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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: **November 2, 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 November 2, 2011, LTC Properties, Inc. announced the operating results for the three and nine months ended September 30, 2011. 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 November 2, 2011.

99.2 LTC Properties, Inc. Supplemental Information Package for the period ending September 30, 2011.

**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.

Dated: November 2, 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 THIRD QUARTER OPERATING RESULTS**

WESTLAKE VILLAGE, CALIFORNIA, November 2, 2011 — LTC Properties, Inc. (NYSE: LTC) released results of operations for the three and nine months ended September 30, 2011 and announced that net income available to common stockholders for the third quarter was \$11.5 million or \$0.38 per diluted share. For the same period in 2010, net income available to common stockholders was \$5.6 million or \$0.22 per diluted share. The Company reported total revenues for the three months ended September 30, 2011, were \$21.4 million versus \$18.4 million for the same period last year.

For the nine months ended September 30, 2011, net income available to common stockholders was \$28.2 million or \$0.97 per diluted share which included a \$3.6 million charge related to the Company's redemption of all remaining shares of its 8.0% Series F Cumulative Preferred Stock ("Series F preferred stock"). For the same period in 2010, net income available to common stockholders was \$20.0 million or \$0.83 per diluted share which included a \$2.4 million charge related to the Company's redemption of all of its Series E Preferred Stock and 40% of its Series F Preferred Stock and \$0.9 million provision for doubtful accounts related to a mortgage loan secured by a school property. Revenues for the nine months ended September 30, 2011, were \$62.9 million versus \$53.9 million for the same period last year.

The Company will conduct a conference call on Thursday, November 3, 2011, at 10:00 a.m. Pacific Time, in order to comment on the Company's performance and operating results for the quarter ended September 30, 2011. The conference call is accessible by dialing 877-317-6789. The international number is 412-317-6789. An audio replay of the conference call will be available from November 3, 2011 through November 25, 2011. Callers can access the replay by dialing 877-344-7529 or 412-317-0088 and entering conference number 10005732. The earnings release will be available on our website. 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 "Presentations" section of the "Investor Information" tab.

At September 30, 2011, LTC had investments in 89 skilled nursing properties, 102 assisted living properties, 14 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)*  
*(Unaudited)*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
<b>Revenues:</b>				
Rental income	\$ 19,620	\$ 16,227	\$ 57,139	\$ 47,355
Interest income from mortgage loans	1,582	1,868	4,851	5,683
Interest and other income	227	264	872	838
Total revenues	21,429	18,359	62,862	53,876
<b>Expenses:</b>				
Interest expense	1,794	852	4,441	1,672
Depreciation and amortization	4,974	4,010	14,374	11,618
(Recovery) provisions for doubtful accounts	(1)	60	(15)	1,029
Acquisition costs	60	4	225	117
Operating and other expenses	2,149	1,896	6,800	5,615
Total expenses	8,976	6,822	25,825	20,051
Income from continuing operations	12,453	11,537	37,037	33,825
<b>Discontinued operations:</b>				
(Loss) income from discontinued operations	(30)	25	(198)	(63)

Net (loss) income from discontinued operations	(30)	25	(198)	(63)
Net income	12,423	11,562	36,839	33,762
Income allocated to non-controlling interests	(48)	(48)	(144)	(144)
Net income attributable to LTC Properties, Inc.	12,375	11,514	36,695	33,618
Income allocated to participating securities	(85)	(54)	(259)	(155)
Income allocated to preferred stockholders	(818)	(5,889)	(8,260)	(13,459)
Net income available to common stockholders	\$ 11,472	\$ 5,571	\$ 28,176	\$ 20,004
<b>Basic earnings per common share:</b>				
Continuing operations	\$ 0.38	\$ 0.22	\$ 0.98	\$ 0.84
Discontinued operations	\$ (0.00)	\$ 0.00	\$ (0.01)	\$ (0.00)
Net income available to common stockholders	\$ 0.38	\$ 0.22	\$ 0.98	\$ 0.83
<b>Diluted earnings per common share:</b>				
Continuing operations	\$ 0.38	\$ 0.22	\$ 0.98	\$ 0.84
Discontinued operations	\$ (0.00)	\$ 0.00	\$ (0.01)	\$ (0.00)
Net income available to common stockholders	\$ 0.38	\$ 0.22	\$ 0.97	\$ 0.83
<b>Weighted average shares used to calculate earnings per common share:</b>				
Basic	30,137	24,930	28,874	23,959
Diluted	30,156	24,945	28,902	24,055

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.

## 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 modified FFO facilitate comparisons of operating performance between periods.

FFO is defined as net income available 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. Modified FFO represents FFO adjusted for 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, modified FFO, modified FFO excluding non-cash rental income and modified 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, modified FFO, modified FFO excluding non-cash rental income and modified 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 available to common stockholders.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net income available to common stockholders	\$ 11,472	\$ 5,571	\$ 28,176	\$ 20,004
Add: Depreciation and amortization (continuing and discontinued operations)	4,974	4,073	14,482	11,947
FFO available to common stockholders	16,446	9,644	42,658	31,951
Add: Preferred stock redemption charge	—	2,383	3,566(1)	2,383(3)
Add: Preferred stock redemption dividend	—	—	472(2)	—
Add: Non-cash interest related to earn-out liabilities	177	—	354	—
Add: Non-recurring one-time items	—	—	—	852(4)
Modified FFO available to common stockholders	16,623	12,027	47,050	35,186
Less: Non-cash rental income	(912)	(788)	(2,268)	(2,315)
Modified FFO excluding non-cash rental income	15,711	11,239	44,782	32,871
Add: Non-cash compensation charges	374	261	1,095	982
Modified FFO excluding non-cash rental income and non-cash compensation charges	\$ 16,085	\$ 11,500	\$ 45,877	\$ 33,853

- (1) Represents the original issue costs related to the redemption of the remaining Series F preferred stock.
- (2) Represents the dividends on the Series F preferred stock up to the redemption date.
- (3) Represents the original issue costs related to the redemption of all of the Series E and 40% of the Series F preferred stock.
- (4) Includes a \$0.9 million provision for doubtful accounts charge related to a mortgage loan secured by a school property located in Minnesota.

