

# Supplemental Operating and Financial Data

March 31, 2016 (Unaudited)



Sunrise of Bexley  
Bexley, OH





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Chairman, Chief Executive  
Officer and President



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Executive Vice President,  
CFO and Secretary



**Clint Malin**  
Executive Vice President and  
Chief Investment Officer



**Brent Chappell**  
Senior Vice President,  
Investment and  
Portfolio Management



**Cece Chikhale**  
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**Doug Korey**  
Senior Vice President of  
Business Development



**Peter Lyew**  
Vice President and  
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Chairman

**Boyd Hendrickson**  
Lead Independent Director

**James Pieczynski**  
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**Devra Shapiro**  
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Chairman

**Timothy Triche, MD**  
Compensation Committee  
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# Analyst Coverage



BMO Capital Markets Corp ..... John Kim  
Canaccord Genuity ..... Paul Morgan  
Crowell, Weedon, & Co ..... Doug Christopher  
J.J. B. Hilliard, W.L. Lyons, Inc ..... John Roberts  
JMP Securities, LLC ..... Peter Martin  
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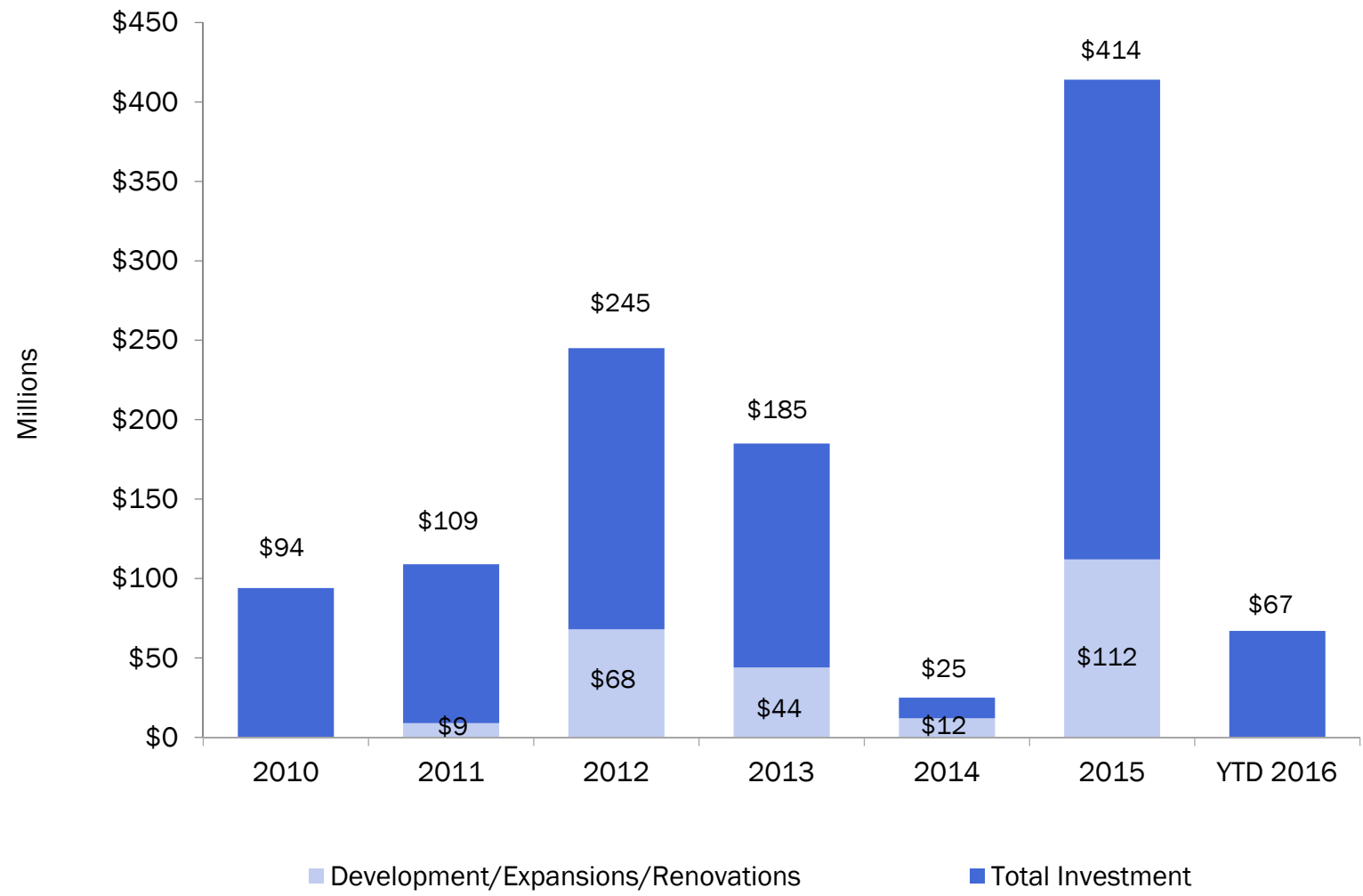
Mitsubishi – MUFG ..... Karin Ford  
Mizuho Securities USA Inc ..... Rich Anderson  
RBC Capital Markets Corporation ..... Mike Carroll  
Stifel, Nicolaus & Company, Inc ..... Chad Vanacore  
Wells Fargo Securities, LLC ..... Todd Stender

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





## \$1.1 Billion in Total Investments Underwritten





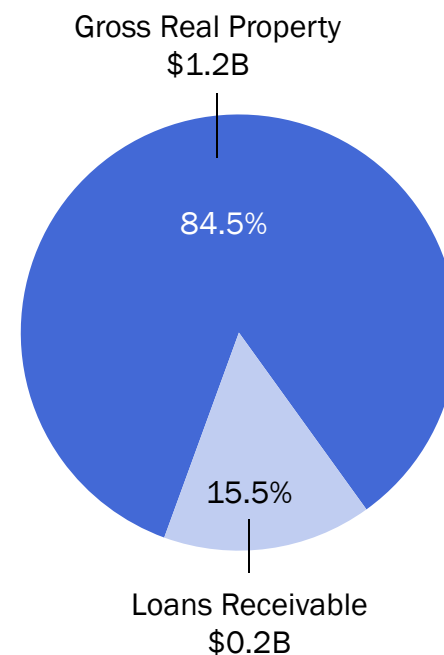
# Portfolio Overview

(dollar amounts in thousands)



Type of Property	# of Properties	Gross Investments	% of Investments	Trailing Twelve Months Ended March 31, 2016		
				Rental Income <sup>(1)</sup>	Interest Income <sup>(1)</sup>	% of Revenues
Skilled Nursing	99	\$ 750,663	51.6%	\$ 58,336	\$ 22,806	57.2%
Assisted Living	104	596,029	41.0%	52,454	1,194	37.8%
Range of Care	7	43,907	3.0%	5,880	-	4.1%
Under Development <sup>(2)</sup>	-	43,761	3.0%	-	-	-
Other <sup>(3)</sup>	2	20,695	1.4%	1,313	-	0.9%
<b>Total</b>	<b>212</b>	<b>\$ 1,455,055</b>	<b>100.0%</b>	<b>\$ 117,983</b>	<b>\$ 24,000</b>	<b>100.0%</b>

- (1) Includes contractual rental income and interest income from mortgage loans and excludes rental income from properties sold and interest income from loans that paid off during the twelve months ended March 31, 2016.
- (2) Includes six development projects consisting of four MC communities with a total of 254 units, a 108-unit independent living community and an 89-unit combination ALF and MC community.
- (3) Includes one school, four parcels of land held-for-use, and one behavioral health care hospital.





