Supplemental Operating and Financial Data

June 30, 2016 *(Unaudited)*

Juniper Village at Chatham
Chatham, MA

Village at Athens
Athens, GA

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Leadership

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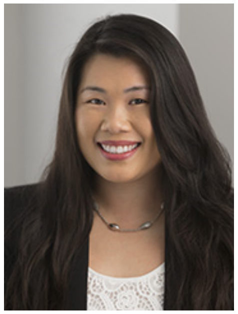
Chairman, Chief Executive Officer and President

Pam Kessler
Executive Vice President, CFO and Secretary

Clint Malin
Executive Vice President and Chief Investment Officer

Brent Chappell
Senior Vice President, Investment and Portfolio Management



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Senior Vice President, Controller and Treasurer

Doug Korey
Senior Vice President of Business Development

Peter Lyew
Vice President and Director of Taxes

Board of Directors

Wendy Simpson
Chairman

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JMP Securities, LLC .... Peter Martin

KeyBanc Capital Markets, Inc .... Jordan Sadler

Mitsubishi – MUFG .... Karin Ford

Mizuho Securities USA Inc .... Rich Anderson

RBC Capital Markets Corporation .... Mike Carroll

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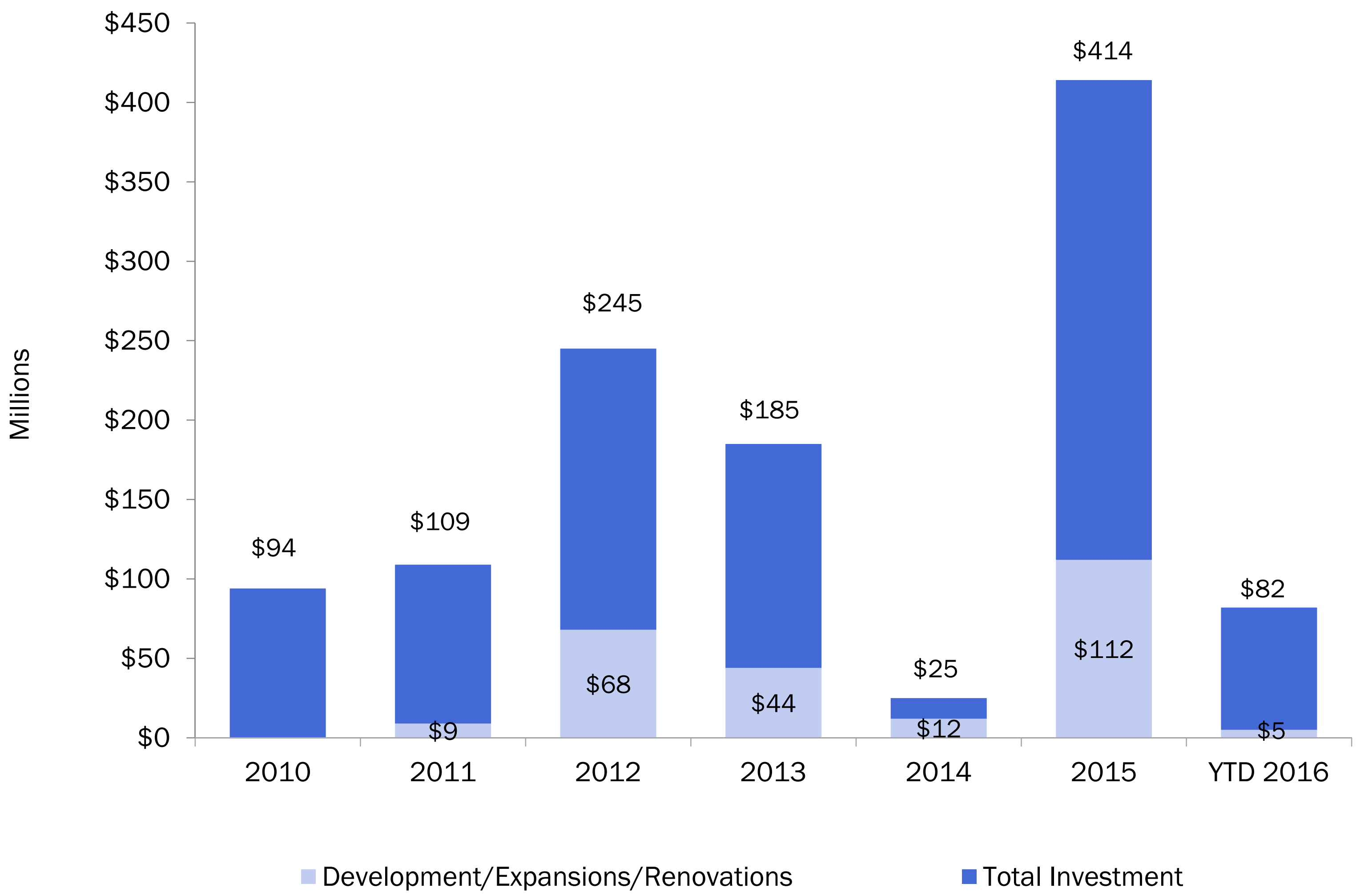
Any opinions, estimates, or forecasts regarding LTC's performance made by the analysts listed above do not represent the opinions, estimates, and forecasts of LTC or its management.

Execution of Growth Strategy

$1.2 Billion in Total Investments Underwritten

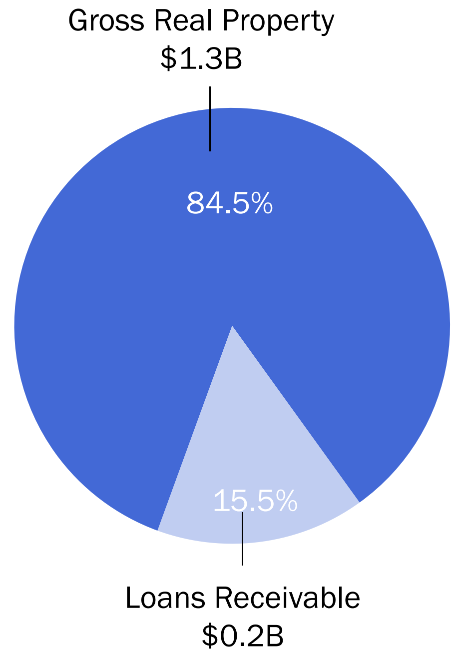


Proforma Portfolio Overview [1]