Basic FFO available to common stockholders per share	\$ 0.55	\$ 0.39	\$ 1.48	\$ 1.33
Diluted FFO available to common stockholders per share	\$ 0.54	\$ 0.39	\$ 1.46	\$ 1.32
Diluted FFO	\$ 17,397	\$ 9,698	\$ 45,515	\$ 34,744
Weighted average shares used to calculate diluted FFO per share available to common stockholders	32,473	25,090	31,221	26,304
Basic modified FFO available to common stockholders per share	\$ 0.55	\$ 0.48	\$ 1.63	\$ 1.47
Diluted modified FFO available to common stockholders per share	\$ 0.54	\$ 0.48	\$ 1.60	\$ 1.44
Diluted modified FFO	\$ 17,574	\$ 12,947	\$ 49,907	\$ 37,979
Weighted average shares used to calculate diluted modified FFO per share available to common stockholders	32,473	27,203	31,221	26,304
Basic modified FFO excluding non-cash rental income per share	\$ 0.52	\$ 0.45	\$ 1.55	\$ 1.37
Diluted modified FFO excluding non-cash rental income per share	\$ 0.51	\$ 0.45	\$ 1.53	\$ 1.36
Diluted modified FFO excluding non-cash rental income	\$ 16,662	\$ 12,159	\$ 47,639	\$ 35,664
Weighted average shares used to calculate diluted modified FFO excluding non-cash rental income per share available to common stockholders	32,473	27,203	31,221	26,304
Basic modified FFO excluding non-cash rental income and non-cash compensation charges per share	\$ 0.53	\$ 0.46	\$ 1.59	\$ 1.41
Diluted modified FFO excluding non-cash rental income and non-cash compensation charges per share	\$ 0.52	\$ 0.46	\$ 1.56	\$ 1.39
Diluted modified FFO excluding non-cash rental income and non-cash compensation charges	\$ 17,036	\$ 12,420	\$ 48,734	\$ 36,646
Weighted average shares used to calculate diluted modified FFO excluding non-cash rental income and non-cash compensation charges per share available to common stockholders	32,473	27,204	31,221	26,304

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

	September 30, 2011 (unaudited)	December 31, 2010 (audited)
<b>ASSETS</b>		
Real estate investments:		
Land	\$ 50,409	\$ 43,031
Buildings and improvements	634,418	567,017
Accumulated depreciation and amortization	(172,480)	(158,204)
Net operating real estate property	512,347	451,844
Properties held-for-sale, net of accumulated depreciation and amortization: 2011 — \$613; 2010 — \$505	5,018	5,113
Net real estate property	517,365	456,957
Mortgage loans receivable, net of allowance for doubtful accounts: 2011 — \$931; 2010 — \$981	54,056	59,026
Real estate investments, net	571,421	515,983
Other assets:		
Cash and cash equivalents	5,214	6,903
Debt issue costs, net	2,377	743
Interest receivable	1,339	1,571
Straight-line rent receivable, net of allowance for doubtful accounts: 2011 — \$668; 2010 — \$634	22,822	20,090
Prepaid expenses and other assets	8,541	8,162
Other assets related to properties held-for-sale, net of allowance for doubtful accounts: 2011 — \$839; 2010 — \$839	51	51
Notes receivable	768	1,283
Marketable securities	6,483	6,478
Total assets	\$ 619,016	\$ 561,264
<b>LIABILITIES</b>		
Bank borrowings	\$ 28,400	\$ 37,700
Senior unsecured notes	100,000	50,000
Bonds payable	3,200	3,730
Accrued interest	1,014	675
Earn-out liabilities	6,195	—
Accrued expenses and other liabilities	10,872	9,737
Accrued expenses and other liabilities related to properties held-for-sale	93	132
Distributions payable	—	1,768
Total Liabilities	149,774	103,742

**EQUITY**

## Stockholders' equity:

Preferred stock \$0.01 par value; 15,000 shares authorized; shares issued and outstanding: 2011 — 2,000; 2010 — 5,536	38,500	126,913
Common stock: \$0.01 par value; 45,000 shares authorized; shares issued and outstanding: 2011 — 30,341; 2010 — 26,345	303	263
Capital in excess of par value	506,851	398,599
Cumulative net income	660,186	623,491
Other	219	264
Cumulative distributions	(738,779)	(693,970)
Total LTC Properties, Inc. stockholders' equity	467,280	455,560
Non-controlling interests	1,962	1,962
Total equity	469,242	457,522
Total liabilities and equity	<u>\$ 619,016</u>	<u>\$ 561,264</u>



Supplemental Operating and Financial Data  
September 30, 2011  
*(Unaudited)*



Fort Wayne, IN  
62 units



Erie, PA  
69 units



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## Company Information



### Company

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).

### Board of Directors

**Andre Dimitriadis**  
Executive 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

### 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

## CORPORATE

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## Additional Information

### Analyst Coverage

**BMO Capital Markets Corp.**  
Richard Anderson

**J.J.B. Hilliard, W.L. Lyons, Inc.**  
John Roberts

**JMP Securities, LLC**  
Peter Martin

**KeyBanc Capital Markets, Inc.**  
Karin Ford

**RBC Capital Markets Corporation**  
Frank Morgan

**Sandler O'Neill + Partners, L.P.**  
James Milam

**Stifel, Nicolaus & Company, Inc.**  
Jerry Doctrow

**Wells Fargo Securities, LLC**  
Todd Stender

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

## CORPORATE

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## 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, modified 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 19-20 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).

