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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20459

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**FORM 8-K**

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report: **February 23, 2011**  
(Date of earliest event reported)

**LTC PROPERTIES, INC.**  
(Exact name of Registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of  
incorporation or organization)

**1-11314**  
(Commission file number)

**71-0720518**  
(I.R.S. Employer  
Identification No)

**2829 Townsgate Road, Suite 350**  
**Westlake Village, CA 91361**  
(Address of principal executive offices)

**(805) 981-8655**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. — Results of Operations and Financial Condition**

On February 23, 2011, LTC Properties, Inc. announced the operating results for the three and twelve months ended December 31, 2010. The press release referred to a supplemental information package that is available on LTC's website at [www.LTCProperties.com](http://www.LTCProperties.com) in the "Presentation" section of the "Investor Information" tab. The text of the press release and the supplemental information package are furnished herewith as Exhibits 99.1 and 99.2, respectively, and are specifically incorporated by reference herein.

The information in this Form 8-K and the related information in the exhibits attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section and shall not be incorporated by reference into any filing of LTC under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in any such filing.

**Item 9.01. — Financial Statements and Exhibits**

(a) Financial Statements of Business Acquired.

None.

(b) Pro Forma Financial Information

None.

(d) Exhibits.

99.1 Press Release issued February 23, 2011.

99.2 LTC Properties, Inc. Supplemental Information Package for the period ending December 31, 2010.

**SIGNATURE**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

LTC PROPERTIES, INC.

Dated: February 23, 2011

By: /s/ WENDY L. SIMPSON  
Wendy L. Simpson  
CEO & President

**FOR IMMEDIATE RELEASE**

Contact: Wendy L. Simpson, CEO & President  
 Pam Kessler, EVP & CFO  
 (805) 981-8655

**LTC ANNOUNCES FOURTH QUARTER AND ANNUAL OPERATING RESULTS**

WESTLAKE VILLAGE, CALIFORNIA, February 23, 2011 — LTC Properties, Inc. (NYSE:LTC) released results of operations for the three and twelve months ended December 31, 2010 and announced that net income allocable to common stockholders for the fourth quarter was \$9.6 million or \$0.37 per diluted share which included \$0.8 million from the Sunwest Management, Inc. (or Sunwest) bankruptcy settlement distribution partially offset by a \$0.4 million provision for doubtful account charge related to a mortgage loan secured by land in Oklahoma. For the same period in 2009, net income allocable to common stockholders was \$7.2 million or \$0.31 per diluted share. Revenues for the three months ended December 31, 2010, were \$20.0 million versus \$17.3 million for the same period last year.

For the twelve months ended December 31, 2010, net income allocable to common stockholders was \$29.6 million or \$1.21 per diluted share. Included in these results was a \$2.4 million charge related to the Company's redemption of all of its 8.5% Series E Cumulative Convertible Preferred Stock ("Series E Preferred Stock") and 40% of its 8.0% Series F Cumulative Preferred Stock ("Series F Preferred Stock"), a \$1.2 million provision for doubtful accounts charge for two mortgage loans (one secured by a private school property in Minnesota and one secured by land in Oklahoma) partially offset by a \$0.8 million bankruptcy settlement distribution relating to Sunwest. In the first quarter of 2010, LTC acquired a school property located in Minnesota via deed-in-lieu of foreclosure as a result of the borrower filing for Chapter 7 bankruptcy. The school property has been classified as held-for-sale and the Company is actively marketing to sell it. For calendar 2009, net income allocable to common stockholders was \$29.4 million or \$1.27 per diluted share which included \$0.6 million of allocated income from the repurchase of 109,484 shares of its Series F Preferred Stock. Revenues for the twelve months ended December 31, 2010, were \$74.3 million versus \$69.4 million for the same period last year.

The Company will conduct a conference call on Thursday, February 24, 2011, at 10:00 a.m. Pacific time, in order to comment on the Company's performance and operating results for the quarter ended December 31, 2010. The conference call is accessible by dialing 877-317-6789. The international number is 412-317-6789. The earnings release will be available on our website. An audio replay of the conference call will be available from February 24, 2011 through March 8, 2011. Callers can access the replay by dialing 877-344-7529 or 412-317-0088 and entering conference number 448106. The Company's supplemental information package for the current period will also be available on the Company's website at [www.LTCProperties.com](http://www.LTCProperties.com) in the "Presentation" section of the "Investor Information" tab.

At December 31, 2010, LTC had investments in 89 skilled nursing properties, 103 assisted living properties, 12 other senior housing properties and two schools. These properties are located in 30 states. Other senior housing properties consist of independent living properties and properties providing any combination of skilled nursing, assisted living and/or independent living services. The Company is a self-administered real estate investment trust that primarily invests in senior housing and long-term care facilities through mortgage loans, facility lease transactions and other investments. For more information on LTC Properties, Inc., visit the Company's website at [www.LTCProperties.com](http://www.LTCProperties.com).