(dollar amounts in thousands)

Type of Property	# of Properties	Gross Investments	% of Investments	Trailing Twelve Months Ended June 30, 2016 Rental Income[2]	Interest Income[2]	% of Revenues
Skilled Nursing	98	$ 755,287	49.8%	$ 58,552	$ 24,514	56.2%
Assisted Living	109	663,387	43.6%	56,946	1,184	39.4%
Range of Care	7	43,907	2.9%	5,877	-	4.0%
Under Development[3]	-	43,353	2.9%	-	-	-
Other[4]	1	11,425	0.8%	590	65	0.4%
Total	215	$ 1,517,359	100.0%	$ 121,965	$ 25,763	100.0%

(1) Proforma includes the sale of school subsequent to June 30, 2016.
(2) 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 June 30, 2016.
(3) Includes five development projects consisting of three MC communities with a total of 198 units, a 108-unit independent living community and an 89-unit combination ALF and MC community.
(4) Includes one behavioral health care hospital and four parcels of land.



Lakeshore Manor
Oshkosh, WI

Senior Care of Hewitt
Hewitt, TX

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 [1]
2015	2/6	1	UDP[2]	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	1,054
	2/20	1	UDP[2]	89 units	Murrells Inlet, SC	Thrive Senior Living	2015-2016	8.75%	2,490	16,408
	5/26	1	UDP[2]	66 units	Tinley Park, IL	Anthem Memory Care	2015-2016	9.25%	702	11,185
	5/29	1	UDP[2]	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[2]	66 units	Murrieta, CA	Anthem Memory Care	2015-2016	9.00%	2,022	10,584
	9/30	1	MC	60 units	Jacksonville, FL	Clarity Pointe	2015	8.00%	14,250	300
	10/19	1	UDP[2]	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
		21		1,402 units/478 beds					$ 218,279	$ 87,294
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
	6/14	1	ALF/MC	70 units	Athens, GA	Thrive Senior Living	2016	8.00%	14,300	1,700
		5		250 units/126 beds					$ 69,550	$ 3,300

(1) Commitments may include capital improvement or development allowances for approved projects, incentive payments and contingent payments.
(2) See page 8 for development activities.

Loan Originations

	Date	# of Properties	Property Type	# Beds/ Units	Location	Operator	Origination	Funded to Date	2016 YTD Revenue [1]	Stated Interest Rate
2015	1/30	1	SNF	157 beds	Grand Blanc, MI	Prestige Healthcare	$ 15,000 [2]	$ 9,806	$ 576	9.4%
	6/29	15	SNF	2,058 beds	Various cities in MI	Prestige Healthcare	40,000	40,000	2,467	9.4%
	10/30	2	SNF	273 beds	Farmington & Howell, MI	Prestige Healthcare	20,000	15,000	798	9.4%
		18		2,488 beds			$ 75,000	$ 64,806	$ 3,841	
2016	4/29	2	SNF	216 beds	East Lansing, MI	Prestige Healthcare	$ 12,250 [3]	$ 7,750	$ 127	9.4%

(1) Represents year-to-date mortgage GAAP interest income.
(2) Initially, we originated $11,000 and during 2Q16 we increased the investment commitment by $4,000. See page 9 for funding activities.
(3) Represents the origination of a 4-year mortgage loan for $12,250, funding $7,750 at closing with the remaining commitment of $4,500 available for approved capital improvement projects. Additionally, we committed $8,000 to be funded upon the properties achieving certain predetermined coverage thresholds.

Real Estate Activities – De Novo Development

(dollar amounts in thousands)

Oxford Villa at New Market
Wichita, KS

Oxford Villa at New Market
Wichita, KS

Estimated Rent/Interest Inception Date	Commitment Year	Location	# of Projects	Property Type	Approximate Initial Cash Yield	# Beds/ Units	Investment Commitment [(1)]	2Q16 Funding	Total Capitalized Interest/Other	Total Project Basis	Remaining Commitment [(2)]
3Q16	2015	Murrells Inlet, SC	1	ALF/MC	8.75%	89 units	$ 16,535	$ 2,921	$ 391	$ 10,835	$ 6,091
3Q16	2015	Tinley Park, IL	1	MC	9.25%	66 units	11,887	2,665	208	10,374	1,721
4Q16	2015	Wichita, KS	1	ILF	7.43%	108 units	14,500	3,400	150	7,882	6,768
4Q16	2015	Murrieta, CA	1	MC	9.00%	66 units	12,606	2,023	215	9,907	2,914
			4			329 units	55,528	11,009	964	38,998	17,494
2Q17	2015	Glenview, IL	1	MC	9.00%	66 units	14,769	583	139	4,354	10,554
		Total	5		8.66%	395 units	$ 70,297	$ 11,592	$ 1,103	$ 43,352	$ 28,048

(1) Includes purchase of land 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)

Owned

Estimated Rent/Interest Inception Date	Commitment Year	Project Type	Location	# of Projects	Property Type	Approximate Initial Cash Yield	Investment Commitment	2Q16 Funding	Total Funded to Date	Remaining Commitment
- (1)	2015	Expansion	Mesa, AZ	1	SNF	9.00%	$ 5,000 (1)	$ 676	$ 4,033	$ 967
- (2)	2015	Renovation	Las Vegas, NV	1	OTH	8.50%	3,000 (2)	-	-	3,000
			Total	2			$ 8,000	$ 676	$ 4,033	$ 3,967

Loaned

Estimated Rent/Interest Inception Date	Commitment Year	Project Type	Location	# of Projects	Property Type	Approximate Initial Cash Yield	Investment Commitment	2Q16 Funding	Total Funded to Date	Remaining Commitment
- (3)	2013	Renovation	Various cities in MI	15	SNF	9.41%	$ 12,000	$ 1,896	$ 11,725	$ 275
- (3)	2015	Expansion	Richmond, MI	1	SNF	9.41%	10,000	792	1,453	8,547
- (3)	2015	Expansion	Rochester Hills, MI	1	SNF	9.41%	10,000	91	297	9,703
- (4)	2015	Renovation	Farmington & Howell, MI	2	SNF	9.41%	5,000	-	-	5,000
- (4)	2016	Expansion	Grand Blanc, MI	1	SNF	9.41%	5,500 (5)	-	306	5,194
- (4)	2016	Renovation	East Lansing, MI	2	SNF	9.41%	4,500	-	-	4,500
			Total	22			$ 47,000	$ 2,779	$ 13,781	$ 33,219

(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) Increased investment from $1,500 to $5,500 during 2Q16.