## CORPORATE

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## Acquisitions: Year 2010 and YTD 2011

(dollars in thousands)

DATE	# OF PROPERTIES	ASSET CLASS	# BEDS/UNITS	LOCATION	OPERATOR	DATE OF CONSTRUCTION	PURCHASE PRICE	ANNUAL GAAP REVENUE	GAAP Lease Yield
01/29/10	1	SNF	166	TX	Creative Solutions	1987-1988 <sup>(1)</sup>	\$ 7,850	\$ 892	11.4%
02/22/10	1	SNF	120	FL	Traditions Management	1988	9,000	997	11.1%
06/01/10	2	SNF/OTHER <sup>(1)</sup>	227 beds/93 units	VA	Traditions Management	1970-2005	22,000	2,420	11.0%
10/29/10	4	ALF	241 units	MS & FL	Selah Senior Care	1999-2004	26,900	2,952	11.0%
11/30/10	2	SNF	292	TX	Senior Care Centers	1988-2009	28,500	2,919	10.2%
<b>Total 2010</b>	<b>10</b>		<b>805 beds/334 units</b>				<b>\$ 94,250</b>		
02/28/11	2	OTHER	118 beds/93 units	SC	Prestige Healthcare	1965-2001	\$ 11,450	\$ 1,162	10.1%
03/09/11	4	SNF	524	TX	Mersidian Senior Properties	2007-2008	45,000 <sup>(3)</sup>	4,749	10.6% <sup>(3)</sup>
08/01/11	1	SNF	140	TX	Senior Care Centers	2008	10,000	1,037	10.5%
10/11/11	1	SNF	196	TX	Fundamental	2005	15,500	1,880	11.0%
10/11/11	1 <sup>(4)</sup>	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	TX	Fundamental	2012 <sup>(4)</sup>	844	-	11.0%
11/01/11	1	SNF	156	CA	Traditions Management	1990	17,500	1,814	10.3%
<b>Total 2011</b>	<b>10</b>		<b>1,134 beds/93 units</b>				<b>\$ 100,294</b>		
<b>Total</b>	<b>20</b>		<b>1,939 beds/427 units</b>				<b>\$ 194,544</b>		

- (1) One property is a SNF and the other provides a continuum of care comprised of independent living, assisted living, and skilled nursing. Renovation in 1991.  
 (2) GAAP yield assumes a total purchase price of \$45,000 which includes \$41,000 of cash paid at closing and \$4,000 paid on August 31, 2011.  
 (3) Acquisition is a vacant parcel of land in Texas. The Company has entered into a commitment, in an amount not to exceed \$8,250, to fund construction of a 120-bed licensed skilled nursing property. Completion of construction is estimated to be within 12 to 18 months.



Gulf Breeze, FL  
61 units



Hewitt, TX  
140 licensed beds

## REAL ESTATE PORTFOLIO

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## Real Estate Portfolio Summary

### Real Estate Portfolio Snapshot

(dollars in thousands)

Type of Property	Nine Months Ended September 30, 2011									
	Gross Investments	% of Investments	Rental Income	Interest Income	% of Revenues	No. of Props	No. of SNF Beds	No. of ALF Units	No. of ILF Units	Investment per Bed/Unit
Skilled Nursing	\$357,271	47.9%	\$25,707	\$2,620	45.7%	89	10,235	-	-	\$34.91
Assisted Living	308,680	41.4%	24,850	1,953	43.2%	102	-	4,365	-	\$70.72
Other Senior Housing	67,302	9.0%	5,594	278	9.5%	14	913	330	423	\$40.40
Schools	12,192	1.7%	988	-	1.6%	2	-	-	-	
Total	\$745,445	100.0%	\$57,139	\$4,851	100.0%	207	11,148	4,695	423	

### "Same Property Portfolio" Quality Mix

Owning Properties Payor Source <sup>(1)</sup>	2Q11
Private Pay	63.0%
Medicare	13.6%
Medicaid	23.4%

(1) Quality mix for our skilled nursing portfolio, for the quarter presented, is 23.2% Private Pay, 26.6% Medicare, and 50.2% Medicaid.

### REAL ESTATE PORTFOLIO

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## Real Estate Portfolio Summary

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

Owned Properties	Occupancy		EBITDAR Coverage		EBITDARM Coverage	
	2Q11	1Q11	2Q11	1Q11	2Q11	1Q11
Assisted Living <sup>(2)</sup>	77.1%	77.1%	1.41	1.38	1.63	1.61
Assisted Living <sup>(3)</sup>	88.1%	88.2%	1.48	1.48	1.74	1.74
Skilled Nursing	78.3%	78.6%	2.21	2.14	3.01	2.95
Other Senior Housing	81.1%	83.3%	1.85	1.89	2.39	2.44

(1) Data from March 31, 2011 and June 30, 2011 property level operator financial statements which are unaudited and have not been independently verified by us.

(2) Includes properties leased to Assisted Living Concepts, Inc. (ALC)

(3) Excludes properties leased to Assisted Living Concepts, Inc. (ALC)

### Historical "Same Property Portfolio" SNF Coverage <sup>(1)</sup>

	EBITDAR Coverage	EBITDARM Coverage
2Q11	2.2	3.0
1Q11	2.1	2.9
4Q10	2.0	2.8
3Q10	1.9	2.6

(1) Data from property level operator financial statements which are unaudited and have not been independently verified by us.

### REAL ESTATE PORTFOLIO

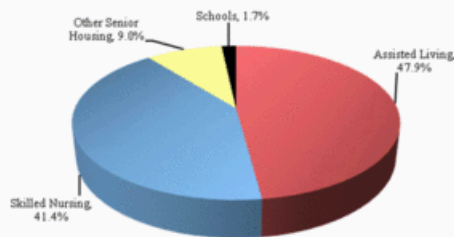
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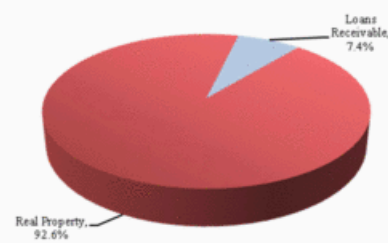
## Real Estate Portfolio Diversification