# Real Estate Activities – Acquisitions & Loan Originations

(dollar amounts in thousands)



## Acquisitions

	Date	# of Properties	Property Type	# Beds/Units	Location	Operator	Date of Construction	Initial Cash Yield	Purchase Price	Additional Commitment <sup>(1)</sup>
2015	2/6	1	UDP <sup>(2)</sup>	56 units	Corpus Christi, TX	Thrive Senior Living	2015-2016	8.75%	\$ 7,195	\$ 7,918
	2/19	1	SNF	106 beds	Slinger, WI	Fundamental	2014	10.30%	13,946 <sup>(3)</sup>	1,054
	2/20	1	UDP <sup>(2)</sup>	89 units	Murrells Inlet, SC	Thrive Senior Living	2015-2016	8.75%	2,490	16,408
	5/26	1	UDP <sup>(2)</sup>	66 units	Tinley Park, IL	Anthem Memory Care	2015-2016	9.25%	702	11,185
	5/29	1	UDP <sup>(2)</sup>	108 units	Wichita, KS	Oxford Senior Living	2015-2016	7.43%	624	13,876
	8/17	10	ALF	891 units	WI and IL	Senior Lifestyle	1991-2009	6.50%	142,000	10,500
	9/23	1	UDP <sup>(2)</sup>	66 units	Murrieta, CA	Anthem Memory Care	2015-2016	9.00%	2,022	10,585
	9/30	1	MC	60 units	Jacksonville, FL	Clarity Pointe	2015	8.00%	14,250	300
	10/19	1	UDP <sup>(2)</sup>	66 units	Glenview, IL	Anthem Memory Care	2015-2017	9.00%	2,800	11,969
	10/28	1	OTH	118 beds	Las Vegas, NV	Fundamental	1990/1994	8.50%	9,250	3,000
	11/30	2	SNF	254 beds	Fort Worth & Weatherford, TX	Senior Care Centers	1998/1996	8.25%	23,000	500
		<u>21</u>		<u>1,402 units/478 beds</u>					<u>\$ 218,279</u>	<u>\$ 87,295</u>
2016	2/1	1	SNF	126 beds	Mansfield, TX	Fundamental	2015	8.50%	\$ 16,000	\$ -
	4/21	1	MC	60 units	Louisville, KY	Clarity Pointe	2016	8.00%	14,250	300
	4/29	2	MC	120 units	Wichita & Overland Park, KS	Anthem Memory Care	2011/2013	8.00%	25,000	1,300
		<u>4</u>		<u>180 units/126 beds</u>					<u>\$ 55,250</u>	<u>\$ 1,600</u>

(1) Commitments may include capital improvement or development allowances for approved projects, incentive payments and contingent payments.

(2) See page 8 for Development activities.

(3) We purchased and equipped the property secured by a mortgage loan of \$10,600 for a total of \$13,946 by exercising our right under this loan.

## Loan Originations

	Date	# of Properties	Property Type	# Beds/Units	Location	Operator	Origination	Development Funding	Funded to Date	2016 YTD Revenue <sup>(1)</sup>	Stated Interest Rate
2015	1/30	1	SNF	157 beds	Grand Blanc, MI	Prestige Healthcare	\$ 11,000	\$ 306	\$ 9,806	\$ 288	9.4%
	6/29	15	SNF	2,058 beds	Various cities in MI	Prestige Healthcare	40,000	N/A	40,000	1,234	9.4%
	10/30	2	SNF	273 beds	Farmington & Howell, MI	Prestige Healthcare	20,000 <sup>(2)</sup>	-	15,000	343	9.4%
		<u>18</u>		<u>2,488 beds</u>			<u>\$ 71,000</u>	<u>\$ 306</u>	<u>\$ 64,806</u>	<u>\$ 1,865</u>	
2016	4/29	<u>2</u>	SNF	<u>216 beds</u>	East Lansing, MI	Prestige Healthcare	<u>\$ 12,250 <sup>(3)</sup></u>	<u>N/A</u>	<u>\$ 7,750</u>	<u>\$ -</u>	9.4%

(1) Represents year-to-date mortgage GAAP interest income.

(2) Represents an origination of a \$20,000 30-year mortgage loan, funding \$9,500 at closing and \$5,500 during 1Q16. The \$5,000 remaining commitment will be available for approved capital improvement projects. This loan bears interest at 9.41% for five years, thereafter interest received will escalate annually by 2.25%.

(3) Represents the origination of a \$12,250 4-year mortgage loan, funding \$7,750 at closing with the remaining commitment of \$4,500 available for approved capital improvement projects. This loan bears interest at 9.41%.



# Real Estate Activities – De Novo Development

(dollar amounts in thousands)



Estimated Rent/Interest Inception Date	Commitment Year	Location	# of Projects	Property Type	Approximate Initial Cash Yield	# Beds/ Units	Investment Commitment <sup>(1)</sup>	1Q16 Funding	Total Capitalized Interest/Other	Total Project Basis	Remaining Commitment <sup>(2)</sup>
2Q16	2015	Corpus Christi, TX	1	MC	8.75%	56 units	\$ 13,524	\$ 1,115	\$ 412	\$ 12,193	\$ 1,743
3Q16	2015	Murrells Inlet, SC	1	ALF/MC	8.75%	89 units	16,535	1,614	482	8,006	9,011
3Q16	2015	Tinley Park, IL	1	MC	9.25%	66 units	11,887	2,869	114	7,615	4,386
4Q16	2015	Wichita, KS	1	ILF	7.43%	108 units	14,500	2,144	88	4,420	10,168
4Q16	2015	Murrieta, CA	1	MC	9.00%	66 units	12,606	2,985	127	7,796	4,937
			5			385 units	69,052	10,727	1,223	40,030	30,245
1Q17	2015	Glenview, IL	1	MC	9.00%	66 units	14,769	171	99	3,731	11,137
		<b>Total</b>	6		8.67%	451 units	\$ 83,821	\$ 10,898	\$ 1,322	\$ 43,761	\$ 41,382

(1) Includes purchase of land and existing improvements, if applicable, and development commitment.

(2) Remaining Commitment is calculated as follows: "Investment Commitment" less "Total Project Basis" plus "Total Capitalized Interest/Other".



# Real Estate Activities – Expansions & Renovations

(dollar amounts in thousands)



## Own

Estimated Rent/Interest Inception Date	Commitment Year	Project Type	Location	# of Projects	Property Type	Approximate Initial Cash Yield	Investment Commitment	1Q16 Funding	Total Funded to Date	Remaining Commitment
- (1)	2015	Expansion	Mesa, AZ	1	SNF	9.00%	\$ 5,000 <sup>(1)</sup>	\$ 2,117	\$ 3,357	\$ 1,643
- (2)	2015	Renovation	Las Vegas, NV	1	OTH	8.50%	3,000 <sup>(2)</sup>	-	-	3,000
<b>Total</b>				<b>2</b>			<b>\$ 8,000</b>	<b>\$ 2,117</b>	<b>\$ 3,357</b>	<b>\$ 4,643</b>

## Loan

Estimated Rent/Interest Inception Date	Commitment Year	Project Type	Location	# of Projects	Property Type	Approximate Initial Cash Yield	Investment Commitment	1Q16 Funding	Total Funded to Date	Remaining Commitment
- (3)	2013	Renovation	Various cities in MI	15	SNF	9.41%	\$ 12,000 <sup>(3)</sup>	\$ 860	\$ 9,829	\$ 2,171
- (3)	2015	Expansion	Richmond, MI	1	SNF	9.41%	10,000 <sup>(3)</sup>	178	661	9,339
- (3)	2015	Expansion	Rochester Hills, MI	1	SNF	9.41%	10,000 <sup>(3)</sup>	62	206	9,794
- (4)	2015	Renovation	Farmington & Howell, MI	2	SNF	9.41%	5,000 <sup>(4)</sup>	-	-	5,000
- (4)(5)	2016	Expansion	Grand Blanc, MI	1	SNF	9.41%	5,500	-	-	5,500
- (4)(6)	2016	Renovation	East Lansing, MI	2	SNF	9.41%	4,500	-	-	4,500
<b>Total</b>				<b>22</b>			<b>\$ 47,000</b>	<b>\$ 1,100</b>	<b>\$ 10,696</b>	<b>\$ 36,304</b>

(1) Rent increases upon each funding.