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This press release includes statements that are not purely historical and are "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, including statements regarding the Company's expectations, beliefs, intentions or strategies regarding the future. All statements other than historical facts contained in this press release are forward looking statements. These forward looking statements involve a number of risks and uncertainties. Please see our most recent Annual Report on Form 10-K, our subsequent Quarterly Reports on Form 10-Q, and in our other publicly available filings with the Securities and Exchange Commission for a discussion of these and other risks and uncertainties. All forward looking statements included in this press release are based on information available to the Company on the date hereof, and the Company assumes no obligation to update such forward looking statements. Although the Company's management believes that the assumptions and expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. The actual results achieved by the Company may differ materially from any forward looking statements due to the risks and uncertainties of such statements.

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**LTC PROPERTIES, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
*(Amounts in thousands, except per share amounts)*

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
	(unaudited)		(audited)	
<b>Revenues:</b>				
Rental income	\$ 17,154	\$ 14,933	\$ 64,952	\$ 59,487
Interest income from mortgage loans	1,799	2,020	7,482	8,558
Interest and other income	1,026	382	1,868	1,331
Total revenues	19,979	17,335	74,302	69,376
<b>Expenses:</b>				
Interest expense	981	372	2,653	2,418
Depreciation and amortization	4,162	3,659	15,963	14,529
Provisions for doubtful accounts	538	202	2,010	775
Operating and other expenses	2,338	2,102	8,155	7,519
Total expenses	8,019	6,335	28,781	25,241
Income from continuing operations	11,960	11,000	45,521	44,135
<b>Discontinued operations:</b>				
Income from discontinued operations	21	56	222	225
Gain on sale of assets, net	310	—	310	—
Net income from discontinued operations	331	56	532	225

Net income	12,291	11,056	46,053	44,360
Income allocated to non-controlling interests	(47)	(67)	(191)	(296)
Net income attributable to LTC Properties, Inc.	12,244	10,989	45,862	44,064
Income allocated to participating securities	(75)	(34)	(230)	(139)
Income allocated to preferred stockholders	(2,586)	(3,785)	(16,045)	(14,515)
Net income allocable to common stockholders	\$ 9,583	\$ 7,170	\$ 29,587	\$ 29,410
<b>Basic earnings per common share:</b>				
Continuing operations	\$ 0.35	\$ 0.31	\$ 1.19	\$ 1.26
Discontinued operations	\$ 0.01	\$ 0.00	\$ 0.02	\$ 0.01
Net income allocable to common stockholders	\$ 0.37	\$ 0.31	\$ 1.21	\$ 1.27
<b>Diluted earnings per common share:</b>				
Continuing operations	\$ 0.35	\$ 0.31	\$ 1.18	\$ 1.26
Discontinued operations	\$ 0.01	\$ 0.00	\$ 0.02	\$ 0.01
Net income allocable to common stockholders	\$ 0.37	\$ 0.31	\$ 1.21	\$ 1.27
<b>Weighted average shares used to calculate earnings per common share:</b>				
Basic	26,090	23,148	24,495	23,099
Diluted	26,118	23,240	24,568	23,182

NOTE: Computations of per share amounts from continuing operations, discontinued operations and net income are made independently. Therefore, the sum of per share amounts from continuing operations and discontinued operations may not agree with the per share amounts from net income allocable to common stockholders. Quarterly and year-to-date computations of per share amounts are made independently. Therefore, the sum of per share amounts for the quarters may not agree with the per share amounts for the year.

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### Reconciliation of Funds From Operations ("FFO")

FFO is a supplemental measure of a real estate investment trust's ("REIT") financial performance that is not defined by U.S. generally accepted accounting principles ("GAAP"). The Company uses FFO as a supplemental measure of our operating performance and we believe FFO is helpful in evaluating the operating performance of a REIT. Real estate values historically rise and fall with market conditions, but cost accounting for real estate assets in accordance with U.S. GAAP assumes that the value of real estate assets diminishes predictably over time. We believe that by excluding the effect of historical cost depreciation, which may be of limited relevance in evaluating current performance, FFO and normalized FFO facilitate comparisons of operating performance between periods.

FFO is defined as net income allocable to common stockholders (computed in accordance with U.S. GAAP) excluding gains or losses on the sale of assets plus real estate depreciation and amortization, with adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect FFO on the same basis. Normalized FFO represents FFO adjusted from certain items detailed in the reconciliations. The Company's computation of FFO may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current National Association of Real Estate Investment Trusts' ("NAREIT") definition or that have a different interpretation of the current NAREIT definition from the Company; therefore, caution should be exercised when comparing our company's FFO to that of other REITs.

The Company uses FFO, normalized FFO, normalized FFO excluding non-cash rental income and normalized FFO excluding non-cash rental income and non-cash compensation charges as supplemental performance measures of our cash flow generated by operations and cash available for distribution to stockholders. FFO, normalized FFO, normalized FFO excluding non-cash rental income and normalized FFO excluding non-cash rental income and non-cash compensation charges do not represent cash generated from operating activities in accordance with U.S. GAAP, and are not necessarily indicative of cash available to fund cash needs and should not be considered an alternative to net income allocable to common stockholders.