Medilodge of Rochester Expansion Rendering
Rochester MI

Real Estate Activities – Lease-Up

(dollar amounts in thousands)

Lease-Up

Date Opened	Occupancy at June 30, 2016	Commitment Year	Project Type	Location	# of Projects	Property Type	Approximate Initial Cash Yield	# Beds/Units	Total Funded/ Purchase Price
Feb-15	83%	2013	Development	Westminster, CO	1	MC	9.25%	60 units	$ 10,703
Sep-15	40%	2015	Acquisition [1]	Jacksonville, FL	1	MC	8.00%	60 units	14,250
Feb-16	32%	2014	Development	Burr Ridge, IL	1	MC	9.30%	66 units	12,178
Apr-16	25%	2016	Acquisition [2]	Louisville, KY	1	MC	8.00%	60 units	14,250
May-16	N/A [3]	2015	Development	Corpus Christi, TX	1	MC	8.75%	56 units	13,524
					5			302 units	$ 64,905

(1) Property was newly constructed and purchased in September 2015 following issuance of final certificate of occupancy and licensure.
(2) Property was newly constructed and purchased in April 2016 following issuance of final certificate of occupancy and licensure.
(3) Property received licensure in July 2016.

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
Coldspring Transitional Care Center	Cold Spring, KY	SNF	Development	143 beds	Nov 2014	Jun 2016	19

Real Estate Activities – Joint Ventures

(dollar amounts in thousands)

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% (1)	585 units	$ 25,650	$ 20,622	$ 5,028
2015	Ocala, FL	1	UDP	15.00% (2)	99 units	2,900	2,900	-
					684 units	$ 28,550	$ 23,522	$ 5,028

(1) Currently, 5% is paid in cash and 10% is deferred.
(2) Represents a mezzanine loan which is recorded as a joint venture for accounting purposes. Initial interest rate is 10% escalating up to 15%. Interest is deferred for a period ending on the earlier of February 1, 2017 or the effective date of the certificate of occupancy.

Portfolio Metrics

Hickory Park
Greenfield, WI

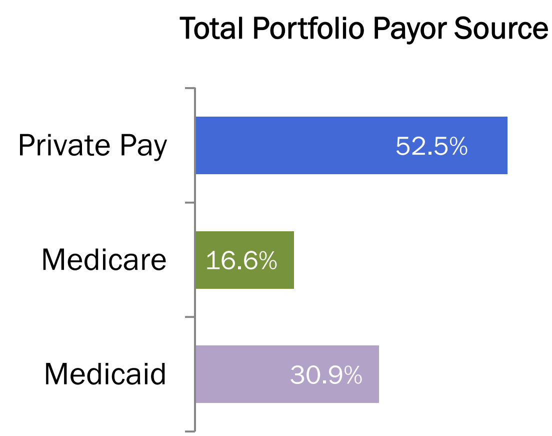
Same Property Portfolio Statistics [(1)]

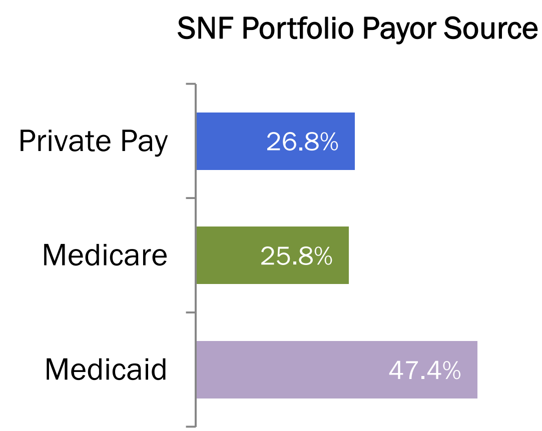
	Occupancy		Normalized EBITDARM Coverage		Normalized EBITDAR Coverage	
Owned Properties	1Q16	4Q15	1Q16	4Q15	1Q16	4Q15
Assisted Living	86.0%	86.2%	1.57	1.61	1.35	1.38
Skilled Nursing	79.1%	79.4%	2.10	2.19	1.52	1.60
Range of Care	85.3%	85.3%	1.67	1.71	1.22	1.26

(1) Information is for the trailing twelve months through March 31, 2016 and December 31, 2015 and is from property level operator financial statements which are unaudited and have not been independently verified by us.