(2) Rent increases at each six month anniversary on amounts funded during that period.

(3) Commitments are part of the total loan commitment secured by 15 properties in Michigan operated by Prestige Healthcare. Interest payment increases upon each funding.

(4) Interest payment increases upon each funding.

(5) In 2Q16, we amended the loan agreement to increase the construction loan amount to \$5,500.

(6) In 2Q16, in conjunction with the loan origination, we committed to fund capital improvements of up to \$4,500.





# Real Estate Activities – Joint Ventures and Lease-Up

(dollar amounts in thousands)



## Joint Ventures

Commitment Year	Location	# of Projects	Property Type	Return	# Beds/ Units	Investment Commitment	Investment to Date	Remaining Investment Commitment
2015	Various cities in AZ	4	ALF/MC/ILF	15.00% <sup>(1)</sup>	585 units	\$ 25,650	\$ 20,143	\$ 5,507
2015	Ocala, FL	1	UDP	15.00% <sup>(2)</sup>	99 units	2,900	2,900	-
					684 units	\$ 28,550	\$ 23,043	\$ 5,507

(1) In 1Q15, we made a preferred equity investment in an unconsolidated joint venture. We have a fair-market value purchase option to acquire the properties owned by the joint venture beginning in 2018. Refer to the 10-K under Note 6. *Investment in Unconsolidated Joint Ventures* for more information. Currently, 5% is paid in cash and 10% is deferred.

(2) Represents a mezzanine loan for the development of a 99-unit ALF/MC/ILF with an initial interest rate of 10% escalating up to 15%. For accounting purposes, this loan is recorded as a joint venture.

## Lease-Up

Date Opened	Occupancy at March 31, 2016	Commitment Year	Project Type	Location	# of Projects	Property Type	Approximate Initial Cash Yield	# Beds/Units	Total Funded/ Purchase Price
Nov-14	75%	2012	Development	Cold Spring, KY	1	SNF	8.50%	143 beds	\$ 22,734
Feb-15	63%	2013	Development	Westminster, CO	1	MC	9.25%	60 units	10,703
Sep-15	26%	2015	Acquisition <sup>(1)</sup>	Jacksonville, FL	1	MC	8.00%	60 units	14,250
Feb-16	5%	2014	Development	Burr Ridge, IL	1	MC	9.30%	66 units	11,808
					4			186 units/143 beds	\$ 59,495

(1) Property was newly constructed and purchased in September 2015 following issuance of final certificate of occupancy and licensure.

# Real Estate Activities – Lease-Up History



Property	Location	Property Type	Project Type	# Beds/Units	Date Opened	Date Stabilized	# of months to Stabilized Occupancy
Hillside Heights Rehabilitation Suites	Amarillo, TX	SNF	Redevelopment	120 beds	Jul 2013	Aug 2013	1
Highline Place	Littleton, CO	MC	Development	60 units	Jul 2013	Sep 2013	2
The Oxford Grand	Wichita, KS	ALF/MC	Development	77 units	Oct 2013	Sep 2014	11
Willowbrook Place	Littleton, CO	MC	Development	60 units	Aug 2014	Dec 2015	16
Mustang Creek Estates	Frisco, TX	ALF/MC	Development	80 units	Oct 2014	Dec 2015	14
Chelsea Place	Aurora, CO	MC	Development	48 units	Dec 2014	Mar 2016	15
Pavilion at Glacier Valley	Slinger, WI	SNF	Redevelopment	106 beds	Feb 2014	Feb 2016	24





# Portfolio Metrics

## Same Property Portfolio Statistics <sup>(1)</sup>

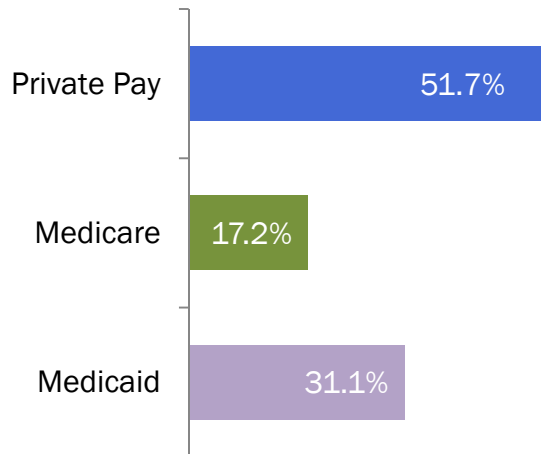
Owned Properties	Occupancy		Normalized EBITDARM Coverage		Normalized EBITDAR Coverage	
	4Q15	3Q15	4Q15	3Q15	4Q15	3Q15
Assisted Living	86.5%	86.0%	1.63	1.64	1.40	1.41
Skilled Nursing	79.3%	79.5%	2.19	2.26	1.59	1.64
Range of Care	85.3%	85.8%	1.71	1.75	1.26	1.28

(1) Information is for the trailing twelve months through December 31, 2015 and September 30, 2015 and is from property level operator financial statements which are unaudited and have not been independently verified by us.

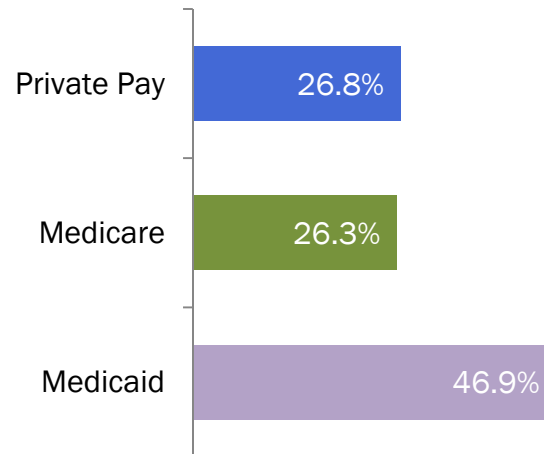
## Stabilized Property Portfolio <sup>(1)</sup>

TTM Ended December 31, 2015

Total Portfolio Payor Source



SNF Portfolio Payor Source



(1) Includes owned portfolio and a mortgage loan secured by 15 skilled nursing centers in Michigan.