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

Gross Investment By Property Type

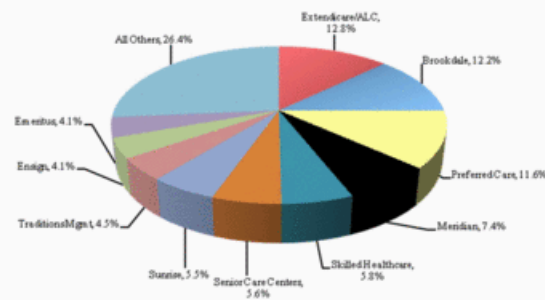


Gross Investment By Asset Type



### Owned Portfolio – Operator Diversification

Gross Investment By Operator



### REAL ESTATE PORTFOLIO

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## Real Estate Portfolio Diversification

(dollars in thousands)

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

Property Type	# of Properties	Gross Investment	%	Nine Months Ended September 30, 2011		Asset Type	Gross Investment	%
				Revenue	%			
Skilled Nursing	89	\$ 357,271	47.9%	\$ 28,327	45.7%	Real Property	\$ 690,458	92.6%
Assisted Living	102	308,680	41.4%	26,803	43.2%	Loans Receivable	54,987	7.4%
Other Senior Housing	14	67,302	9.0%	5,872	9.5%	Total	\$ 745,445	100.0%
Schools	2	12,192	1.7%	988	1.6%			
Total	207	\$ 745,445	100.0%	\$ 61,990	100.0%			

### Owned Portfolio – Operator Diversification

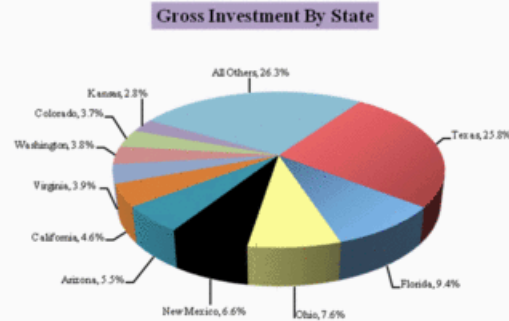
Operator	# of Props	Gross Investment	%	Annualized GAAP Rent	%
Extencare REIT and Assisted Living Concepts, Inc	37	\$ 88,034	12.8%	\$ 10,963	13.8%
Brookdale Senior Living Communities, Inc.	35	84,210	12.2%	10,523	13.2%
Preferred Care, Inc.	26	80,088	11.6%	10,551	13.2%
Meridian Senior Properties Fund II, LP	4	50,841	7.4%	4,742	5.9%
Skilled Healthcare Group, Inc.	5	40,270	5.8%	4,501	5.6%
Senior Care Centers, LLC	3	38,500	5.6%	4,004	5.0%
Sunrise Senior Living	6	37,659	5.5%	4,614	5.8%
Traditions Management	3	31,000	4.5%	3,417	4.3%
The Ensign Group, Inc.	3	28,496	4.1%	1,596	2.0%
Emeritus Corporation	2	28,071	4.1%	2,726	3.4%
All Others	45	183,289	26.4%	22,073	27.8%
Total	169	\$ 690,458	100.0%	\$ 79,710	100.0%

### REAL ESTATE PORTFOLIO

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State <sup>(1)</sup>	# of Props	Gross Investment	%
Texas	56	\$ 191,965	25.8%
Florida	18	70,282	9.4%
Ohio	17	56,804	7.6%
New Mexico	7	48,876	6.6%
Arizona	7	41,212	5.5%
California	5	34,654	4.6%
Virginia	4	29,052	3.9%
Washington	10	27,981	3.8%
Colorado	10	27,806	3.7%
Kansas	7	20,844	2.8%
All Others	66	195,969	26.3%
<b>Total</b>	<b>207</b>	<b>\$ 745,445</b>	<b>100.0%</b>



State <sup>(1)</sup>	# of Props	ALF	%	SNF	%	Other	%	School	%	Gross Investment	%
Texas	56	\$ 32,301	10.5%	\$ 151,039	42.3%	\$ 8,625	12.8%	\$ -	0.0%	\$ 191,965	25.8%
Florida	18	36,620	11.9%	20,242	5.7%	13,420	19.9%	-	0.0%	70,282	9.4%
Ohio	17	44,647	14.5%	12,157	3.4%	-	0.0%	-	0.0%	56,804	7.6%
New Mexico	7	-	0.0%	48,876	13.7%	-	0.0%	-	0.0%	48,876	6.6%
Arizona	7	5,120	1.7%	36,092	10.1%	-	0.0%	-	0.0%	41,212	5.5%
California	5	28,071	9.1%	3,435	1.0%	3,148	4.7%	-	0.0%	34,654	4.6%
Virginia	4	-	0.0%	15,713	4.4%	13,339	19.8%	-	0.0%	29,052	3.9%
Washington	10	19,080	6.2%	8,901	2.5%	-	0.0%	-	0.0%	27,981	3.8%
Colorado	10	18,402	6.0%	7,397	2.1%	2,007	3.0%	-	0.0%	27,806	3.7%
Kansas	7	6,733	2.2%	14,111	3.9%	-	0.0%	-	0.0%	20,844	2.8%
All Others	66	117,706	37.9%	39,309	10.9%	26,762	39.8%	12,192	100.0%	195,969	26.3%
<b>Total</b>	<b>207</b>	<b>\$ 308,680</b>	<b>100.0%</b>	<b>\$ 357,272</b>	<b>100.0%</b>	<b>\$ 67,301</b>	<b>100.0%</b>	<b>\$ 12,192</b>	<b>100.0%</b>	<b>\$ 745,445</b>	<b>100.0%</b>

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

## REAL ESTATE PORTFOLIO

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## Top Ten Operators – Owned Portfolio

### Top Ten Operators

**Extendicare REIT and Assisted Living Concepts, Inc. (TSX:EXE.UN)** operates 265 senior care facilities in Canada and in the United States 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 211 residences which include licensed assisted living and senior living residences with capacity for 9,305 residents in 20 states. As of September 30, 2011, 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 559 senior living and retirement communities with the ability to serve approximately 51,300 residents. As of September 30, 2011, the LTC portfolio consisted of 35 assisted living properties in 8 states with a gross investment balance of \$84.2 million.