Stabilized Property Portfolio

TTM Ended March 31, 2016

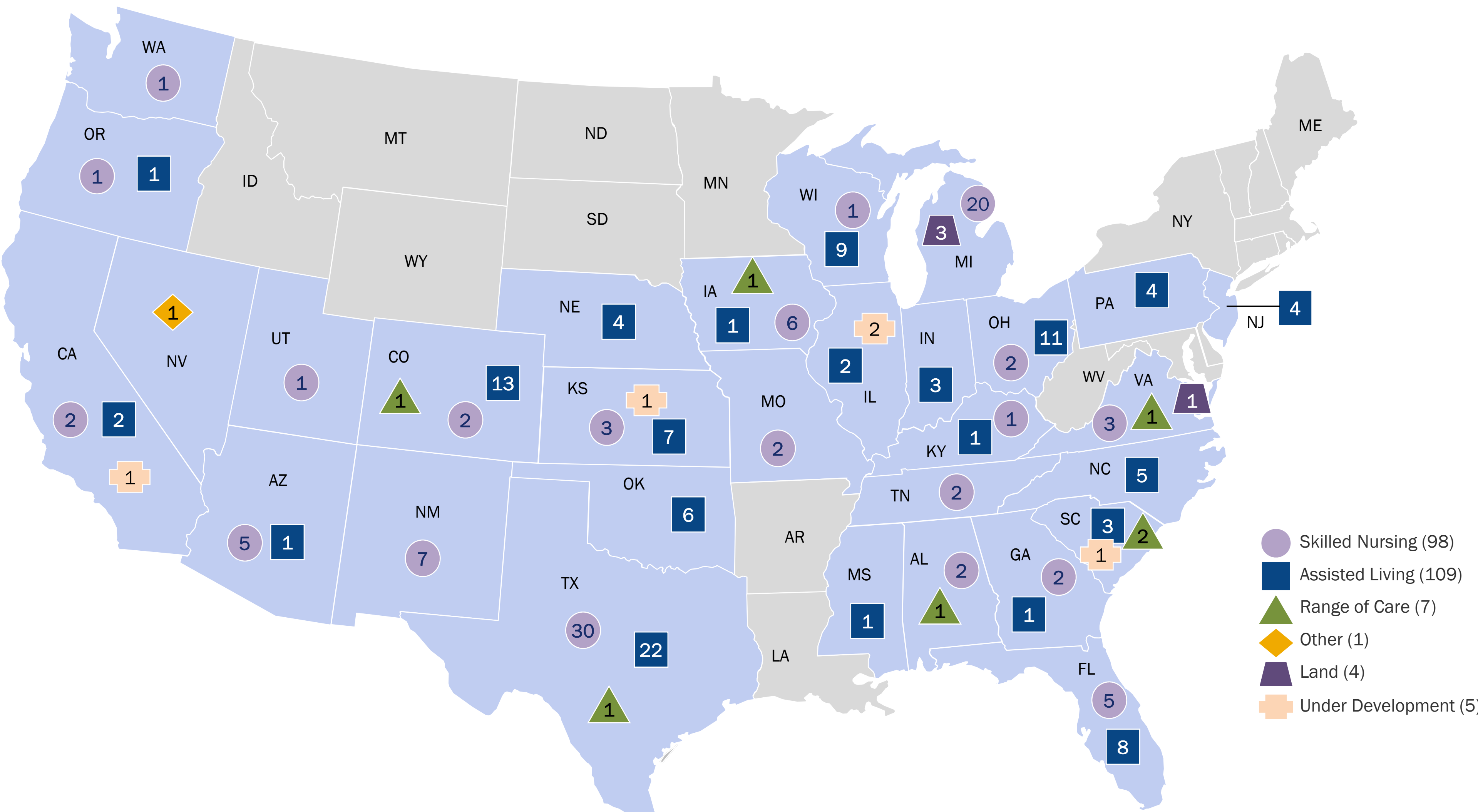




Proforma Portfolio Diversification – Geography [1]

(as of June 30, 2016)

215 Properties | 5 Development Projects | 4 Land Parcels | 30 States | 32 Operators

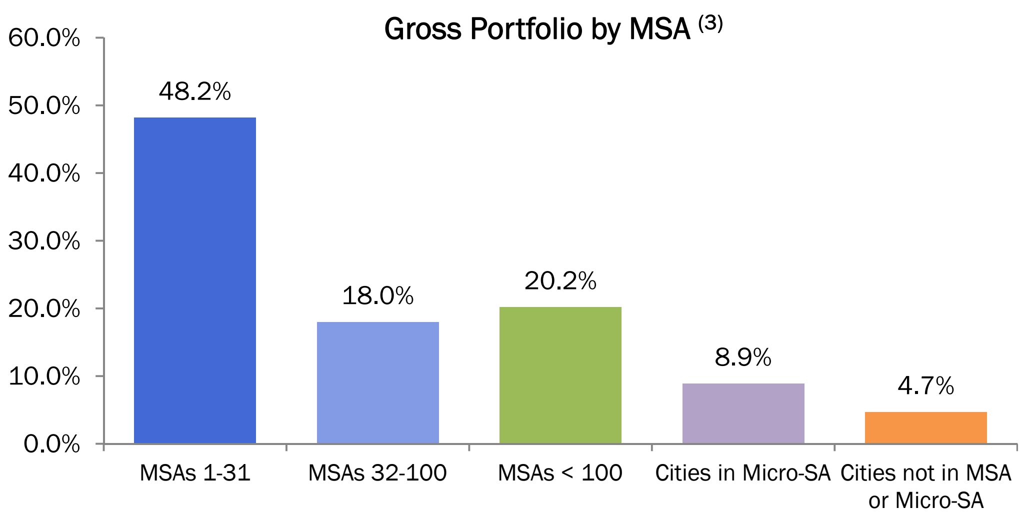


(1) Proforma includes the sale of school subsequent to June 30, 2016.

Proforma Portfolio Diversification – Geography (1)

(as of June 30, 2016, dollar amounts in thousands)

State (2)	# of Props	SNF	%	ALF	%	ROC	%	UDP	%	OTH	%	Gross Investment	%
Texas	53	$ 221,898	29.4%	$ 56,902	8.6%	$ 2,994	6.8%	$ -	-	$ -	-	$ 281,794	18.5%
Michigan	20	211,086	27.9%	-	-	-	-	-	-	943	8.3%	212,029	14.0%
Wisconsin	10	13,946	1.8%	111,734	16.9%	-	-	-	-	-	-	125,680	8.3%
Colorado	16	6,038	0.8%	106,879	16.1%	2,007	4.6%	-	-	-	-	114,924	7.6%
Ohio	13	54,000	7.2%	44,997	6.8%	-	-	-	-	-	-	98,997	6.5%
Florida	13	35,362	4.7%	45,856	6.9%	-	-	-	-	-	-	81,218	5.3%
Kansas	10	14,112	1.9%	42,341	6.4%	-	-	7,882	18.2%	-	-	64,335	4.2%
New Jersey	4	-	-	61,737	9.3%	-	-	-	-	-	-	61,737	4.1%
California	4	22,130	2.9%	28,071	4.2%	-	-	9,907	22.8%	-	-	60,108	4.0%
Illinois	2	-	-	42,698	6.4%	-	-	14,727	34.0%	-	-	57,425	3.8%
All Others	70	176,715	23.4%	122,172	18.4%	38,906	88.6%	10,837	25.0%	10,482	91.7%	359,112	23.7%
Total	215	$ 755,287	100.0%	$ 663,387	100.0%	$ 43,907	100.0%	$ 43,353	100.0%	$ 11,425	100.0%	$ 1,517,359	100.0%



(1) Proforma includes the sale of school subsequent to June 30, 2016.
(2) Due to master leases with properties in multiple states, revenue by state is not available.
(3) The MSA rank by population as of July 1, 2015, as estimated by the United States Census Bureau.