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The following table reconciles net income allocable to common stockholders to FFO allocable to common stockholders, normalized FFO allocable to common stockholders, normalized FFO allocable to common stockholders excluding non-cash rental income and normalized FFO allocable to common stockholders excluding non-cash rental income and non-cash compensation charges (*unaudited, amounts in thousands, except per share amounts*):

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
Net income allocable to common stockholders	\$ 9,583	\$ 7,170	\$ 29,587	\$ 29,410
Add: Depreciation and amortization (continuing and discontinued operations)	4,162	3,733	16,109	14,822
Less: Gain on sale of assets, net	(310)	—	(310)	—
FFO allocable to common stockholders	13,435	10,903	45,386	44,232
Add: Preferred stock redemption charge	—	—	2,383	—
Less: Allocation of income from preferred stock buyback	—	—	—	(626)
(Less) Add: Non-recurring one time items	(385)	—	467(1)	(198)(2)
Normalized FFO allocable to common stockholders	13,050	10,903	48,236	43,408
Less: Non-cash rental income	(840)	(833)	(3,155)	(3,588)
Normalized FFO excluding non-cash rental income	12,210	10,070	45,081	39,820
Add: Non-cash compensation charges	303	364	1,285	1,389
Normalized FFO excluding non-cash rental income and non-cash compensation charges	\$ 12,513	\$ 10,434	\$ 46,366	\$ 41,209

- (1) Includes a \$1.2 million provision for doubtful accounts charge related to for two mortgage loans (one secured by a private school property located in Minnesota and once secured by land located in Oklahoma) partially offset by a \$0.8 million bankruptcy settlement distribution relating to Sunwest.
- (2) Income received in conjunction with a mortgage loan prepayment.

Basic FFO allocable to common stockholders per share	\$ 0.51	\$ 0.47	\$ 1.85	\$ 1.91
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Diluted FFO allocable to common stockholders per share	<u>\$ 0.51</u>	<u>\$ 0.46</u>	<u>\$ 1.83</u>	<u>\$ 1.89</u>
Diluted FFO	<u>\$ 14,375</u>	<u>\$ 11,842</u>	<u>\$ 49,119</u>	<u>\$ 48,019</u>
Weighted average shares used to calculate diluted FFO per share allocable to common stockholders	<u>28,393</u>	<u>25,489</u>	<u>26,824</u>	<u>25,452</u>
Basic normalized FFO allocable to common stockholders per share	<u>\$ 0.50</u>	<u>\$ 0.47</u>	<u>\$ 1.97</u>	<u>\$ 1.88</u>
Diluted normalized FFO allocable to common stockholders per share	<u>\$ 0.49</u>	<u>\$ 0.46</u>	<u>\$ 1.94</u>	<u>\$ 1.85</u>
Diluted normalized FFO	<u>\$ 13,990</u>	<u>\$ 11,842</u>	<u>\$ 51,969</u>	<u>\$ 47,195</u>
Weighted average shares used to calculate diluted normalized FFO per share allocable to common stockholders	<u>28,393</u>	<u>25,489</u>	<u>26,824</u>	<u>25,452</u>
Basic normalized FFO excluding non-cash rental income per share	<u>\$ 0.47</u>	<u>\$ 0.44</u>	<u>\$ 1.84</u>	<u>\$ 1.72</u>
Diluted normalized FFO excluding non-cash rental income per share	<u>\$ 0.46</u>	<u>\$ 0.43</u>	<u>\$ 1.82</u>	<u>\$ 1.71</u>
Diluted normalized FFO excluding non-cash rental income	<u>\$ 13,150</u>	<u>\$ 11,009</u>	<u>\$ 48,814</u>	<u>\$ 43,607</u>
Weighted average shares used to calculate diluted normalized FFO excluding non-cash rental income per share allocable to common stockholders	<u>28,393</u>	<u>25,489</u>	<u>26,824</u>	<u>25,452</u>
Basic normalized FFO excluding non-cash rental income and non-cash compensation charges per share	<u>\$ 0.48</u>	<u>\$ 0.45</u>	<u>\$ 1.89</u>	<u>\$ 1.78</u>
Diluted normalized FFO excluding non-cash rental income and non-cash compensation charges per share	<u>\$ 0.47</u>	<u>\$ 0.45</u>	<u>\$ 1.87</u>	<u>\$ 1.77</u>
Diluted normalized FFO excluding non-cash rental income and non-cash compensation charges	<u>\$ 13,453</u>	<u>\$ 11,373</u>	<u>\$ 50,099</u>	<u>\$ 44,996</u>
Weighted average shares used to calculate diluted normalized FFO excluding non-cash rental income and non-cash compensation charges per share allocable to common stockholders	<u>28,393</u>	<u>25,489</u>	<u>26,824</u>	<u>25,452</u>