**Preferred Care, Inc. (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 September 30, 2011, the LTC portfolio consisted of 24 skilled nursing and 2 other senior housing properties in 6 states with a gross investment balance of \$80.1 million. They also operate 1 skilled nursing facility under a sub-lease with another lessee we have which is not included in the Preferred Care rental revenue.

**Meridian Senior Properties Fund II, LP (Privately held)** acquires and develops independent living, assisted living and skilled nursing facilities and (owns or leases) 10 skilled nursing facilities and one assisted living facility, all located in Texas. They are currently developing two new skilled nursing facilities. As of September 30, 2011, the LTC portfolio consisted of 4 skilled nursing properties in 1 state with a gross investment balance of \$50.8 million which includes \$9.8 million of earn-out liabilities.

**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 September 30, 2011, 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 319 communities in the United States, Canada and the United Kingdom, with a total capacity of approximately 31,200 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 September 30, 2011, 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 September 30, 2011, 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. They also operate 2 skilled nursing properties under a sub-lease with another lessee we have which is not included in the Traditions Management rental revenue.

**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 September 30, 2011, the LTC portfolio consisted of 3 skilled nursing properties in 1 state with a gross investment balance of \$38.5 million. They also manage the Meridian properties under a management agreement.

**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 82 facilities in 7 states. As of September 30, 2011, 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 479 communities representing capacity for approximately 49,700 residents in 42 states. As of September 30, 2011, the LTC portfolio consisted of 2 assisted living properties in 1 state with a gross investment balance of \$28.1 million.

## REAL ESTATE PORTFOLIO

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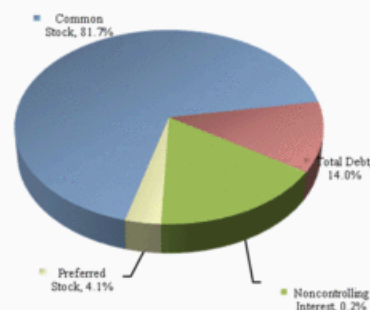
## Market Capitalization

### Capitalization at September 30, 2011

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

(In thousands, except per share amounts and number of shares)		At September 30, 2011	Capitalization
<b>Debt</b>			
Bank borrowings		\$ 28,400	
Senior unsecured notes		100,000	
Bonds payable		3,200	
Total debt		131,600	14.0%
<b>Equity</b>			
	<u>No. of shares</u>	<u>Closing</u>	
Preferred stock -series C <sup>(1)</sup>		38,500	4.1%
Common stock <sup>(2)</sup>	30,340,574	\$ 25.32	81.7%
Noncontrolling interest		1,962	0.2%
Total equity		808,685	86.0%
<b>Market Capitalization</b>		940,285	100.0%
Less: cash balance		(5,214)	
<b>Enterprise value</b>		<u>\$ 935,071</u>	
<b>Debt to Enterprise Value</b>		14.1%	
<b>Debt &amp; Preferred to Enterprise Value</b>		18.2%	

### Capitalization



- (1) 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.
- (2) Traded on NYSE.

## FINANCIAL

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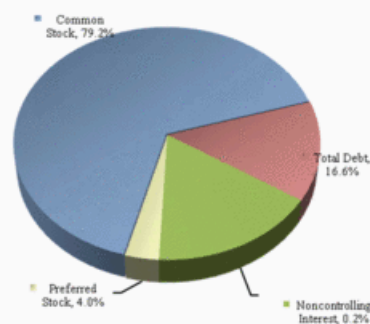
## Proforma Market Capitalization

### Proforma Capitalization at September 30, 2011

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

(In thousands, except per share amounts and number of shares)		At September 30, 2011	Capitalization
<b>Debt</b>			
Bank borrowings <sup>(1)</sup>		\$ 58,000	
Senior unsecured notes		100,000	
Bonds payable		3,200	
Total debt		161,200	16.6%
<b>Equity</b>			
	<u>No. of shares</u>	<u>Closing</u>	
Preferred stock -series C <sup>(2)</sup>		38,500	4.0%
Common stock <sup>(3)</sup>	30,340,574	\$ 25.32	79.2%
Noncontrolling interest		1,962	0.2%
Total equity		808,685	83.4%
<b>Market Capitalization</b>		969,885	100.0%
Less: cash balance		(5,214)	
<b>Enterprise value</b>		<u>\$ 964,671</u>	
<b>Debt to Enterprise Value</b>		16.7%	
<b>Debt &amp; Preferred to Enterprise Value</b>		20.7%	

### Capitalization



- (1) Proforma includes \$29.6 million net borrowings, subsequent to September 30, 2011, under our Unsecured Credit Agreement, for the purchase of two skilled nursing properties and a vacant parcel of land.
- (2) 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.
- (3) Traded on NYSE.

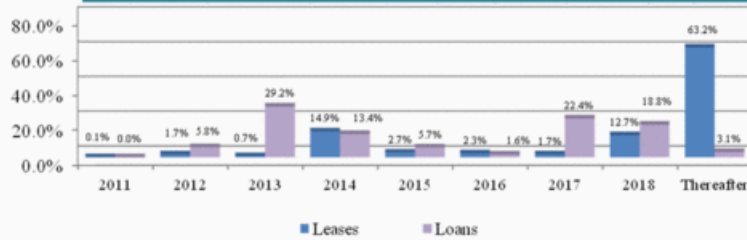
## FINANCIAL

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## Lease and Mortgage Loan Receivable Maturity

### Investment Portfolio Maturity Schedule

(as a % of total gross owned investment and mortgage loans outstanding)



LTC's investment portfolio has a long-term weighted roll-over maturity schedule. Over 78% of the portfolio has lease expirations beyond 2016. Over 44% of outstanding mortgage loans mature after 2016.