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

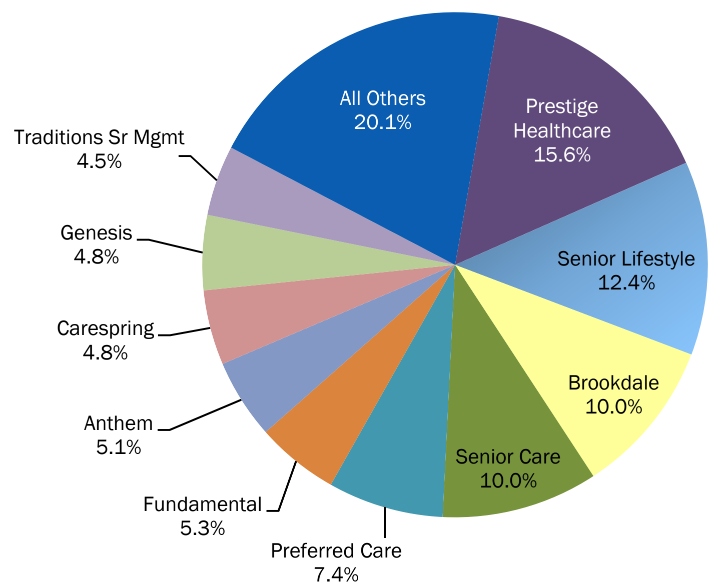
Proforma Portfolio Diversification – Operators [1]

(as of June 30, 2016, dollar amounts in thousands)

Operators	# of Properties	Annual Income [2]	%	Gross Investment	%
Prestige Healthcare	22	$ 24,650	15.6%	$ 224,219	14.8%
Senior Lifestyle Corporation	27	19,509	12.4%	200,515	13.2%
Brookdale Senior Living	37	15,801	10.0%	126,991	8.4%
Senior Care Centers	11	15,756	10.0%	138,109	9.1%
Preferred Care	30	11,659	7.4%	90,047	5.9%
Fundamental	7	8,306	5.3%	74,652	4.9%
Anthem Memory Care	7	8,047	5.1%	102,714	6.8%
Carespring Health Care Management	3	7,635	4.8%	77,546	5.1%
Genesis Healthcare	8	7,614	4.8%	54,864	3.6%
Traditions Senior Management	5	7,121	4.5%	64,610	4.3%
All Others	58	31,764	20.1%	363,092	23.9%
	215	$ 157,862	100.0%	$ 1,517,359	100.0%

(1) Proforma includes the sale of school subsequent to June 30, 2016.
(2) 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 June 30, 2016.

Annual Income by Operator



Portfolio Diversification - Top Ten Operator Profiles

(as of June 30, 2016)

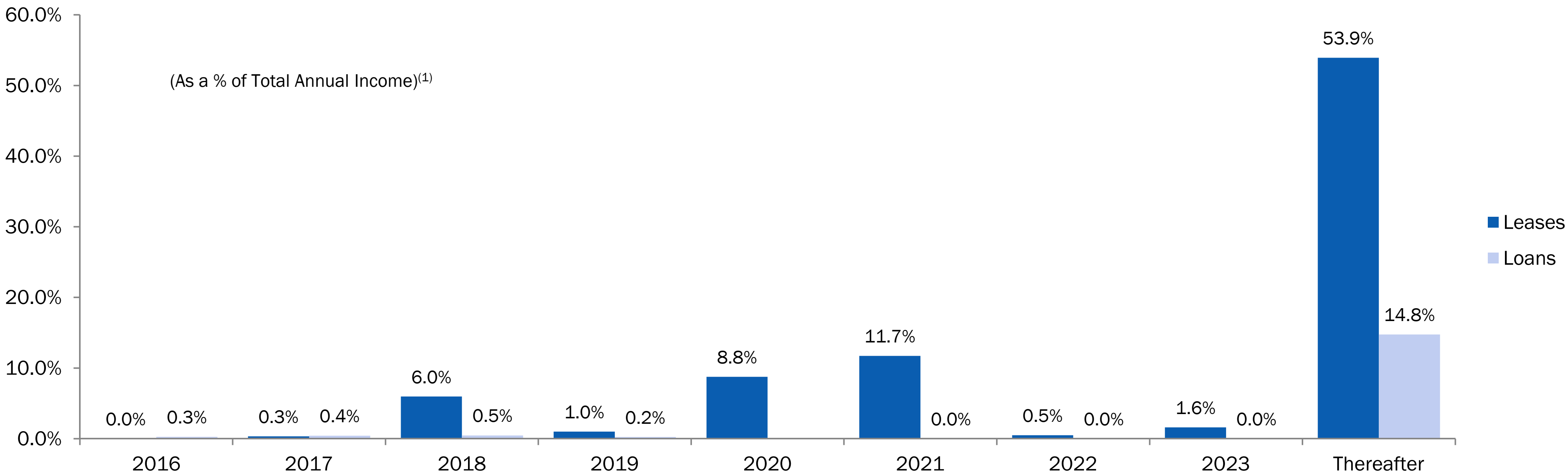
Prestige Healthcare	Senior Lifestyle	Brookdale Senior Living	Senior Care Centers	Preferred Care, Inc.
Privately Held	Privately Held	NYSE: BKD	Privately Held	Privately Held
SNF/ALF/ILF Other Rehab	ALF/ILF/MC/SNF Short Term Stays	ALF/ILF/MC Continuing Care	SNF/ALF/ILF/MC Transitional Care & Rehab	SNF/ALF/ILF Specialty Care
68 Properties	170 Properties	Approx 1,121 Properties	108 Properties	112 Properties
7 States	27 States	47 States	2 States	12 States

Fundamental	Anthem Memory Care	Carespring	Genesis HealthCare	Traditions Senior Management
Privately Held	Privately Held	Privately Held	NYSE: GEN	Privately Held
SNF/ALF/MC Hospitals & Other Rehab	Exclusively MC	SNF/ALF/ILF Transitional Care	SNF/ALF Senior Living	SNF/ALF/ILF
74 Properties	9 Properties	11 Properties	More than 500 Properties	24 Properties
9 States	4 States	2 States	34 States	5 States

Proforma Portfolio Maturity (1)

(as of June 30, 2016, dollar amounts in thousands)