**LTC PROPERTIES, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
*(Amounts in thousands)*  
*(audited)*

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
<b>ASSETS</b>		
Real Estate Investments:		
Land	\$ 42,254	\$ 36,205
Buildings and improvements	570,512	476,369
Accumulated depreciation and amortization	<u>(158,709)</u>	<u>(142,839)</u>
Net operating real estate property	454,057	369,735
Properties held-for-sale, net of accumulated depreciation and amortization: 2010 — \$0; 2009 — \$2,341	<u>2,900</u>	<u>4,545</u>
Net real estate property	456,957	374,280
Mortgage loans receivable, net of allowance for doubtful accounts: 2010 — \$981; 2009 — \$704	<u>59,026</u>	<u>69,883</u>
Real estate investments, net	515,983	444,163
Other Assets:		
Cash and cash equivalents	6,903	8,856
Debt issue costs, net	743	476
Interest receivable	1,571	1,964
Straight-line rent receivable, net of allowance for doubtful accounts: 2010 — \$1,473; 2009 — \$629	20,090	17,124
Prepaid expenses and other assets	8,202	8,663
Other assets related to properties held-for-sale	11	185
Notes receivable	1,283	2,689
Marketable securities	<u>6,478</u>	<u>6,473</u>
Total assets	<u>\$ 561,264</u>	<u>\$ 490,593</u>
<b>LIABILITIES</b>		
Bank borrowings	\$ 37,700	\$ 13,500
Senior unsecured notes	50,000	—
Mortgage loan payable	—	7,685
Bonds payable	3,730	4,225
Accrued interest	675	102
Accrued expenses and other liabilities	9,869	7,786
Accrued expenses and other liabilities related to properties held-for-sale	—	15
Distributions payable	<u>1,768</u>	<u>2,967</u>
Total Liabilities	103,742	36,280
<b>EQUITY</b>		
Stockholders' equity:		

Preferred stock \$0.01 par value; 15,000 shares authorized; shares issued and outstanding: 2010 — 5,536; 2009 — 7,932	126,913	186,801
Common stock: \$0.01 par value; 45,000 shares authorized; shares issued and outstanding: 2010 — 26,345; 2009 — 23,312	263	233
Capital in excess of par value	398,599	326,163
Cumulative net income	623,491	577,629
Other	264	390
Cumulative distributions	(693,970)	(638,884)
Total LTC Properties, Inc. stockholders' equity	455,560	452,332
Non-controlling interests	1,962	1,981
Total equity	457,522	454,313
Total liabilities and equity	<u>\$ 561,264</u>	<u>\$ 490,593</u>



**Supplemental Operating and Financial Data**  
**December 31, 2010**  
*(Unaudited)*



Fort Wayne, IN  
62 units



St. Petersburg, FL  
120 beds



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**About LTC Properties, Inc.**

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



## Company Information



### Board of Directors

**Andre Dimitriadis**  
Chairman

**Wendy Simpson**

**Edmund King**

**Timothy Triche, MD**

**Boyd Hendrickson**  
Lead Director

**Devra Shapiro**

### Management

**Andre Dimitriadis**  
Executive Chairman

**Wendy Simpson**  
Chief Executive Officer and President

**Pam Kessler**  
Executive Vice President and Chief Financial Officer

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

**Andy Stokes**  
Senior Vice President, Marketing & Strategic Planning

**Peter Lyew**  
Vice President and Director of Tax

**Cece Chikhale**  
Vice President, Controller and Treasurer

**Mark Hemingway**  
Vice President, Investment and Asset Management

### Contact Information

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

**Investor Relations**  
[Investor\\_Relations@LTCProperties.com](mailto:Investor_Relations@LTCProperties.com)  
(805) 981-8655

[www.LTCProperties.com](http://www.LTCProperties.com)  
(805) 981-8655 phone  
(805) 981-8663 fax

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## CORPORATE



## Additional Information

### Analyst Coverage

**BMO Capital Markets**  
Richard Anderson

**Hilliard Lyons**  
John Roberts

**JMP Securities**  
Peter Martin

**KeyBanc Capital Markets**  
Karin Ford

**Stifel, Nicolaus & Company, Incorporated**  
Jerry Doctrow

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.

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## CORPORATE

## 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, 2010 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 14-15 of this supplemental information, and additional information is available under the "Non-GAAP Financial Measures" subsection under the "Selected Financial Data" section of our website at [www.LTCProperties.com](http://www.LTCProperties.com).

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## CORPORATE



## Acquisitions: January – December 2010

(dollars in thousands)

DATE	# OF PROPERTIES	ASSET CLASS	# BEDS/UNITS	LOCATION	DATE OF CONSTRUCTION	PURCHASE PRICE	INITIAL YEAR GAAP REVENUE
01/29/10	1	SNF	166	TX	1987-1988 <sup>(2)</sup>	\$ 7,850	\$ 892
02/22/10	1	SNF	120	FL	1988	9,000	997
06/01/10	2	SNF/OTHER <sup>(1)</sup>	227 beds/93 units	VA	1970-2005	22,000	2,420
10/29/10	4	ALF	241	MS & FL	1996-2004	26,900	2,952
11/30/10	2	SNF	292	TX	1988-2009	28,500	2,919
	10		805 beds/334 units			\$ 94,250	\$ 10,180

(1) One property is a SNF and the other provides a continuum of care comprised of independent living, assisted living, and skilled nursing.

(2) Renovation in 1991.



South Hills, PA  
67 units



Gulf Breeze, FL  
61 units

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## REAL ESTATE PORTFOLIO



## Real Estate Portfolio Summary

### Real Estate Portfolio Snapshot (dollars in thousands)

Type of Property	Gross Investments	% of Investments	Rental Income <sup>(1)</sup>	Interest Income <sup>(2)</sup>	% of Revenues <sup>(3)</sup>	No. of Props	No. of SNF Beds <sup>(4)</sup>	No. of ALF Units <sup>(4)</sup>	No. of ILF Units <sup>(4)</sup>	Investment per Bed/Unit
Assisted Living Properties	\$309,129	45.8%	\$30,402	\$2,796	45.6%	103	-	4,530	-	\$68.24
Skilled Nursing Properties	298,734	44.2%	28,511	4,219	44.9%	89	10,212	-	-	\$29.25
Other Senior Housing <sup>(5)</sup>	55,640	8.2%	5,242	390	7.7%	12	795	290	370	\$38.24
Other <sup>(6)</sup>	12,170	1.8%	1,201	77	1.8%	2	N/A	N/A	N/A	N/A
<b>Total</b>	<b>\$675,673</b>	<b>100.0%</b>	<b>\$65,356</b>	<b>\$7,482</b>	<b>100.0%</b>	<b>206</b>	<b>11,007</b>	<b>4,820</b>	<b>370</b>	

(1) Includes rental income from properties classified as held-for-sale.

