014 - 34,845; 2013 - 34,746

Funds from Operations

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

Reconciliation of Normalized FFO, Normalized AFFO, and Normalized FAD

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net income available to common stockholders	$ 16,181	$ 16,373	$ 49,602	$ 40,427
Add: Depreciation and amortization (continuing and discontinued operations)	6,335	6,202	18,935	18,469
Less: Gain on sale of real estate, net	-	(2,619)	(1,140)	(1,605)
FFO available to common stockholders	22,516	19,956	67,397	57,291
Add: Non-cash interest related to earn-out liabilities	-	36	-	256
Add: Non-recurring one-time items	-	-	-	707 [1]
Normalized FFO available to common stockholders	**22,516**	**19,992**	**67,397**	**58,254**
Less: Non-cash rental income	(452)	(975)	(1,369)	(2,505)
Normalized adjusted FFO (AFFO)	22,064	19,017	66,028	55,749
Add: Non-cash compensation charges	877	542	2,326	1,593
Less: Capitalized interest	(474)	(218)	(1,216)	(718)
Normalized funds available for distribution (FAD)	$ 22,467	$ 19,341	$ 67,138	$ 56,624
Diluted FFO available to common stockholders per share	$0.64	$0.57	$1.91	$1.72
Diluted normalized FFO available to common stockholders per share	**$0.64**	**$0.57**	**$1.91**	**$1.75**
Diluted normalized AFFO per share	$0.62	$0.54	$1.87	$1.68
Diluted normalized FAD per share	$0.63	$0.55	$1.90	$1.70

(1) Represents the one-time severance and accelerated restricted stock vesting charges related to the retirement of the Company's former Senior Vice President, Marketing and Strategic Planning.

Funds from Operations

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

Reconciliation of Normalized FFO Per Share

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Normalized FFO available to common stockholders	**$ 22,516**	**$ 19,992**	**$ 67,397**	**$ 58,254**
Effect of dilutive securities:				
Participating securities	123	95	343	284
Convertible preferred securities	818	818	2,454	2,454
Diluted normalized FFO available to common stockholders	**$ 23,457**	**$ 20,905**	**$ 70,194**	**$ 60,992**
Shares for basic FFO per share	**34,605**	**34,553**	**34,596**	**32,625**
Effect of dilutive securities:				
Stock options	24	27	24	32
Participating securities	240	199	221	201
Convertible preferred securities	2,000	2,000	2,000	2,000
Shares for diluted FFO per share	**36,869**	**36,779**	**36,841**	**34,858**
Basic normalized FFO per share	**$0.65**	**$0.58**	**$1.95**	**$1.79**
Diluted normalized FFO per share	**$0.64**	**$0.57**	**$1.91**	**$1.75**

Glossary

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

Assisted Living Properties ("ALF"): The ALF portfolio consists of assisted living, independent living, and/or memory care properties. (See Independent Living and Memory Care) Assisted living properties are 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.

Core Based Statistical Area ("CBSA"): Based on the U.S. Census Bureau, CBSA is a collective term for both metro and micro areas. Each metro or micro area consists of one or more counties and includes the counties containing the core urban area, as well as any adjacent counties that have a high degree of social and economic integration (as measured by commuting to work) with the urban core.

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

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 a sense of community and 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.

Interest Income: Represents interest income from mortgage loans.

Glossary

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

Memory Care Properties ("MC"): Senior housing properties offering specialized options for seniors with Alzheimer's disease and other forms of dementia. These facilities offer dedicated care and specialized programming for various conditions relating to memory loss in a secured environment that is typically smaller in scale and more residential in nature than traditional assisted living facilities. These facilities have staff available 24 hours a day to respond to the unique needs of their residents.

Metropolitan Statistical Areas ("MSA"): Based on the U.S. Census Bureau, MSA is a geographic entity defined by the Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. A metro area contains a core urban area of 50,000 or more population. (See Core Based Statistical Area)

Micropolitan Statistical Areas ("Micro-SA"): Based on the U.S. Census Bureau, Micro-SA is a geographic entity defined by the Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. A micro area contains an urban core of at least 10,000 (but less than 50,000) population. (See Core Based Statistical Area)

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 EBITDAR Coverage: The trailing twelve month's earnings from the operator financial statements adjusted for non-recurring, infrequent, or unusual items and before interest, taxes, depreciation, amortization, and rent divided by the operator's contractual lease rent. Management fees are imputed at 5% of revenues.

Normalized EBITDARM Coverage: The trailing twelve month's earnings from the operator financial statements adjusted for non-recurring, infrequent, or unusual items and before interest, taxes, depreciation, amortization, rent, and management fees divided by the operator's contractual lease rent.

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.

Glossary

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

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.

Range of Care ("ROC"): Range of care properties consist of properties providing skilled nursing and any combination of assisted living, independent living and/or memory care services.

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

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 housing properties.