### Rental Revenue and Interest Income Maturity (amounts in thousands)

Year	Annualized GAAP Rental Income	% of Total	Interest Income <sup>(1)</sup>	% of Total	Total Rental and Interest Income	% of Total
2011	\$ 248	0.3%	\$ -	0.0%	\$ 248	0.3%
2012	1,211	1.5%	402	8.0%	1,613	1.9%
2013	1,012	1.3%	1,912	38.2%	2,924	3.5%
2014	12,936	16.2%	849	16.9%	13,785	16.3%
2015	2,243	2.8%	269	5.4%	2,512	3.0%
2016	2,129	2.7%	26	0.5%	2,155	2.5%
2017	1,557	2.0%	627	12.5%	2,184	2.6%
2018	10,188	12.8%	803	16.0%	10,991	13.0%
Thereafter	48,186	60.4%	123	2.5%	48,309	56.9%
Total	\$ 79,710	100.0%	\$ 5,011	100.0%	\$ 84,721	100.0%

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

## FINANCIAL

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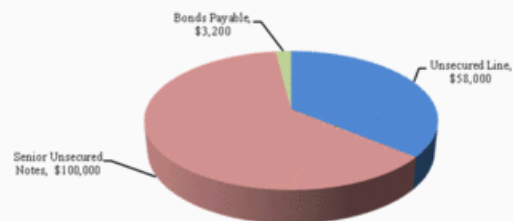
## Debt Maturity - Proforma

(amounts in thousands)

Year	Unsecured Line of Credit <sup>(2)</sup>	Senior Unsecured Notes <sup>(1)</sup>	Bonds Payable <sup>(1)</sup>	Total
2012	\$ -	\$ -	\$ 565	\$ 565
2013	-	-	600	600
2014	-	4,167	635	4,802
2015	58,000	29,167	1,400	88,567
2016	-	16,667	-	16,667
2017	-	14,167	-	14,167
2018	-	14,166	-	14,166
2019	-	11,666	-	11,666
2020	-	5,000	-	5,000
2021	-	5,000	-	5,000
Thereafter	-	-	-	-
Total	\$ 58,000	\$ 100,000	\$ 3,200	\$ 161,200

### Debt Structure - Proforma

Amounts outstanding at September 30, 2011  
(in thousands)



- (1) Reflects scheduled principal payments for amortizing of debt. In the 3<sup>rd</sup> quarter of 2011, we completed the sale to Prudential of \$50.0 million aggregate principal amount of 4.80% senior unsecured term notes fully amortizing to maturity on July 20, 2021. The net proceeds were used to pay down amounts outstanding under our unsecured line of credit.
- (2) Proforma includes \$29.6 million net borrowings, subsequent to September 30, 2011, under our Unsecured Credit Agreement, for the purchase of two skilled nursing properties and a vacant parcel of land. As a result, we had \$58.0 million outstanding under our Unsecured Credit Agreement with \$152.0 million available for borrowing.



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## Financial Data Summary

(Dollars in thousands)

### Balance Sheet and Coverage Ratios

	For the Year Ended			Nine Months Ended	Proforma <sup>(1)</sup>
	12/31/08	12/31/09	12/31/10	09/30/11	09/30/11
Net Real Estate Assets	\$449,683	\$444,163	\$515,983	\$571,421	\$605,318
Total Assets	506,053	490,593	561,264	619,016	652,913
Total Debt	36,753	25,410	91,430	131,600	161,200
Total Liabilities	45,041	36,280	103,742	149,774	179,374
Preferred Stock	189,560	186,801	126,913	38,500	38,500
Total Equity	461,012	454,313	457,522	469,242	471,126
Debt to book capitalization ratio	7.4%	5.3%	16.7%	21.9%	25.5%
Debt & Preferred Stock to book capitalization ratio	45.5%	44.2%	39.8%	28.3%	31.6%
Debt to market capitalization ratio	5.4%	3.0%	9.5%	14.0%	16.6%
Debt & Preferred Stock to market capitalization ratio	30.1%	25.1%	23.0%	18.1%	20.6%
Debt to Normalized EBITDA	0.6x	0.4x	1.4x	2.4x	2.8x
Normalized interest coverage ratio	15.1x	25.4x	24.5x	12.6x	12.1x
Normalized fixed charges coverage ratio	3.2x	3.5x	4.0x	6.1x	6.1x

(1) Proforma includes \$29.6 million net borrowings, subsequent to September 30, 2011, under our Unsecured Credit Agreement, for the purchase of two skilled nursing properties and a vacant parcel of land.

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## Financial Data Summary

(Amounts in thousands)

### Reconciliation of Normalized EBITDA and Fixed Charges

	For the Year Ended			Nine Months Ended	Proforma <sup>(1)</sup>
	12/31/08	12/31/09	12/31/10	09/30/11	09/30/11
Net income	\$ 43,284	\$ 44,360	\$ 46,053	\$ 36,839	\$ 38,723
Less: Gain on sale	(92)	-	(310)	-	-
Add: Interest expense	4,114	2,418	2,653	4,441	4,852
Add: Depreciation and amortization (including discontinued operations)	14,960	14,822	16,109	14,482	14,977
EBITDA	62,266	61,600	64,505	55,762	58,552
(Deduct)/Add back:					
Non-recurring one-time charge	-	(198)	467	-	-
Total non-recurring (expenses)/revenue	-	(198)	467	-	-
<b>Normalized EBITDA</b>	<b>\$ 62,266</b>	<b>\$ 61,402</b>	<b>\$ 64,972</b>	<b>\$ 55,762</b>	<b>\$ 58,552</b>
<b>Interest expense</b>	<b>\$ 4,114</b>	<b>\$ 2,418</b>	<b>\$ 2,653</b>	<b>\$ 4,441</b>	<b>\$ 4,852</b>
Preferred stock dividend	15,390	15,141	13,662	4,694	4,694
<b>Fixed Charges</b>	<b>\$ 19,504</b>	<b>\$ 17,559</b>	<b>\$ 16,315</b>	<b>\$ 9,135</b>	<b>\$ 9,546</b>

(1) Proforma includes \$29.6 million net borrowings, subsequent to September 30, 2011, under our Unsecured Credit Agreement, and the purchase of two skilled nursing properties and a vacant parcel of land.