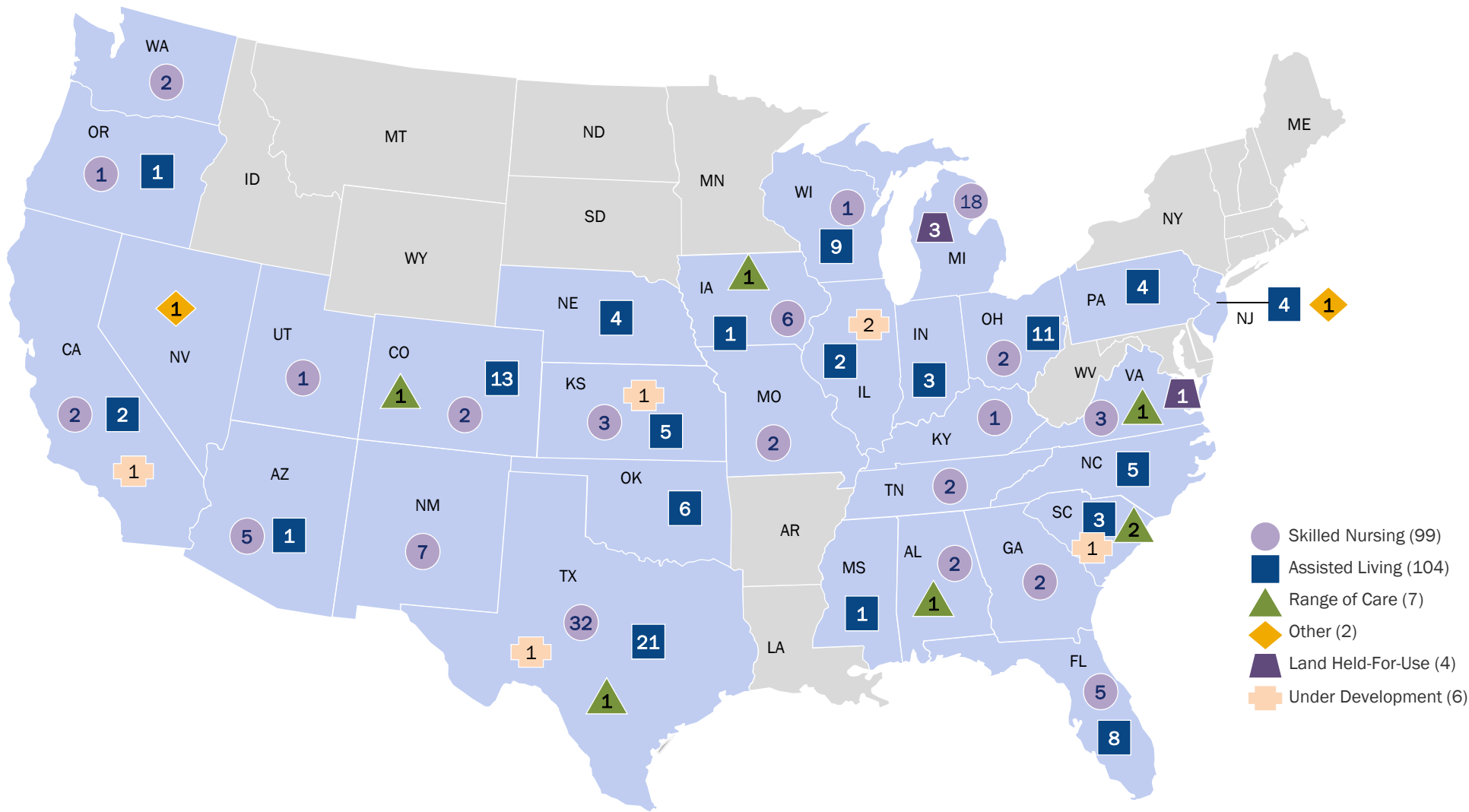


# Portfolio Diversification – Geography

(as of March 31, 2016)



212 Properties | 6 Development Projects | 4 Land Parcels | 30 States | 35 Operators



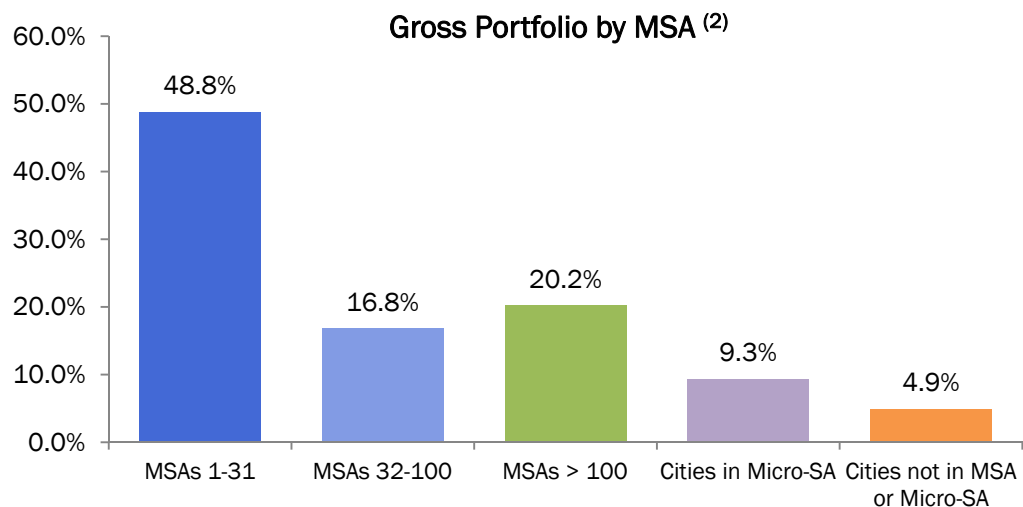


# Portfolio Diversification – Geography

(as of March 31, 2016, dollar amounts in thousands)



State <sup>(1)</sup>	# of Props	SNF	%	ALF	%	ROC	%	UDP	%	OTH	%	Gross Investment	%
Texas	54	\$ 228,229	30.4%	\$ 43,771	7.3%	\$ 2,994	6.8%	\$ 12,193	27.9%	\$ -	-	\$ 287,187	19.7%
Michigan	18	200,558	26.7%	-	-	-	-	-	-	943	4.6%	201,501	13.9%
Wisconsin	10	13,946	1.9%	111,734	18.8%	-	-	-	-	-	-	125,680	8.6%
Colorado	16	6,038	0.8%	106,879	17.9%	2,007	4.6%	-	-	-	-	114,924	7.9%
Ohio	13	54,000	7.2%	44,957	7.5%	-	-	-	-	-	-	98,957	6.8%
Florida	13	35,362	4.7%	45,856	7.7%	-	-	-	-	-	-	81,218	5.6%
New Jersey	5	-	-	61,664	10.4%	-	-	-	-	9,270	44.8%	70,934	4.9%
California	4	22,130	2.9%	28,071	4.7%	-	-	7,796	17.8%	-	-	57,997	4.0%
Illinois	2	-	-	42,328	7.1%	-	-	11,346	25.9%	-	-	53,674	3.7%
New Mexico	7	50,913	6.8%	-	-	-	-	-	-	-	-	50,913	3.5%
All Others	70	139,487	18.6%	110,769	18.6%	38,906	88.6%	12,426	28.4%	10,482	50.6%	312,070	21.4%
Total	212	\$ 750,663	100.0%	\$ 596,029	100.0%	\$ 43,907	100.0%	\$ 43,761	100.0%	\$ 20,695	100.0%	\$ 1,455,055	100.0%



Approximately 66% of our properties are in the Top 100 MSAs

MSAs 1 - 31

• Population 20.2M – 2.1M

MSAs 32 - 100

• Population 2.1M – 0.5M

MSAs >100

• Population 0.5M – 55K

Cities in a Micro-SA

• Population 218K – 14K

Cities not in MSA

• Population less than 100K

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

(2) The MSA rank by population as of July 1, 2015, as estimated by the United States Census Bureau.