Year	Rental Income(2)	% of Total	Interest Income(2)	% of Total	Annual Income(2)	% of Total
2016	$ -	-	$ 415	1.6%	$ 415	0.3%
2017	359	0.3%	665	2.6%	1,024	0.7%
2018	9,417	7.1%	889	3.4%	10,306	6.5%
2019	1,571	1.2%	379	1.5%	1,950	1.2%
2020	13,826	10.5%	127	0.5%	13,953	8.8%
2021	18,502	14.0%	-	-	18,502	11.7%
2022	771	0.6%	-	-	771	0.5%
2023	2,539	1.9%	-	-	2,539	1.6%
Thereafter	85,114	64.4%	23,288	90.4%	108,402	68.7%
Total	$ 132,099	100.0%	$ 25,763	100.0%	$ 157,862	100.0%



(1) Proforma includes the sale of school subsequent to June 30, 2016.
(2) 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 June 30, 2016 and the school sold subsequent to June 30, 2016.

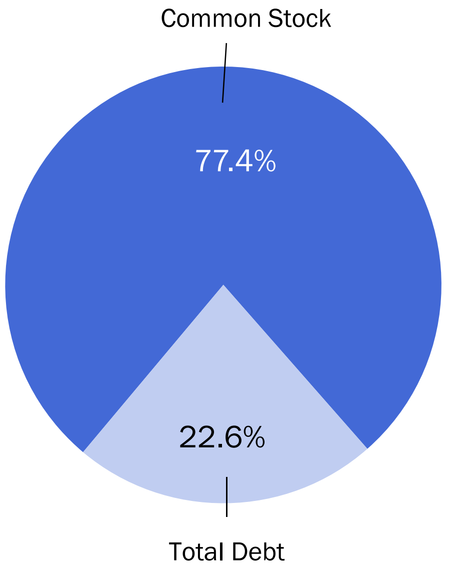
Proforma Enterprise Value

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

	No. of shares	6/30 Closing Price	At June 30, 2016	Capitalization
Debt				
Bank borrowings - weighted average rate 2.0% [1]			$ 81,000	
Senior unsecured notes -weighted average rate 4.6% [2]			512,234	
Total debt - weighted average rate 4.2%			593,234	22.6%
Equity				
Common stock	39,221,681 [3]	$ 51.73 [4]	2,028,938	77.4%
Total Market Value			**$ 2,622,172**	100%
Less: Cash and cash equivalents			(14,463)	
Enterprise Value			**$ 2,607,709**	
Debt to Enterprise Value			22.7%	
Debt to Annualized Normalized EBITDA [5]			4.2x	

(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 June 30, 2016, we paid down $41,000 and have $81,000 outstanding with $519,000 available for borrowing.
(2) Represents outstanding balance of $485,800, net of debt issue costs of $1,066. Rate includes amortization of debt issue cost. Subsequent to June 30, 2016, we sold $40,000 of 3.99% senior unsecured notes and paid down principal of $12,500 of the Series B Prudential notes.
(3) Proforma for common stock sold under our ATM program subsequent to June 30, 2016.
(4) Closing price of our common stock as reported by the NYSE on June 30, 2016.
(5) See page 21 for reconciliation of annualized normalized EBITDA for the twelve months ended June 30, 2016.

Capitalization

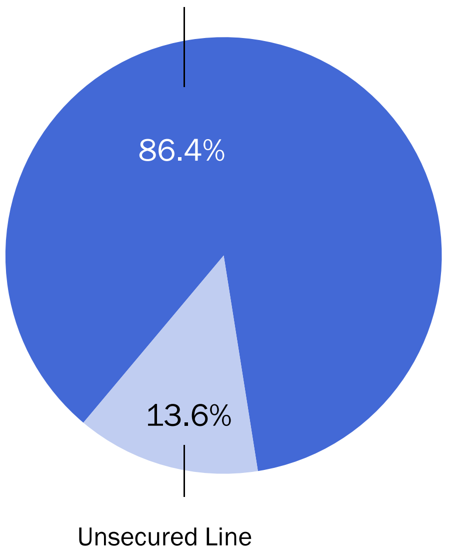


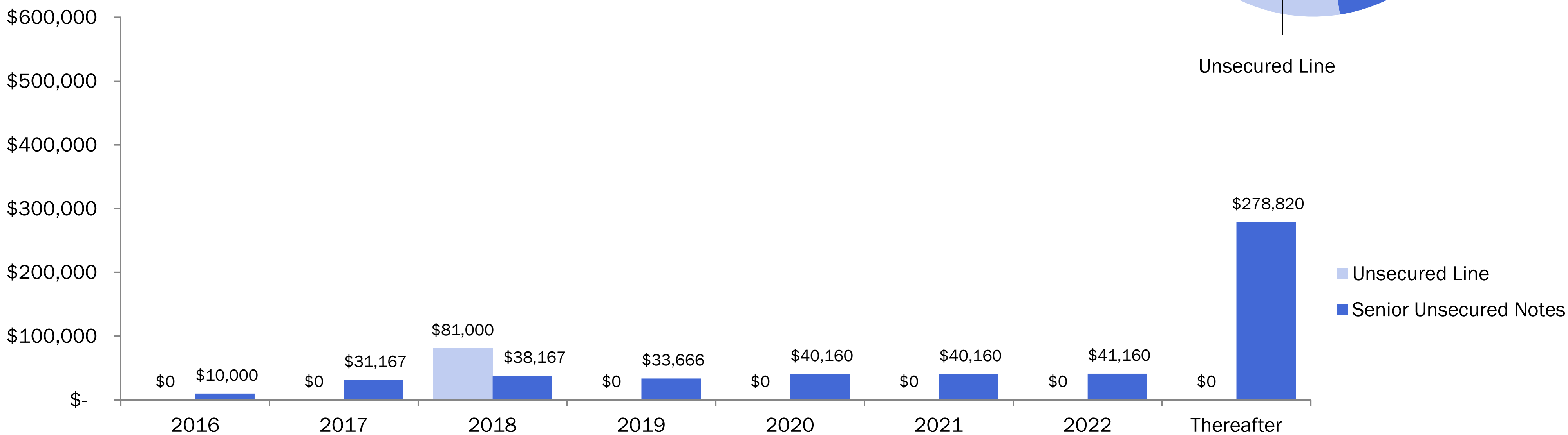
Proforma Debt Maturity

(as of June 30, 2016, dollar amounts in thousands)