### Non-Cash Rental Revenue Components

(amounts in thousands)

	3Q11	4Q11 <sup>(1)</sup>	1Q12 <sup>(1)</sup>	2Q12 <sup>(1)</sup>	3Q12 <sup>(1)</sup>
Straight-line rent	\$ 1,078	\$ 960	656	\$ 590	\$ 591
Amort of lease inducement	(165)	(165)	(165)	(165)	(165)
Net	\$ 913	\$ 795	\$ 491	\$ 425	\$ 426

(1) Projections based on current in-place leases, assuming no modification or replacement of existing leases and no new leased investments are added to our portfolio except the two skilled nursing properties and the vacant parcel of land acquired subsequent to September 30, 2011.

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## Consolidated Statements of Income

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
<b>Revenues</b>				
Rental income	\$19,620	\$16,227	\$57,139	\$47,355
Interest from mortgage loans	1,582	1,868	4,851	5,683
Interest and other income	227	264	872	838
Total revenues	21,429	18,359	62,862	53,876
<b>Expenses</b>				
Interest expense	1,794	852	4,441	1,672
Depreciation and amortization	4,974	4,010	14,374	11,618
(Recovery) provisions for doubtful accounts	(1)	60	(15)	1,029
Acquisition costs	60	4	225	117
Operating and other expenses	2,149	1,896	6,800	5,615
Total expenses	8,976	6,822	25,825	20,051
Income from continuing operations	12,453	11,537	37,037	33,825
Discontinued operations:				
(Loss) income from discontinued operations	(30)	25	(198)	(63)
Net (loss) income from discontinued operations	(30)	25	(198)	(63)
Net income	12,423	11,562	36,839	33,762
Income allocated to non-controlling interests	(48)	(48)	(144)	(144)
Net income attributable to LTC Properties, Inc.	12,375	11,514	36,695	33,618
Income allocated to participating securities	(85)	(54)	(259)	(155)
Income allocated to preferred stockholders	(818)	(5,889)	(8,260)	(13,459)
Net income available to common stockholders	\$ 11,472	\$ 5,571	\$ 28,176	\$ 20,004
Basic earnings per common share:	\$0.38	\$0.22	\$0.98	\$0.83
Diluted earnings per common share:	\$0.38	\$0.22	\$0.97	\$0.83
Weighted average shares used to calculate earnings per common share				
Basic	30,137	24,930	28,874	23,959
Diluted	30,156	24,945	28,902	24,055

### FINANCIAL

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## Consolidated Balance Sheets

(Amounts in thousands)

	September 30, 2011 (unaudited)	December 31, 2010		September 30, 2011 (unaudited)	December 31, 2010
<b>ASSETS</b>			<b>LIABILITIES</b>		
Land	\$ 50,409	\$ 43,031	Bank borrowings	\$ 28,400	\$ 37,700
Buildings and improvements	634,418	567,017	Senior unsecured notes	100,000	50,000
Accumulated depreciation and amortization	(172,480)	(158,204)	Bonds payable	3,200	3,730
Net operating real estate property	512,347	451,844	Accrued interest	1,014	675
Properties held-for-sale, net of accumulated depreciation and amortization 2011 - \$613; 2010 - \$505	5,018	5,113	Earn-out liabilities	6,195	-
Net real estate property	517,365	456,957	Accrued expenses and other liabilities	10,872	9,737
Mortgages receivable, net of allowance for doubtful accounts: 2011 - \$931; 2010 - \$981	54,056	59,026	Accrued expenses and other liabilities related to properties held-for-sale	93	132
Real estate investments, net	571,421	515,983	Distributions payable	-	1,768
Other assets:			Total liabilities	149,774	103,742
Cash and cash equivalents	5,214	6,903	<b>EQUITY</b>		
Debt issue costs, net	2,377	743	Preferred stock <sup>(1)</sup>	38,500	126,913
Interest receivable	1,339	1,571	Common stock <sup>(2)</sup>	303	263
Straight-line rent receivable, net of allowance for doubtful accounts: 2011 - \$668; 2010 - \$634	22,822	20,090	Capital in excess of par value	506,851	398,599
Prepaid expenses and other assets	8,541	8,162	Cumulative net income	660,186	623,491
Other assets related to properties held-for-sale, net of allowance for doubtful accounts: 2011 - \$839; 2010 - \$839	51	51	Other	219	264
Notes receivable	768	1,283	Cumulative distributions	(738,779)	(693,970)
Marketable securities	6,483	6,478	Total stockholders' equity	467,280	455,560
Total assets	\$ 619,016	\$ 561,264	Non-controlling interests	1,962	1,962
			Total equity	469,242	457,522
			Total equity and liabilities	\$ 619,016	\$ 561,264

(1) \$0.01 per value; 15,000 shares authorized; shares issued and outstanding: 2011 - 2,000; 2010 - 5,536  
(2) \$0.01 per value; 45,000 shares authorized; shares issued and outstanding: 2011 - 30,341; 2010 - 26,345

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## Funds from Operations

(Amounts in thousands, except per share amounts)

### FFO Reconciliation

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net income available to common stockholders	\$ 11,472	\$ 5,571	\$ 28,176	\$ 20,004
Add: Depreciation and amortization (continuing and discontinued operations)	4,974	4,073	14,482	11,947
<b>FFO available to common stockholders</b>	<b>16,446</b>	<b>9,644</b>	<b>42,658</b>	<b>31,951</b>
Add: Preferred stock redemption charge	-	2,383	3,566 <sup>(1)</sup>	2,383 <sup>(3)</sup>
Add: Preferred stock redemption dividend	-	-	472 <sup>(2)</sup>	-
Add: Non-cash interest related to earn-out liabilities	177	-	354	-
Add: Non-recurring one time items	-	-	-	852 <sup>(4)</sup>
<b>Modified FFO available to common stockholders</b>	<b>16,623</b>	<b>12,027</b>	<b>47,050</b>	<b>35,186</b>
Less: Non-cash rental income	(912)	(788)	(2,268)	(2,315)
<b>Modified FFO excluding non-cash rental income</b>	<b>15,711</b>	<b>11,239</b>	<b>44,782</b>	<b>32,871</b>
Add: Non-cash compensation charges	374	261	1,095	982
<b>Modified FFO excluding non-cash rental income and non-cash compensation charges</b>	<b>\$ 16,085</b>	<b>\$ 11,500</b>	<b>\$ 45,877</b>	<b>\$ 33,853</b>
Diluted FFO available to common stockholders per share	\$0.54	\$0.39	\$1.46	\$1.32
<b>Diluted modified FFO available to common stockholders per share</b>	<b>\$0.54</b>	<b>\$0.48</b>	<b>\$1.60</b>	<b>\$1.44</b>
Diluted modified FFO excluding non-cash rental income per share	\$0.51	\$0.45	\$1.53	\$1.36
Diluted modified FFO excluding non-cash rental income and non-cash compensation charges per share	\$0.52	\$0.46	\$1.56	\$1.39

(1) Represents the original issue costs related to the Series F preferred stock.