(2) Includes interest income from mortgage loans.

(3) Includes rental income and interest income from mortgage loans.

(4) Based on licensed beds/units which may differ from the number of beds/units in service at any given time.

(5) Includes independent living properties and properties providing any combination of skilled nursing, assisted living and/or independent living services.

(6) During the year ended December 31, 2010, we acquired a school property located in Minnesota via deed in lieu of foreclosure as a result of the borrower filing for Chapter 7 bankruptcy. The school property has been classified as held-for-sale and the Company is actively marketing to sell this school property.

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

Owned Properties	Occupancy <sup>(2)</sup>	EBITDAR Coverage <sup>(3)</sup>	EBITDARM Coverage <sup>(4)</sup>
Assisted Living Properties	76.6%	1.33	1.55
Skilled Nursing Properties	79.5%	1.99	2.74
Other Senior Housing	89.8%	1.52	2.02

(1) Based on the 9/30/10 property level financial statements we received from our operators which are unaudited and have not been independently verified by us.

(2) Based on licensed beds/units which may differ from the number of beds/units in service at any given time.

(3) Earnings before interest, taxes, depreciation, amortization, and rent. Management fees are imputed at 5% of revenues. The company uses unaudited, periodic financial information provided solely by operators/borrowers to calculate EBITDAR and has not independently verified the information.

(4) Earnings before interest, taxes, depreciation, amortization, rent, and management fees. The company uses unaudited, periodic financial information provided solely by operators/borrowers to calculate EBITDARM and has not independently verified the information.

### Non-Cash Rental Revenue Components (amounts in thousands)

	4Q10	1Q11 <sup>(1)</sup>	2Q11 <sup>(1)</sup>	3Q11 <sup>(1)</sup>	4Q11 <sup>(1)</sup>
Straight-line rent	\$ 1,007	\$ 688	\$ 645	\$ 598	\$ 542
Amort. Lease break fee	(167)	(167)	(167)	(167)	(167)
<b>Net</b>	<b>\$ 840</b>	<b>\$ 521</b>	<b>\$ 478</b>	<b>\$ 431</b>	<b>\$ 375</b>

(1) Projections based on current in-place leases and do not assume any increase in straight-line rent from additional acquisitions.

## REAL ESTATE PORTFOLIO

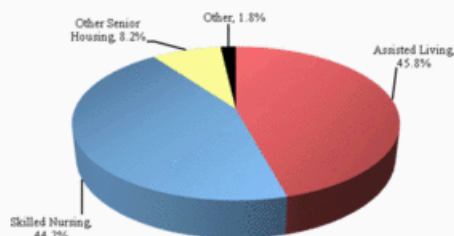
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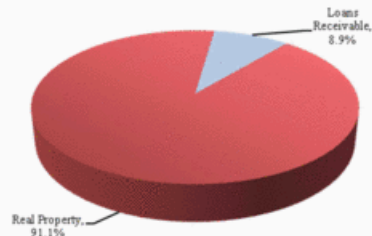
## Real Estate Portfolio Diversification

### Owned and Loan Portfolio – Property and Asset Type Diversification

Gross Asset Value By Property Type

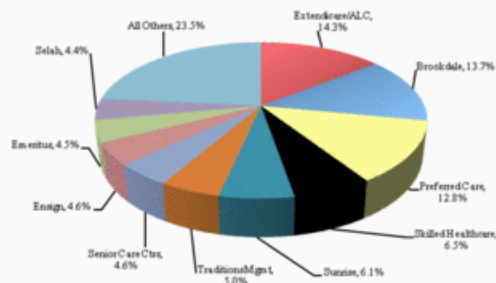


Gross Asset Value By Asset Type



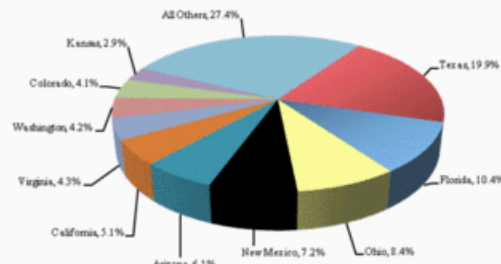
### Owned Portfolio – Operator Diversification

Gross Asset Value By Operator



### Owned and Loan Portfolio – State Diversification

Gross Asset Value By State



## REAL ESTATE PORTFOLIO

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## Real Estate Portfolio Diversification