# Portfolio Diversification – Operators

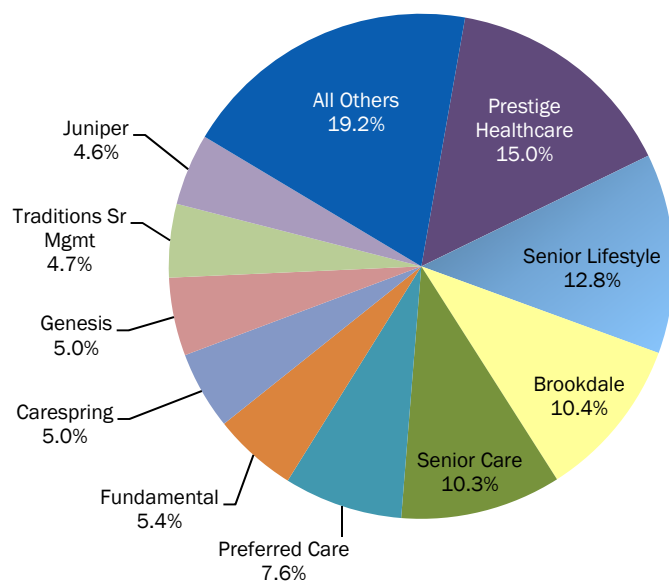
(as of March 31, 2016, dollar amounts in thousands)



Operators	# of Properties	Annual Income <sup>(1)</sup>	%	Gross Investment	%
Prestige Healthcare	20	\$ 22,837	15.0%	\$ 213,690	14.7%
Senior Lifestyle Corporation	27	19,509	12.8%	200,357	13.8%
Brookdale Senior Living	37	15,801	10.4%	126,991	8.7%
Senior Care Centers	11	15,756	10.3%	138,109	9.5%
Preferred Care	30	11,613	7.6%	89,519	6.2%
Fundamental	7	8,306	5.4%	74,652	5.1%
Carespring Health Care Management	3	7,635	5.0%	77,546	5.3%
Genesis Healthcare	8	7,614	5.0%	54,864	3.8%
Traditions Senior Management	5	7,093	4.7%	64,610	4.4%
Juniper Communities	6	7,018	4.6%	86,725	6.0%
All Others	58	29,276	19.2%	327,992	22.5%
	212	\$ 152,458	100.0%	\$ 1,455,055	100.0%

(1) Includes annualized GAAP rent for leased properties and interest income from mortgage loans excluding rental income from properties sold and interest income from loans that paid off during the twelve months ended March 31, 2016.

Annual Income by Operator





# Portfolio Diversification - Top Ten Operator Profiles

(as of March 31, 2016)



Privately Held

SNF/ALF/ILF  
Other Rehab

68 Properties

7 States



Privately Held

ALF/ILF/MC/SNF  
Short Term Stays

171 Properties

27 States



NYSE: BKD

ALF/ILF/MC  
Continuing Care

Approx 1,123 Properties

47 States



Privately Held

SNF/ALF/ILF/MC  
Transitional Care & Rehab

108 Properties

2 States



Privately Held

SNF/ALF/ILF  
Specialty Care

112 Properties

12 States



Privately Held

SNF/ALF/MC  
Hospitals & Other Rehab

74 Properties

9 States



Privately Held

SNF/ALF/ILF  
Transitional Care

11 Properties

2 States



NYSE: GEN

SNF/ALF  
Senior Living

More than 500 Properties

34 States



Privately Held

SNF/ALF/ILF

24 Properties

5 States



Privately Held

ALF/ILF/MC/SNF

18 Properties

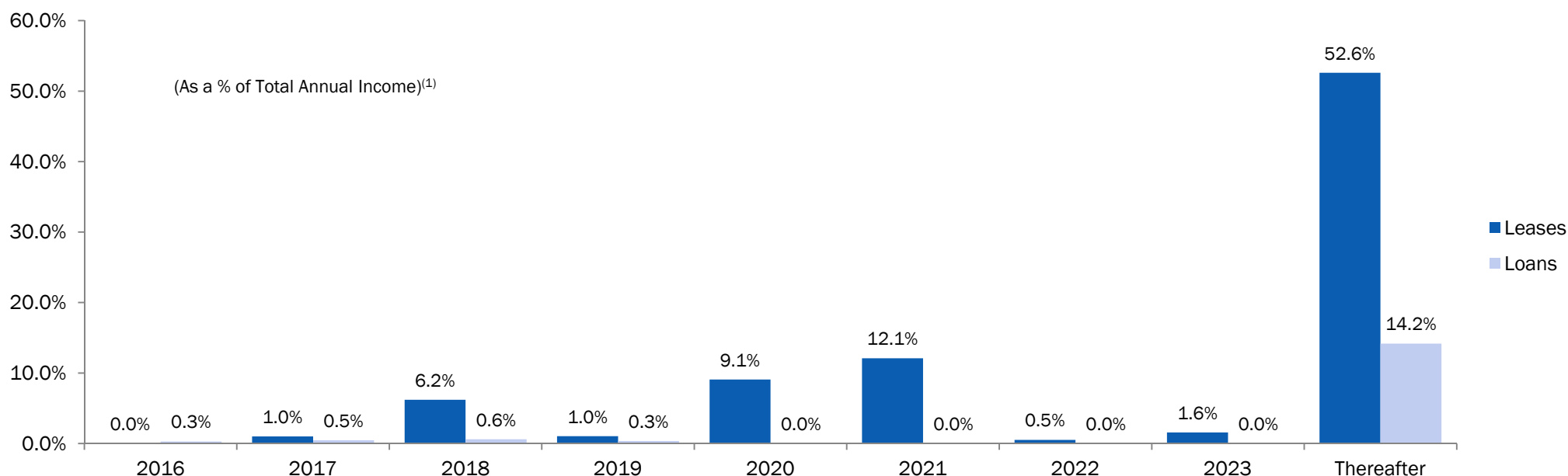
4 States

# Portfolio Maturity

(as of March 31, 2016, dollar amounts in thousands)



Year	Rental Income <sup>(1)</sup>	% of Total	Interest Income <sup>(1)</sup>	% of Total	Annual Income <sup>(1)</sup>	% of Total
2016	-	-	423	1.8%	423	0.3%
2017	1,677	1.3%	692	2.9%	2,369	1.5%
2018	9,452	7.4%	904	3.8%	10,356	6.8%
2019	1,571	1.2%	379	1.5%	1,950	1.3%
2020	13,826	10.8%	-	-	13,826	9.1%
2021	18,438	14.3%	-	-	18,438	12.1%
2022	771	0.6%	-	-	771	0.5%
2023	2,539	2.0%	-	-	2,539	1.6%
Thereafter	80,184	62.4%	21,602	90.0%	101,786	66.8%
Total	\$ 128,458	100.0%	\$ 24,000	100.0%	\$ 152,458	100.0%



(1) Includes annualized GAAP rent for leased properties and interest income from mortgage loans excluding rental income from properties sold and interest income from loans that paid off during the twelve months ended March 31, 2016.