(2) Represents the dividends on the Series F preferred stock up to the redemption date.

(3) Represents the original issue costs related to the redemption of all of the Series E and 40% of the Series F preferred stock.

(4) Includes a \$0.9 million provision for doubtful accounts charge related to a mortgage loan secured by a school property located in Minnesota.

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## Glossary

**Assisted Living Properties ("ALF"):** Senior housing properties serving elderly persons who require assistance with activities of daily living, but do not require the constant supervision skilled nursing properties provide. Services are usually available 24 hours a day and included 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:** Cash 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 ("EBITDA") is a financial measure not derived in accordance with U.S. generally accepted accounting principles ("GAAP"). EBITDA is not an alternative to net income, operating income, income from continuing operations or cash flows from operating activities as calculated and presented in accordance with GAAP. You should not rely on EBITDA as a substitute for any such GAAP financial measures or consider it in isolation, for the purpose of analyzing our financial performance, financial position or cash flows. Net income is the most directly comparable GAAP measure to EBITDA.

**EBITDAR Coverage:** From the operator financial statements, the trailing twelve month's earnings before interest, taxes, depreciation, amortization, and rent divided by the operator's contractual lease rent. Management fees are imputed at 5% of revenues.

**EBITDARM Coverage:** From the operator financial statements, the trailing twelve month's earnings before interest, taxes, depreciation, amortization, rent and management fees divided by the operator's contractual lease rent.

**Funds Available for Distribution ("FAD"):** A supplemental measure of our cash available for distribution to stockholders. FAD is calculated by modifying FFO to exclude non-cash rental income and non-cash compensation charges. FAD does not represent cash generated from operating activities in accordance with GAAP, and is not necessarily indicative of cash available to fund cash needs and should not be considered an alternative to net income available to common stockholders.

**Funds From Operations ("FFO"):** A supplemental measure of our cash flow generated by operations. FFO is defined as net income available to common stockholders (computed in accordance with GAAP) excluding gains or losses on the sale of assets plus real estate depreciation and amortization, with adjustments for unconsolidated partnerships and joint ventures. Our computation of FFO may not be comparable to FFO reported by other Real Estate Investment Trusts ("REIT") 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 ours; therefore, caution should be exercised when comparing our company's FFO to that of other REIT's.

**GAAP Lease Yield:** GAAP rent divided by the purchase price.

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### GLOSSARY



## Glossary

**GAAP Rent:** Total rent we will receive as a fixed amount over the life of the lease and recognize that revenue evenly over that life. GAAP rent recorded in the early years of a lease is higher than the cash rent received and during the later years of the lease, the cash rent received is higher than GAAP rent recognized. GAAP rent is commonly referred to as straight-line rental income.

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

**Independent Living Properties ("ILF"):** Senior housing properties offering 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 a senior housing property. Licensed beds and/or units may differ from the number of beds and/or units in service at any given time.

**Net Real Estate Assets:** Gross investment less accumulated depreciation. Net Real Estate Assets is commonly referred to as Net Book Value ("NBV").

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

**Other Senior Housing:** Senior housing properties consisting of independent living properties and properties providing any combination of skilled nursing, assisted living and/or independent living services.

**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).

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## GLOSSARY



## Glossary

**Quality Mix:** LTC revenue by operator underlying payor source for the quarter presented. LTC is not a Medicaid or a Medicare recipient. Statistics represent LTC's rental revenues times operators' underlying payor source revenue percentage. Underlying payor source revenue Percentage is calculated from property level operator financial statements which are unaudited and have not been independently verified by us.

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

**Same Property Portfolio ("SPP"):** Same property statistics allow management to evaluate the performance of LTC's leased property portfolio under a consistent population, which eliminates the changes in the composition of the Company's portfolio of properties. The Company identifies its same property portfolio as stabilized properties that are, and remained, in operations for the duration of the quarter-over-quarter comparison periods presented. Accordingly, it takes a stabilized property a minimum of 12 months in operations to be included in the Company's same property portfolio.

**Schools:** Institutions for educating students which include private and charter schools. Private schools are not administered by local, state or national governments; therefore, funded in whole or part by student tuition rather than government funded. Charter schools provide an alternative to the traditional public school. Charter schools are generally autonomous entities authorized by the state or locality to conduct operations independent from the surrounding public school district. Laws vary by state, but generally charters are granted by state boards of education either directly or in conjunction with local school districts or public universities. Operators are granted charters to establish and operate schools based on the goals and objectives set forth in the charter. Upon receipt of a charter, schools receive an annuity from the state for each student enrolled.

**Skilled Nursing Properties ("SNF"):** Senior housing properties providing restorative, rehabilitative and nursing care for people not requiring the more extensive and sophisticated treatment available at acute care hospitals. Many SNFs provide ancillary services that include occupational, speech, physical, respiratory and IV therapies, as well as sub-acute care services which are paid either by the patient, the patient's family, private health insurance, or through the federal Medicare or state Medicaid programs.

**Stabilized:** Newly acquired operating assets are generally considered stabilized at the earlier of lease up (typically when occupancy reaches 80% at a SNF or 90% at an ALF) or 12 months from the acquisition date. Newly completed developments, including redevelopments, are considered stabilized at the earlier of lease-up or 24 months from the date the property is placed in service.

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