### Owned and Loan Portfolio – Property and Asset Type Diversification

Property Type	# of Properties	Gross Investment	%	2010 Revenue	%
Assisted Living	103	\$ 309,129	45.8%	\$ 33,198	45.6%
Skilled Nursing	89	298,734	44.2%	32,730	44.9%
Other Senior Housing	12	55,640	8.2%	5,632	7.7%
Other	2	12,170	1.8%	1,278	1.8%
Total	206	\$ 675,673	100.0%	\$ 72,838	100.0%

Asset Type	Gross Investment	%
Real Property	\$ 615,666	91.1%
Loans Receivable	60,007	8.9%
Total	\$ 675,673	100.0%

### Owned Portfolio – Operator Diversification

Operator	Gross Investment	%	Annualized GAAP Rent	%
Extendicare/ALC	\$ 88,034	14.3%	\$ 10,963	15.2%
Brookdale Senior Living	84,210	13.7%	10,317	14.3%
Preferred Care	78,844	12.8%	10,151	14.1%
Skilled Healthcare Group	40,270	6.5%	4,501	6.3%
Sunrise Senior Living	37,659	6.1%	4,614	6.4%
Traditions Management	31,000	5.0%	3,417	4.7%
Senior Care Centers, LLC	28,500	4.6%	2,919	4.1%
The Ensign Group	28,496	4.6%	1,596	2.2%
Emeritus Senior Living	27,689	4.5%	2,687	3.7%
Selah Management Group	26,900	4.4%	2,952	4.1%
All Others	144,064	23.5%	17,837	24.9%
Total	\$ 615,666	100.0%	\$ 71,954	100.0%

- (1) Includes rental income from properties classified as held-for-sale and interest income from mortgage loans.  
 (2) Due to master leases with properties in multiple states, revenue by state is not available.

### Owned and Loan Portfolio – State Diversification

State <sup>(2)</sup>	Gross Investment	%
Texas	\$ 134,366	19.9%
Florida	70,466	10.4%
Ohio	56,804	8.4%
New Mexico	48,876	7.2%
Arizona	41,212	6.1%
California	34,605	5.1%
Virginia	29,052	4.3%
Washington	28,066	4.2%
Colorado	27,806	4.1%
Kansas	19,601	2.9%
All Others	184,819	27.4%
Total	\$ 675,673	100.0%

## REAL ESTATE PORTFOLIO

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## Top Ten Operators – Owned Portfolio

**Extendicare/ALC** (TSX: EXE.UN) operates 264 senior care facilities in North America with the ability to serve approximately 29,400 residents. EHSI offers a continuum of health care services, including nursing care, assisted living and related medical specialty services, such as sub-acute care and rehabilitative therapy on an inpatient and outpatient basis. ALC (NYSE: ALC) and its subsidiaries operate more than 200 communities which include licensed assisted living and senior living residences with capacity for over 9,000 older adults in 20 states. As of December 31, 2010, the LTC portfolio consisted of 37 assisted living properties in 10 states with a gross investment balance of \$88.0 million.

**Brookdale Senior Living, Inc.** (NYSE: BKD) operates 565 senior living and retirement communities with the ability to serve approximately 53,600 residents. As of December 31, 2010, the LTC portfolio consisted of 35 assisted living properties in 8 states with a gross investment balance of \$84.2 million.

**Preferred Care** (Privately held) operates 69 facilities comprised of skilled nursing, assisted living, and independent living facilities, as well as 5 specialty care facilities, in 9 states. As of December 31, 2010, the LTC portfolio consisted of 24 skilled nursing and 2 other senior housing properties in 6 states with a gross investment balance of \$78.8 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 in 7 states, including 78 skilled nursing facilities and 22 assisted living facilities. As of December 31, 2010, the LTC portfolio consisted of 5 skilled nursing properties in 1 state with a gross investment balance of \$40.3 million.

**Sunrise Senior Living** (NYSE: SRZ) operates 384 communities in the United States, Canada and the United Kingdom, with a combined unit capacity of more than 40,400 units. Sunrise offers a full range of personalized senior living services, including independent living, assisted living, care for individuals with Alzheimer's disease and other forms of memory loss, as well as Nursing and Rehabilitative services. As of December 31, 2010, the LTC portfolio consisted of 6 assisted living properties in 2 states with a gross investment balance of \$37.7 million.

**Traditions Management** (Privately held) operates 12 independent living, assisted living, and skilled nursing facilities in 5 states. As of December 31, 2010, the LTC portfolio consisted of 2 skilled nursing and 1 other senior housing properties in 2 states with a gross investment balance of \$31.0 million.

**Senior Care Centers, LLC** (Privately held) provides skilled nursing care, long-term care, Alzheimer's care, assisted living, and independent living services in over 20 facilities exclusively in Texas. As of December 31, 2010, the LTC portfolio consisted of 2 skilled nursing properties in 1 state with a gross investment balance of \$28.5 million.

**The Ensign Group** (NASDAQ: ENSG) provides skilled nursing and assisted living services, physical, occupational and speech therapies, home health and hospice services, and other rehabilitative and healthcare services for both long-term residents and short-stay rehabilitation patients at 81 facilities, two hospice companies and a home health business in 7 states. As of December 31, 2010, the LTC portfolio consisted of 3 skilled nursing properties in 1 state with a gross investment balance of \$28.5 million.