# Enterprise Value

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



At March 31, 2016

Capitalization

Capitalization

## Debt

Bank borrowings - weighted average rate 2.1% <sup>(1)</sup>	\$	161,000	
Senior unsecured notes -weighted average rate 4.6% <sup>(2)</sup>		447,256	
Total debt - weighted average rate 4.0%		608,256	26.2%

## Equity

	No. of shares	3/31/16 Closing Price		
Common stock	37,915,120	\$ 45.24 <sup>(3)</sup>	1,715,280	73.8%

## Total Market Value

	\$	2,323,536	100%
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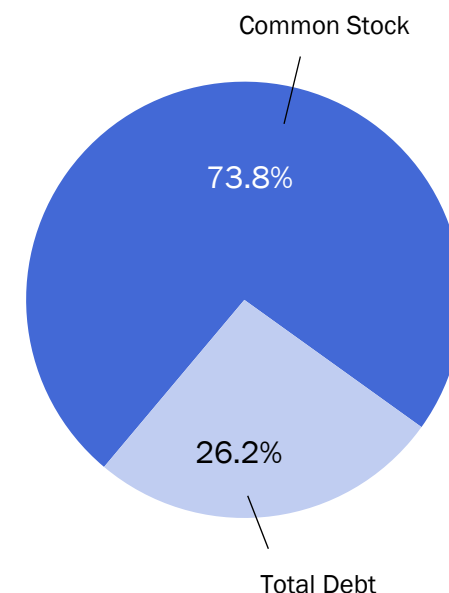
Less: Cash and cash equivalents (24,280)

## Enterprise Value

	\$	2,299,256
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Debt to Enterprise Value 26.5%

Debt to Annualized Normalized EBITDA <sup>(4)</sup> 4.4x



- (1) Total commitment under our unsecured revolving line of credit is \$600,000 which matures in October 2018, with a one-year extension option. Subsequent to March 31, 2016, we borrowed an additional \$37,000 under our unsecured revolving line of credit. Accordingly, we have \$198,000 outstanding under our unsecured revolving line of credit with \$402,000 remaining for borrowing.
- (2) Represents outstanding balance of \$448,300, net of debt issue costs of \$1,044. Rate includes amortization of debt issue cost.
- (3) Closing price of our common stock as reported by the NYSE on March 31, 2016.
- (4) See page 21 for reconciliation of annualized normalized EBITDA for the twelve months ended March 31, 2016.

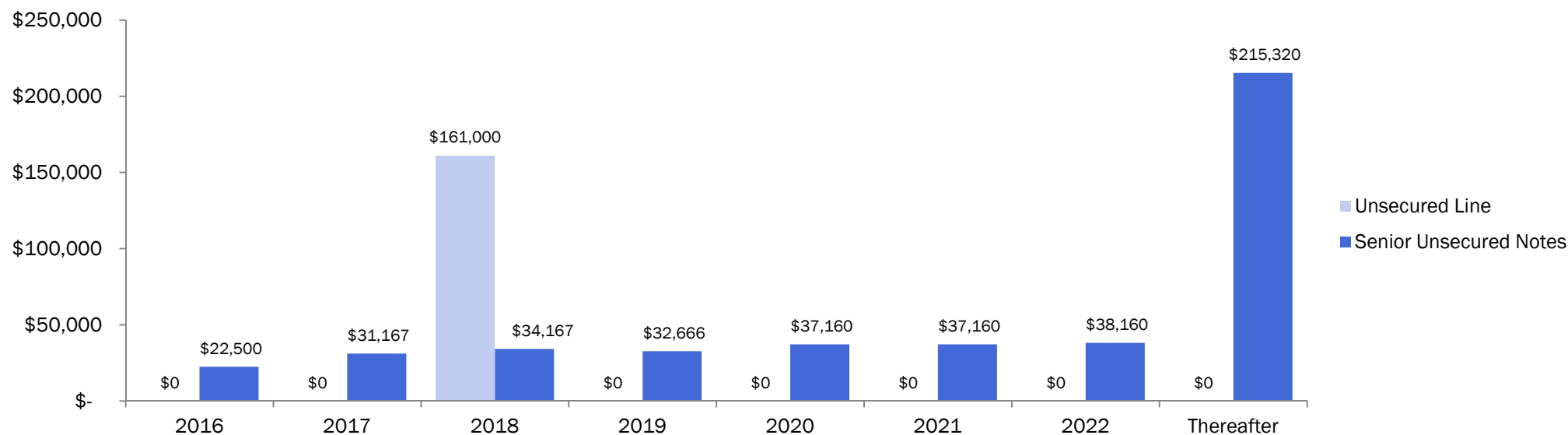
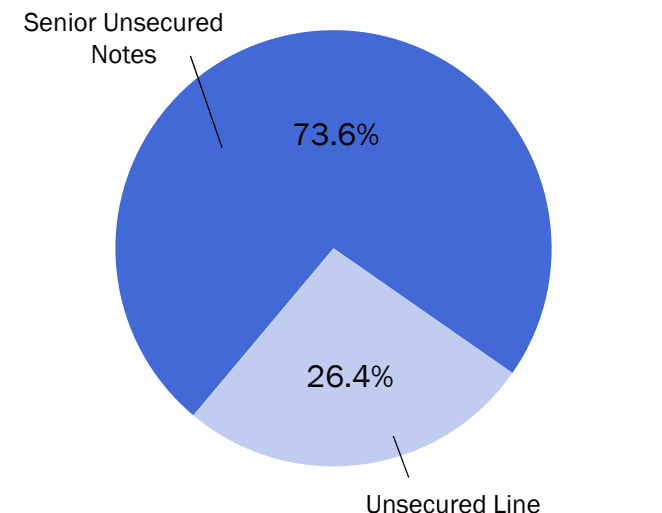
# Debt Maturity

(as of March 31, 2016, dollar amounts in thousands)



Year	Unsecured Line of Credit <sup>(1)</sup>	Senior Unsecured Notes <sup>(2)</sup>	Total	% of Total
2016	\$ -	\$ 22,500	\$ 22,500	3.7%
2017	-	31,167	31,167	5.1%
2018	161,000	34,167	195,167	32.0%
2019	-	32,666	32,666	5.4%
2020	-	37,160	37,160	6.1%
2021	-	37,160	37,160	6.1%
2022	-	38,160	38,160	6.3%
Thereafter	-	215,320	215,320	35.3%
Total	\$ 161,000	\$ 448,300	\$ 609,300 <sup>(3)</sup>	100.0%

Debt Structure



(1) Total commitment under our unsecured revolving line of credit is \$600,000 which matures in October 2018, with a one-year extension option. Subsequent to March 31, 2016, we borrowed an additional \$37,000 under our unsecured revolving line of credit. Accordingly, we have \$198,000 outstanding under our unsecured revolving line of credit with \$402,000 remaining for borrowing.

(2) Reflects scheduled principal payments.

(3) Excludes debt issue costs which are included in the balance sheet amounts shown on page 18.



# Financial Data Summary

(dollar amounts in thousands)



## Balance Sheet, Leverage Ratios and Coverage Ratios

		Annualized		
	1Q16	4Q15	4Q14	4Q13
<b><u>Balance Sheet</u></b>				
Gross real estate assets	\$1,455,055	\$1,418,405	\$1,117,167	\$1,104,732
Net real estate assets	1,193,572	1,164,950	892,179	884,361
Gross asset value	1,580,333	1,528,879	1,189,758	1,150,676
Total debt <sup>(1)</sup>	608,256	571,872	280,584	277,730
Total liabilities	646,160	616,222	304,649	297,867
Preferred stock	-	-	38,500	38,500
Total equity	672,690	659,202	660,121	632,438
<b><u>Leverage Ratios</u></b>				
Debt to gross asset value	38.5%	37.4%	23.6%	24.1%
Debt & preferred stock to gross asset value	38.5%	37.4%	26.8%	27.5%
Debt to total enterprise value	26.5%	26.2%	15.4%	18.0%
Debt & preferred stock to total enterprise value	26.5%	26.2%	17.5%	20.5%
<b><u>Coverage Ratios</u></b>				
Debt to annualized normalized EBITDA	4.4x	4.3x	2.3x	2.9x
Annualized normalized EBITDA / interest incurred	5.1x	5.7x	7.6x	7.9x
Annualized normalized EBITDA / fixed charges	5.1x	5.7x	6.3x	6.2x

(1) Represents outstanding balance of gross bank borrowings and senior unsecured notes, net of debt issue costs.