Year	Unsecured Line of Credit [1]	Senior Unsecured Notes [2]	Total	% of Total
2016	$ -	$ 10,000	$ 10,000	1.7%
2017	-	31,167	31,167	5.2%
2018	81,000	38,167	119,167	20.0%
2019	-	33,666	33,666	5.7%
2020	-	40,160	40,160	6.8%
2021	-	40,160	40,160	6.8%
2022	-	41,160	41,160	6.9%
Thereafter	-	278,820	278,820	46.9%
Total	$ 81,000	$ 513,300	$ 594,300 [3]	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 June 30, 2016, we paid down $41,000 and have $81,000 outstanding with $519,000 available for borrowing.
(2) Reflects scheduled principal payments. Proforma reflects $40,000 of 3.99% senior unsecured notes and a principal payment of $12,500 of the Series B Prudential notes subsequent to June 30, 2016.
(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

	2Q16 Proforma [1]	2Q16	4Q15	4Q14	4Q13
Balance Sheet					
Gross real estate assets	$1,517,359	$1,526,629	$1,418,405	$1,117,167	$1,104,732
Net real estate assets	1,254,042	1,258,064	1,164,950	892,179	884,361
Gross asset value	1,636,126	1,648,690	1,528,879	1,189,758	1,150,676
Total debt [2]	593,234	606,734	571,872	280,584	277,730
Total liabilities	635,882	649,382	616,222	304,649	297,867
Preferred stock	-	-	-	38,500	38,500
Total equity	736,927	730,743	659,202	660,121	632,438
Leverage Ratios					
Debt to gross asset value	36.3%	36.8%	37.4%	23.6%	24.1%
Debt & preferred stock to gross asset value	36.3%	36.8%	37.4%	26.8%	27.5%
Debt to total enterprise value	22.7%	23.2%	26.2%	15.4%	18.0%
Debt & preferred stock to total enterprise value	22.7%	23.2%	26.2%	17.5%	20.5%
Coverage Ratios					
Debt to annualized normalized EBITDA	4.2x	4.2x	4.3x	2.3x	2.9x
Annualized normalized EBITDA / interest incurred	5.0x	5.1x	5.7x	7.6x	7.9x
Annualized normalized EBITDA / fixed charges	5.0x	5.1x	5.7x	6.3x	6.2x

(1) Proforma reflects sale of school, sale of 3.99% senior unsecured notes, sale of common stock under our ATM program, pay down of $41,000 under the unsecured revolving line of credit, and principal payment of $12,500 of the Series B Prudential notes subsequent to June 30, 2016.

(2) 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				
	2Q16 Proforma [1]	2Q16	4Q15	4Q14	4Q13
Net income	$ 81,783	$ 83,314	$ 76,808	$ 84,000	$ 58,600
Less: Gain on sale of real estate, net	(1,610) [2]	(1,802) [2]	(586) [3]	(3,819) [2]	-
Add: Impairment on real estate for sale	-	-	2,250 [3]	-	-
Add: Interest expense	27,327	27,000	22,324	14,732	11,408
Add: Depreciation and amortization	35,322	35,628	33,240	26,376	24,948
Adjusted EBITDA	142,822	144,140	134,036	121,289	94,956
Add back/(deduct):					
Non-recurring one-time items	-	-	-	-	1,980 [4]
Normalized EBITDA	$ 142,822	$ 144,140	$ 134,036	$ 121,289	$ 96,936
Interest expense:	$ 27,327	27,000	$ 22,324	$ 14,732	$ 11,408
Add: Capitalized interest	1,024	1,024	1,384	1,160	856
Interest incurred	28,351	28,024	23,708	15,892	12,264
Interest incurred	28,351	28,024	23,708	15,892	12,264
Preferred stock dividend	-	-	-	3,276	3,276
Fixed Charges	$ 28,351	$ 28,024	$ 23,708	$ 19,168	$ 15,540

(1) Proforma reflects sale of school, sale of 3.99% senior unsecured notes, pay down of $41,000 under the unsecured revolving line of credit, and principal payment of $12,500 of the Series B Prudential notes subsequent to June 30, 2016.

(2) Gain on sale of real estate was not annualized.

(3) In 1Q16, we sold a 48-unit assisted living community and 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.

(4) 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

	2Q16	3Q16[1]	4Q16[1]	1Q17[1]	2Q17[1]
Straight-line rent	$ 2,619	$ 2,596	$ 2,128	$ 1,372	$ 1,438
Amort of lease inducement	(459)	(465)	(465)	(465)	(465)
Effective Interest	1,293	1,352	1,384	1,377	1,380
Net	$ 3,453	$ 3,483	$ 3,047	$ 2,284	$ 2,353

(1) For leases and loans in place at June 30, 2016, proforma for school sold subsequent to June 30, 2016 assuming no renewals, modification or replacement, and no new investments are added to our portfolio.

Income Statement Data

(amounts in thousands, except per share amounts)

Village at Athens
Athens, GA

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
	(unaudited)		*(unaudited)*	
Revenues				
Rental income	$ 33,072	$ 27,116	$ 64,952	$ 53,794
Interest income from mortgage loans	6,811	5,053	13,389	9,660
Interest and other income	113	218	259	413
Total revenues	39,996	32,387	78,600	63,867
Expenses				
Interest expense	6,750	3,854	12,750	7,620
Depreciation and amortization	8,907	6,977	17,468	13,756
Provision for doubtful accounts	118	429	202	432
Transaction costs	4	14	94	62
General and administrative expenses	4,117	3,938	8,400	7,386
Total expenses	19,896	15,212	38,914	29,256
Operating Income	20,100	17,175	39,686	34,611
Income from unconsolidated joint ventures	278	753	550	869
Gain on sale of real estate, net	1,802	-	1,802	-
Net Income	22,180	17,928	42,038	35,480
Income allocated to participating securities	(105)	(126)	(206)	(249)
Income allocated to preferred stockholders	-	(818)	-	(1,636)
Net income available to common stockholders	$ 22,075	$ 16,984	$ 41,832	$ 33,595
Earnings per common share:				
Basic	$0.58	$0.48	$1.11	$0.95
Diluted	$0.58	$0.48	$1.11	$0.94
Weighted average shares used to calculate earnings per common share:				
Basic	37,969	35,299	37,707	35,288
Diluted	38,164	37,311	37,720	37,302
Dividends declared and paid per common share	$0.54	$0.51	$1.08	$1.02