**Emeritus Senior Living** (NYSE: ESC) is a national public provider of independent living, assisted living, and Alzheimer's services. The company operates 480 communities representing capacity for approximately 49,800 residents in 42 states. As of December 31, 2010, the LTC portfolio consisted of 2 assisted living properties in 1 state with a gross investment balance of \$27.7 million.

**Selah Management Group** (Privately held) is a senior living healthcare firm that operates 10 assisted living and independent living facilities, as well as related senior living campus development projects in Florida and Mississippi. As of December 31, 2010, the LTC portfolio consisted of 4 assisted living properties in 2 states with a gross investment balance of \$26.9 million.

## REAL ESTATE PORTFOLIO

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### Capitalization at December 31, 2010

(In thousands, except per share amounts)

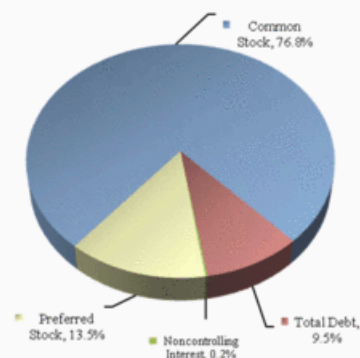
At December 31, 2010 Capitalization

<b>Debt</b>				
Bank Borrowing <sup>1</sup>		\$	37,700	
Senior Unsecured Notes			50,000	
Bonds Payable			3,730	
Total Debt			91,430	9.5%
<b>Equity</b>				
	No. of Shares	Closing Price		
Preferred Stock				
Series C <sup>2</sup>			38,500	4.0%
Series F <sup>3</sup>	3,536,530	\$ 26.00	91,950	9.5%
Common Stock <sup>3</sup>	26,344,574	\$ 28.08	739,756	76.8%
Noncontrolling interest			1,962	0.2%
Total Equity			872,168	90.5%
Market Capitalization			963,598	100.0%
Less: Cash Balance			(6,903)	
			<u>\$ 956,695</u>	

Debt to Enterprise Value 9.6%

Debt & Preferred to Enterprise Value 23.2%

### Capitalization



- The Company has a \$110 million revolving commitment with a \$10 million accordion feature.
- Non-traded shares. Two million shares outstanding with a face rate of 8.5% and a liquidation value of \$19.25, convertible into common stock on a one-for-one basis. Our Preferred C's are not redeemable by us.
- Traded on NYSE. Our Preferred F's have a face rate of 8.0% and a liquidation value of \$25.00 per share. Our Preferred F's are redeemable by us at our option.

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## FINANCIAL

## Lease and Mortgage Loan Receivable Maturity

LTC's investment portfolio has a long-term weighted roll-over maturity schedule. Over 74% of the portfolio has lease expirations beyond 2016. Over 30% of outstanding mortgage loans mature after 2016.



Rental Revenue and Interest Income Maturity (amounts in thousands)						
Year	Rental Income <sup>(1)</sup>	% of Total	Interest Income <sup>(2)</sup>	% of Total	Total Rental and Interest Income	% of Total
2011	\$ 243	0.3%	\$ 338	6.7%	\$ 581	0.7%
2012	1,163	1.6%	62	1.2%	1,225	1.6%
2013	879	1.2%	1,912	38.0%	2,791	3.6%
2014	12,722	17.7%	849	16.9%	13,571	17.6%
2015	2,243	3.1%	269	5.3%	2,512	3.3%
2016	2,129	3.0%	26	0.5%	2,155	2.8%
2017	1,201	1.7%	627	12.5%	1,828	2.4%
2018	10,778	15.0%	830	16.5%	11,608	15.1%
Thereafter	40,596	56.4%	123	2.4%	40,719	52.9%
Total	\$ 71,954	100.0%	\$ 5,036	100%	\$ 76,990	100.0%

(1) Rental income represents annualized base rent for effective lease agreements. The amounts are derived from the current contracted monthly base rent including straight-line for leases with fixed escalators or annual cash rent for leases with contingent escalators, net of collectability reserves, if applicable.

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

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## FINANCIAL

### Debt Maturity (amounts in thousands)

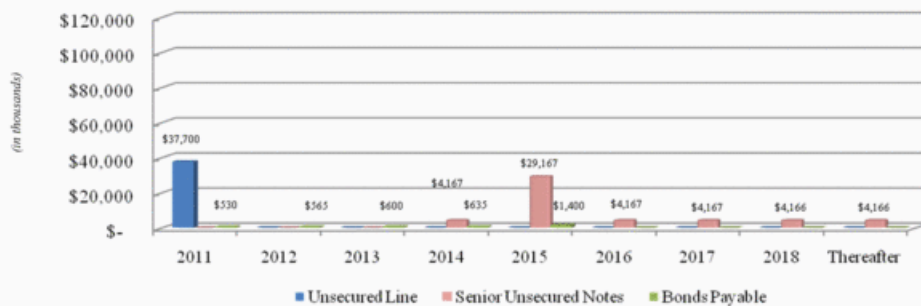
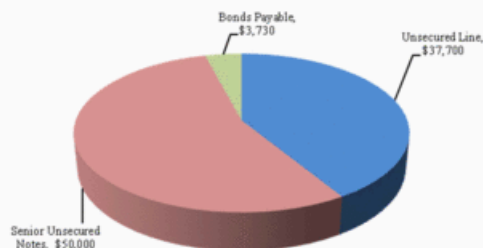
Year	Unsecured Line of Credit <sup>(2)</sup>	Senior Unsecured Notes <sup>(1)</sup>	Bonds Payable <sup>(1)</sup>	Total
2011	\$ 37,700	\$ -	\$ 530	\$ 38,230
2012	-	-	565	565
2013	-	-	600	600
2014	-	4,167	635	4,802
2015	-	29,167	1,400	30,567
2016	-	4,167	-	4,167
2017	-	4,167	-	4,167
2018	-	4,166	-	4,166
Thereafter	-	4,166	-	4,166
<b>Total</b>	<b>\$ 37,700</b>	<b>\$ 50,000</b>	<b>\$ 3,730</b>	<b>\$ 91,430</b>

(1) Reflects scheduled principal payments for amortizing debt.