# Financial Data Summary

(dollar amounts in thousands)



## Reconciliation of Annualized Normalized EBITDA and Fixed Charges

	Annualized			
	1Q16	4Q15	4Q14	4Q13
Net income	\$ 79,432	\$ 76,808	\$ 84,000	\$ 58,600
Less: Gain on sale of real estate, net	-	(586) <sup>(1)</sup>	(3,819) <sup>(2)</sup>	-
Add: Impairment on real estate for sale	-	2,250 <sup>(1)</sup>	-	-
Add: Interest expense	24,000	22,324	14,732	11,408
Add: Depreciation and amortization	34,244	33,240	26,376	24,948
Adjusted EBITDA	137,676	134,036	121,289	94,956
Add back/(deduct):				
Non-recurring one-time items	-	-	-	1,980 <sup>(3)</sup>
Normalized EBITDA	\$ 137,676	\$ 134,036	\$ 121,289	\$ 96,936
Interest expense:	\$ 24,000	\$ 22,324	\$ 14,732	\$ 11,408
Add: Capitalized interest	2,744	1,384	1,160	856
Interest incurred	26,744	23,708	15,892	12,264
Interest incurred	26,744	23,708	15,892	12,264
Preferred stock dividend	-	-	3,276	3,276
Fixed Charges	\$ 26,744	\$ 23,708	\$ 19,168	\$ 15,540

(1) In 4Q15, we agreed to sell a 48-unit assisted living community, which was sold in 1Q16, and we recorded an impairment charge of \$2,250 to write the property down to the sale price. Gain on sale of real estate and impairment on real estate for sale were not annualized.

(2) Represents gain on sale of 16 properties to Enlivant. Gain on sale of real estate was not annualized.

(3) 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. Non-recurring one-time items were not annualized.

## Non-Cash Revenue Components

	1Q16	2Q16 <sup>(1)</sup>	3Q16 <sup>(1)</sup>	4Q16 <sup>(1)</sup>	1Q17 <sup>(1)</sup>
Straight-line rent	\$ 2,835	\$ 3,446	\$ 2,784	\$ 2,323	\$ 1,559
Amort of lease inducement	(518)	(439)	(441)	(440)	(441)
Effective Interest	1,261	1,294	1,291	1,292	1,285
Net	\$ 3,578	\$ 4,301	\$ 3,634	\$ 3,175	\$ 2,403

(1) For leases and loans in place at March 31, 2016, assuming no renewals, modification or replacement, and no new investments are added to our portfolio, except for announced acquisitions, as previously discussed on page 6.



# Income Statement Data

(amounts in thousands, except per share amounts)

## Three Months Ended March 31,

2016      2015

(unaudited)

### Revenues

Rental income	\$ 31,880	\$ 26,678
Interest income from mortgage loans	6,578	4,607
Interest and other income	146	195
Total revenues	<u>38,604</u>	<u>31,480</u>

### Expenses

Interest expense	6,000	3,766
Depreciation and amortization	8,561	6,779
Provision for doubtful accounts	84	3
Acquisition costs	90	48
General and administrative expenses	4,283	3,448
Total expenses	<u>19,018</u>	<u>14,044</u>

Operating Income	19,586	17,436
Income from unconsolidated joint ventures	272	116
<b>Net Income</b>	<u>19,858</u>	<u>17,552</u>

Income allocated to participating securities	(101)	(123)
Income allocated to preferred stockholders	-	(818)
Net income available to common stockholders	<u>\$ 19,757</u>	<u>\$ 16,611</u>

### Earnings per common share:

Basic	<u>\$0.53</u>	<u>\$0.47</u>
Diluted	<u>\$0.53</u>	<u>\$0.47</u>

### Weighted average shares used to calculate earnings per common share:

Basic	<u>37,446</u>	<u>35,277</u>
Diluted	<u>37,459</u>	<u>37,292</u>

Dividends declared and paid per common share	<u>\$0.54</u>	<u>\$0.51</u>
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Bella Vista  
Oshkosh, WI

# Consolidated Balance Sheets

(amounts in thousands, except per share amounts)



	March 31, 2016 (unaudited)	December 31, 2015 (audited)		March 31, 2016 (unaudited)	December 31, 2015 (audited)
<b>ASSETS</b>			<b>LIABILITIES</b>		
Investments:			Bank borrowings	\$ 161,000	\$ 120,500
Land	\$ 108,867	\$ 106,841	Senior unsecured notes, net of debt issue		
Buildings and improvements	1,120,889	1,091,845	costs: 2016 - \$1,044; 2015 - \$1,095	447,256	451,372
Accumulated depreciation and amortization	(259,237)	(251,265)	Accrued interest	2,852	3,974
Real property investments, net	970,519	947,421	Accrued incentives and earn-outs	12,572	12,722
Mortgage loans receivable, net of loan loss			Accrued expenses and other liabilities	22,480	27,654
reserves: 2016 - \$2,246; 2015 - \$2,190	223,053	217,529	Total liabilities	646,160	616,222
Real estate investments, net	1,193,572	1,164,950			
Investment in unconsolidated joint ventures	24,042	24,042			
Investments, net	1,217,614	1,188,992			
Other assets:			<b>EQUITY</b>		
Cash and cash equivalents	24,280	12,942	Stockholders' equity:		
Debt issue costs related to bank borrowing	2,605	2,865	Common stock <sup>(1)</sup>	379	375
Interest receivable	5,815	4,536	Capital in excess of par value	772,677	758,676
Straight-line rent receivable, net of allowance for			Cumulative net income	948,186	928,328
doubtful accounts: 2016 - \$861; 2015 - \$833	45,492	42,685	Accumulated other comprehensive income	18	47
Prepaid expenses and other assets	21,020	21,443	Cumulative distributions	(1,048,570)	(1,028,224)
Notes receivable	2,024	1,961	Total equity	672,690	659,202
<b>Total assets</b>	<b>\$ 1,318,850</b>	<b>\$ 1,275,424</b>	<b>Total liabilities and equity</b>	<b>\$ 1,318,850</b>	<b>\$ 1,275,424</b>

(1) Common stock \$0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2016 - 37,915; 2015 - 37,548