Consolidated Balance Sheets

(amounts in thousands, except per share amounts)

	June 30, 2016	December 31, 2015
	(unaudited)	*(audited)*
ASSETS		
Investments:		
Land	$ 113,746	$ 106,741
Buildings and improvements	1,168,370	1,082,675
Accumulated depreciation and amortization	(260,971)	(246,170)
Operating real estate property, net	1,021,145	943,246
Properties held-for-sale, net of accumulated depreciation and amortization: 2016 - $5,248; 2015 - $5,095	4,022	4,175
Real property investments, net	1,025,167	947,421
Mortgage loans receivable, net of loan loss reserves: 2016 - $2,346; 2015 - $2,190	232,897	217,529
Real estate investments, net	1,258,064	1,164,950
Investments in unconsolidated joint ventures	24,036	24,042
Investments, net	1,282,100	1,188,992
Other assets:		
Cash and cash equivalents	17,756	12,942
Debt issue costs related to bank borrowings	2,375	2,865
Interest receivable	7,087	4,536
Straight-line rent receivable, net of allowance for doubtful accounts: 2016 - $880; 2015 - $833	47,373	42,685
Prepaid expenses and other assets	21,119	21,443
Notes receivable	2,315	1,961
Total assets	**$ 1,380,125**	**$ 1,275,424**

	June 30, 2016	December 31, 2015
	(unaudited)	*(audited)*
LIABILITIES		
Bank borrowings	$ 122,000	$ 120,500
Senior unsecured notes, net of debt issue costs: 2016 - $1,066; 2015 - $1,095	484,734	451,372
Accrued interest	4,046	3,974
Accrued incentives and earn-outs	13,717	12,722
Accrued expenses and other liabilities	24,885	27,654
Total liabilities	649,382	616,222
EQUITY		
Stockholders' equity:		
Common stock [(1)]	391	375
Capital in excess of par value	829,228	758,676
Cumulative net income	970,366	928,328
Accumulated other comprehensive income	13	47
Cumulative distributions	(1,069,255)	(1,028,224)
Total equity	730,743	659,202
Total liabilities and equity	**$ 1,380,125**	**$ 1,275,424**

(1) Common stock $0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2016 - 39,069; 2015 - 37,548

Funds from Operations

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

Reconciliation of FFO, AFFO, and FAD

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
GAAP net income available to common stockholders	$ 22,075	$ 16,984	$ 41,832	$ 33,595
Add: Depreciation and amortization	8,907	6,977	17,468	13,756
Less: Gain on sale of real estate, net	(1,802)	-	(1,802)	-
NAREIT FFO attributable to common stockholders	29,180	23,961	57,498	47,351
Add: Non-recurring one-time items	-	400 (1)	-	400 (1)
Normalized FFO attributable to common stockholders	**29,180**	**24,361**	**57,498**	**47,751**
Less: Non-cash rental income	(2,160)	(1,795)	(4,477)	(3,718)
Less: Effective interest income from mortgage loans	(1,293)	(934)	(2,555)	(1,485)
Less: Deferred income from unconsolidated joint ventures	-	(502)	-	(579)
Normalized adjusted FFO (AFFO)	25,727	21,130	50,466	41,969
Add: Non-cash compensation charges	1,029	1,099	2,019	2,081
Add: Non-cash interest related to earn-out liabilities	166	55	315	109
Less: Capitalized interest	(256)	(150)	(942)	(297)
Normalized funds available for distribution (FAD)	**$ 26,666**	**$ 22,134**	**$ 51,858**	**$ 43,862**
NAREIT Diluted FFO attributable to common stockholders per share	$0.77	$0.66	$1.52	$1.31
Diluted normalized FFO attributable to common stockholders per share	**$0.77**	**$0.67**	**$1.52**	**$1.32**
Diluted normalized AFFO per share	$0.68	$0.59	$1.34	$1.17
Diluted normalized FAD per share	**$0.70**	**$0.61**	**$1.37**	**$1.22**

(1) Represents a $400 provision for loan loss reserve related to additional loan proceeds funded under an existing mortgage loan.

Funds from Operations

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

Reconciliation of FFO Per Share

	FFO		AFFO		FAD	
For the six months ended June 30,	2016	2015	2016	2015	2016	2015
Normalized FFO/AFFO/FAD attributable to common stockholders	$ 57,498	$ 47,751	$ 50,466	$ 41,969	$ 51,858	$ 43,862
Effect of dilutive securities:						
Participating securities	206	249	206	249	206	249
Series C cumulative preferred	-	1,636	-	1,636	-	1,636
Diluted normalized FFO/AFFO/FAD assuming conversion	$ 57,704	$ 49,636	$ 50,672	$ 43,854	$ 52,064	$ 45,747
Shares for basic FFO/AFFO/FAD per share	37,707	35,288	37,707	35,288	37,707	35,288
Effect of dilutive securities:						
Stock options	13	14	13	14	13	14
Participating securities	182	244	182	244	182	244
Series C cumulative preferred	-	2,000	-	2,000	-	2,000
Shares for diluted normalized FFO/AFFO/FAD per share	37,902	37,546	37,902	37,546	37,902	37,546
Diluted normalized FFO/AFFO/FAD per share	$1.52	$1.32	$1.34	$1.17	$1.37	$1.22


Village at Oso Bay
Corpus Christi, TX


Village at Oso Bay
Corpus Christi, TX

Glossary

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

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

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

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 Properties ("ILF"): Seniors 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 seniors apartments.

Interest Income: Represents interest income from mortgage loans.

Glossary (cont.)

Licensed Beds/Units: The number of beds and/or units that an operator is authorized to operate at seniors 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"): Seniors 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.

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 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.

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 Properties ("SNF"): Seniors 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: 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 seniors housing properties.

LTC Properties, Inc.

Company

Founded in 1992, LTC Properties, Inc. ("LTC") is a self-administered real estate investment trust that primarily invests in seniors 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 seniors housing and health care properties managed by experienced operators. Our primary seniors 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.

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.