(2) Reflects amount outstanding at 12/31/10. Subsequent to December 31, 2010, we repaid \$4.2 million under our Unsecured Credit Agreement.

### Debt Structure

Amounts outstanding at 12/31/10  
(in thousands)



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## FINANCIAL

## Financial Data Summary

### Balance Sheet and Coverage Ratios (dollars in thousands)

	For the Year Ended		
	12/31/10	12/31/09	12/31/08
Net Real Estate Assets	\$515,983	\$444,163	\$449,683
Total Assets	561,264	490,593	506,053
Total Debt	91,430	25,410	36,753
Total Liabilities	103,742	36,280	45,041
Preferred Stock	126,913	186,801	189,560
Total Equity	457,522	454,313	461,012
Debt to book capitalization ratio	16.7%	5.3%	7.4%
Debt & Preferred Stock to book capitalization ratio	39.8%	44.2%	45.5%
Debt to market capitalization ratio	9.5%	3.0%	5.4%
Debt & Preferred Stock to market capitalization ratio	23.0%	25.1%	30.1%
Debt to Normalized EBITDA	1.4	0.4	0.6
Normalized interest coverage ratio	25.5	25.0	14.8
Normalized fixed charges coverage ratio	4.1	3.4	3.1

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## FINANCIAL

### Reconciliation of Normalized EBITDA and Fixed Charges (amounts in thousands)

	For the Year Ended		
	12/31/10	12/31/09	12/31/08
Net income	\$ 46,053	\$ 44,360	\$ 43,284
Add back:			
Interest expense	2,653	2,418	4,114
Depreciation and amortization	15,963	14,529	14,667
EBITDA	64,669	61,307	62,065
Add back/(deduct) non-recurring expenses/(revenues):			
Allocation of income from preferred stock buyback	-	(626)	(989)
Preferred stock redemption charge	2,383	-	-
Non-recurring one-time charge	467	(198)	-
Total non-recurring expenses/(revenue)	2,850	(824)	(989)
Normalized EBITDA	\$ 67,519	\$ 60,483	\$ 61,076
Interest expense	\$ 2,653	\$ 2,418	\$ 4,114
Preferred stock dividend	13,662	15,141	15,390
Fixed Charges	\$ 16,315	\$ 17,559	\$ 19,504

## FINANCIAL

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### FFO Reconciliation (amounts in thousands, except per share amounts)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
Net income allocable to common stockholders	\$ 9,583	\$ 7,170	\$ 29,587	\$ 29,410
Add: Depreciation and amortization (continuing and discontinued operations)	4,162	3,733	16,109	14,822
Less: Gain on sale of assets, net	(310)	-	(310)	-
FFO allocable to common stockholders	13,435	10,903	45,386	44,232
Add: Preferred stock redemption charge	-	-	2,383	-
Less: Allocation of income from preferred stock buyback	-	-	-	(626)
(Less) Add: Non-recurring one time items	(385) <sup>(1)</sup>	-	467 <sup>(2)</sup>	(198) <sup>(3)</sup>
Normalized FFO allocable to common stockholders	13,050	10,903	48,236	43,408
Less: Non-cash rental income	(840)	(833)	(3,155)	(3,588)
Normalized FFO excluding non-cash rental income	12,210	10,070	45,081	39,820
Add: Non-cash compensation charges	303	364	1,285	1,389
Normalized FFO excluding non-cash rental income and non-cash compensation charges	\$ 12,513	\$ 10,434	\$ 46,366	\$ 41,209
Diluted FFO allocable to common stockholders per share	\$0.51	\$0.46	\$1.83	\$1.89
Diluted normalized FFO allocable to common stockholders per share	\$0.49	\$0.46	\$1.94	\$1.85
Diluted normalized FFO excluding non-cash rental income per share	\$0.46	\$0.43	\$1.82	\$1.71
Diluted normalized FFO excluding non-cash rental income and non-cash compensation charges per share	\$0.47	\$0.45	\$1.87	\$1.77

(1) Includes a \$0.8 million bankruptcy settlement distribution related to Sunwest partially offset by a \$0.4 million provision for doubtful accounts charge related to a mortgage loan secured by land located in Oklahoma.

(2) Includes \$1.2 million provision for doubtful accounts charge related to two mortgage loans (one secured by a private school property located in Minnesota and one secured by land located in Oklahoma) partially offset by a \$0.8 million bankruptcy settlement distribution related to Sunwest.

(3) Income received in conjunction with a mortgage loan prepayment.

## FINANCIAL

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