# Funds from Operations

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



## Reconciliation of FFO, AFFO, and FAD

	Three Months Ended March 31,	
	2016	2015
GAAP net income available to common stockholders	\$ 19,757	\$ 16,611
Add: Depreciation and amortization	8,561	6,779
NAREIT FFO attributable to common stockholders	28,318	23,390
Add: Non-recurring one-time items	-	-
<b>Normalized FFO attributable to common stockholders</b>	<b>28,318</b>	<b>23,390</b>
Less: Non-cash rental income	(2,317)	(1,923)
Less: Effective interest income from mortgage loans	(1,262)	(551)
Less: Deferred income from unconsolidated joint ventures	-	(77)
Normalized adjusted FFO (AFFO)	24,739	20,839
Add: Non-cash compensation charges	990	982
Add: Non-cash interest related to contingent liabilities	149	54
Less: Capitalized interest	(686)	(147)
<b>Normalized funds available for distribution (FAD)</b>	<b>\$ 25,192</b>	<b>\$ 21,728</b>
NAREIT Diluted FFO attributable to common stockholders per share	\$0.76	\$0.65
<b>Diluted normalized FFO attributable to common stockholders per share</b>	<b>\$0.76</b>	<b>\$0.65</b>
Diluted normalized AFFO per share	\$0.66	\$0.58
<b>Diluted normalized FAD per share</b>	<b>\$0.67</b>	<b>\$0.60</b>



# Funds from Operations

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



## Reconciliation of FFO Per Share

For the three months ended March 31,

Normalized FFO/AFFO/FAD attributable to common stockholders

Effect of dilutive securities:

Participating securities

Series C cumulative preferred

Diluted normalized FFO/AFFO/FAD assuming conversion

Shares for basic FFO/AFFO/FAD per share

Effect of dilutive securities:

Stock options

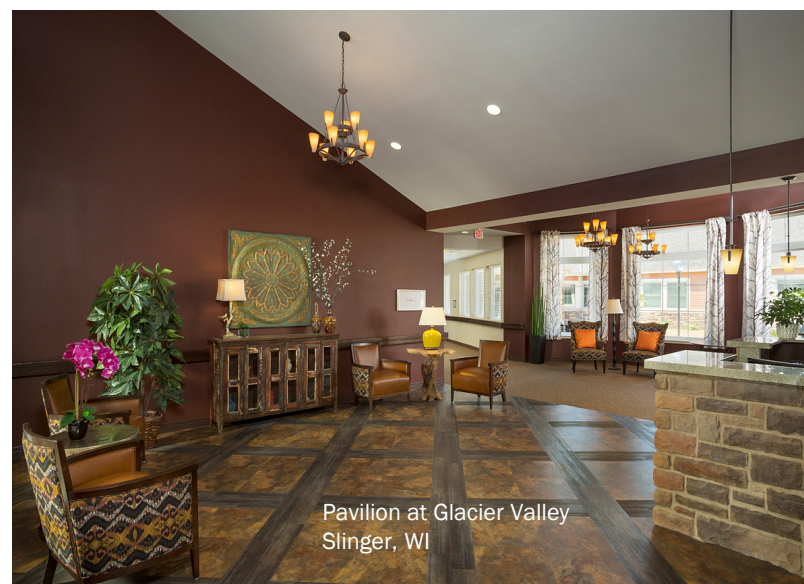
Participating securities

Series C cumulative preferred

Shares for diluted normalized FFO/AFFO/FAD per share

Diluted normalized FFO/AFFO/FAD per share

	FFO		AFFO		FAD	
	2016	2015	2016	2015	2016	2015
Normalized FFO/AFFO/FAD attributable to common stockholders	\$ 28,318	\$ 23,390	\$ 24,739	\$ 20,839	\$ 25,192	\$ 21,728
Effect of dilutive securities:						
Participating securities	101	123	101	123	101	123
Series C cumulative preferred	-	818	-	818	-	818
Diluted normalized FFO/AFFO/FAD assuming conversion	\$ 28,419	\$ 24,331	\$ 24,840	\$ 21,780	\$ 25,293	\$ 22,669
Shares for basic FFO/AFFO/FAD per share	37,446	35,277	37,446	35,277	37,446	35,277
Effect of dilutive securities:						
Stock options	13	15	13	15	13	15
Participating securities	181	237	181	237	181	237
Series C cumulative preferred	-	2,000	-	2,000	-	2,000
Shares for diluted normalized FFO/AFFO/FAD per share	37,640	37,529	37,640	37,529	37,640	37,529
Diluted normalized FFO/AFFO/FAD per share	\$ 0.76	\$ 0.65	\$ 0.66	\$ 0.58	\$ 0.67	\$ 0.60



**Adjusted Funds From Operations ("AFFO"):** FFO excluding the effects of straight-line rent, amortization of lease inducement, effective interest income and deferred income from unconsolidated joint ventures.

**Assisted Living Communities ("ALF"):** The ALF portfolio consists of assisted living, independent living, and/or memory care communities. (See Independent Living and Memory Care) Assisted living communities are senior housing properties serving elderly persons who require assistance with activities of daily living, but do not require the constant supervision skilled nursing centers provide. Services are usually available 24 hours a day and include personal supervision and assistance with eating, bathing, grooming and administering medication. The communities 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.

**Funds Available for Distribution ("FAD"):** AFFO excluding the effects of non-cash compensation charges, capitalized interest and non-cash interest 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 sum of the purchase price and transaction costs.

**GAAP Rent:** Total rent we will receive as a fixed amount over the initial term of the lease and recognized evenly over that term. 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:** The carrying amount of total assets after adding back accumulated depreciation and loan loss reserves, as reported in the company's consolidated financial statements.

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

**Independent Living Communities ("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.

**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 Communities ("MC"):** Senior housing properties offering specialized options for seniors with Alzheimer's disease and other forms of dementia. These communities 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 communities. These communities 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.

**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.

**Net Real Estate Assets:** Gross real estate 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:** AFFO adjusted for non-recurring, infrequent or unusual items.

**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:** FAD adjusted for non-recurring, infrequent or unusual items.

**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 which are unaudited and have not been independently verified by us.



**Payor Source:** LTC revenue by operator underlying payor source for the period 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.

**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).

**Range of Care ("ROC"):** Range of care communities 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.

**Same Property Portfolio ("SPP"):** Same property statistics allow for the comparative evaluation of performance across a consistent population of LTC's leased property portfolio. Our SPP is comprised of stabilized properties owned and operated throughout the duration of the quarter-over-quarter comparison periods presented (excluding assets sold and assets held-for-sale). Accordingly, a leased property must be owned and stabilized for a minimum of 15 months if it is an acquired property, or 27 months if it is a development project, to be included in our SSP.

**School:** An institution for educating students which includes a charter school. Charter schools provide an alternative to the traditional public school and 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 Centers ("SNF"):** Skilled nursing centers provide 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:** Properties are generally considered stabilized upon the earlier of achieving certain occupancy thresholds (e.g. 80% for SNFs and 90% for ALFs) and, as applicable, 12 months from the date of acquisition or, in the event of a de novo development, redevelopment, major renovations or addition, 24 months from the date the property is first placed in or returned to service.

**Under Development Properties ("UDP"):** Development projects to construct senior housing communities and/or skilled nursing centers.



## Company

Founded in 1992, LTC Properties, Inc. ("LTC") is a self-administered real estate investment trust that primarily invests in senior housing and health care properties through facility lease transactions, mortgage loans, and other investments. Our primary objectives are to create, sustain and enhance stockholder equity value and provide current income for distribution to stockholders through real estate investments in senior housing and health care properties managed by experienced operators. Our primary senior housing and health care property types include skilled nursing centers (or SNF), assisted living communities (or ALF), independent living communities (or ILF), memory care communities (or MC), and combinations thereof. 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, property type and form of investment. For more information on LTC, visit the Company's website at [www.LTCreit.com](http://www.LTCreit.com).

## 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, 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, 2015 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 adjusted EBITDA, normalized EBITDA, FFO, normalized FFO, normalized AFFO, normalized FAD, 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](http://www.LTCreit.com).