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January 17, 2012

Dear Shareholder:

For the year ended December 31, 2011, LTC Properties, Inc. made cash distributions for a total of \$1.68 per outstanding share of **Common Stock** (CUSIP# 502175102).

All distributions are broken down by percentage according to the following categories for income tax purposes:

Ordinary Taxable Distribution	81.59758%
Long-term Capital Gain	0.86696%
Return of capital	<u>17.53546%</u>
Total:	<u>100.00000%</u>

For individuals, federal tax law provides that long-term capital gains are taxed at a maximum rate of 15%. Return of capital distributions reduce a shareholder's basis in his stock and the excess of such distribution is taxable as a capital gain. The rules in various states may be different. Taxpayers should consult their tax advisers in order to determine how to report the different categories of their distributions in their Federal and state returns.

As a real estate investment trust, LTC Properties, Inc. is required to distribute at least 90% of its net ordinary taxable income. In addition, the Company may elect to distribute cash in excess of the required amount.

Very truly yours,

LTC Properties, Inc.

/s/ PAMELA J. SHELLEY-KESSLER  
Executive Vice President, CFO, & Secretary