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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 27, 2012**  
(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 27, 2012, LTC Properties, Inc. announced the operating results for the three and twelve months ended December 31, 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 February 27, 2012.

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

LTC PROPERTIES, INC.

Dated: February 27, 2012

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



FOR IMMEDIATE RELEASE

For more information contact:  
 Wendy L. Simpson  
 Pam Kessler  
 (805) 981-8655

### LTC REPORTS FOURTH QUARTER 2011 RESULTS

WESTLAKE VILLAGE, CALIFORNIA, February 27, 2012 — LTC Properties, Inc. (NYSE: LTC) (“LTC” or the “Company”) announced operating results for the quarter and year ended December 31, 2011. The Company reported a 29.6% increase in normalized Funds from Operations (“FFO”) to \$16.9 million for the quarter ended December 31, 2011, from \$13.1 million from the comparable 2010 period. Normalized FFO per diluted common share was \$0.55 for the quarter ended December 31, 2011, an increase of 12.2% from \$0.49 for the comparable 2010 period. The increase in normalized FFO per diluted common share was due to higher revenues resulting primarily from acquisitions partially offset by an increase in interest expense and higher weighted average diluted shares outstanding.

Additionally the Company reported a 32.6% increase in normalized FFO to \$64.0 million for the year ended December 31, 2011, from \$48.2 million from the comparable 2010 period. Normalized FFO per diluted common share was \$2.15 for the year ended December 31, 2011, an increase of 10.8% from \$1.94 for the comparable 2010 period. The increase in normalized FFO per diluted common share was due to higher revenues resulting primarily from acquisitions partially offset by a decrease in interest income from amortizing and matured mortgage loans, increases in interest and operating expenses and higher weighted average diluted shares outstanding.

FFO for the quarter ended December 31, 2011 increased 25.0% to \$16.8 million from \$13.4 million in the comparable 2010 period. FFO per diluted common share for the fourth quarter of 2011 increased 7.8% to \$0.55 from \$0.51 in the comparable 2010 period. FFO for the year ended December 31, 2011 increased 31.0% to \$59.5 million from \$45.4 million in the comparable 2010 period. FFO per diluted common share for the year ended December 31, 2011 increased 9.8% to \$2.01 from \$1.83 in the comparable 2010 period. These increases are primarily due to the factors described above.

Net income available to common stockholders for the quarter ended December 31, 2011 was \$11.7 million or \$0.39 per diluted share. For the same period in 2010, net income available to common stockholders was \$9.6 million or \$0.37 per diluted share. This increase is primarily due to the factors described above. For the year ended December 31, 2011, net income available to common stockholders was \$39.8 million or \$1.36 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 \$29.6 million or \$1.21 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 \$1.2 million provision for doubtful accounts related to two mortgage loans partially offset by a \$0.8 million bankruptcy settlement distribution.

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#### Conference Call Information

The Company will conduct a conference call on Tuesday, February 28, 2012, 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, 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 February 28, 2012 through March 14, 2012. Callers can access the replay by dialing 877-344-7529 or 412-317-0088 and entering conference number 10010121. 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.

#### About LTC

At December 31, 2011, LTC had investments in 89 skilled nursing properties, 102 assisted living properties, 14 other senior housing properties, two schools and a parcel of land under development. 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 facility lease transactions, mortgage loans and other investments. For more information on LTC Properties, Inc., visit the Company’s website at [www.LTCProperties.com](http://www.LTCProperties.com).

#### Forward Looking Statements

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,	
	2011	2010	2011	2010
	(unaudited)			
Revenues:				
Rental income	\$ 20,504	\$ 16,996	\$ 77,643	\$ 64,351

Interest income from mortgage loans	1,560	1,799	6,411	7,482
Interest and other income	234	1,025	1,106	1,863
Total revenues	<u>22,298</u>	<u>19,820</u>	<u>85,160</u>	<u>73,696</u>
<b>Expenses:</b>				
Interest expense	1,993	981	6,434	2,653
Depreciation and amortization	5,141	4,098	19,515	15,717
Provisions (recovery) for doubtful accounts	2	380	(13)	1,409
Acquisition costs	168	253	393	370
Operating and other expenses	2,358	2,073	9,158	7,687
Total expenses	<u>9,662</u>	<u>7,785</u>	<u>35,487</u>	<u>27,836</u>
Income from continuing operations	12,636	12,035	49,673	45,860
<b>Discontinued operations:</b>				
Loss from discontinued operations	(32)	(54)	(230)	(117)
Gain on sale of assets, net	—	310	—	310
Net (loss) income from discontinued operations	<u>(32)</u>	<u>256</u>	<u>(230)</u>	<u>193</u>
Net income	12,604	12,291	49,443	46,053
Income allocated to non-controlling interests	(47)	(47)	(191)	(191)
Net income attributable to LTC Properties, Inc.	<u>12,557</u>	<u>12,244</u>	<u>49,252</u>	<u>45,862</u>
Income allocated to participating securities	(83)	(75)	(342)	(230)
Income allocated to preferred stockholders	(818)	(2,586)	(9,078)	(16,045)
Net income available to common stockholders	<u>\$ 11,656</u>	<u>\$ 9,583</u>	<u>\$ 39,832</u>	<u>\$ 29,587</u>
<b>Basic earnings per common share:</b>				
Continuing operations	\$ 0.39	\$ 0.36	\$ 1.37	\$ 1.20
Discontinued operations	<u>(0.00)</u>	<u>0.01</u>	<u>(0.01)</u>	<u>0.01</u>
Net income available to common stockholders	<u>\$ 0.39</u>	<u>\$ 0.37</u>	<u>\$ 1.36</u>	<u>\$ 1.21</u>
<b>Diluted earnings per common share:</b>				
Continuing operations	\$ 0.39	\$ 0.36	\$ 1.37	\$ 1.20
Discontinued operations	<u>(0.00)</u>	<u>0.01</u>	<u>(0.01)</u>	<u>0.01</u>
Net income available to common stockholders	<u>\$ 0.39</u>	<u>\$ 0.37</u>	<u>\$ 1.36</u>	<u>\$ 1.21</u>
<b>Weighted average shares used to calculate earnings per common share:</b>				
Basic	<u>30,141</u>	<u>26,090</u>	<u>29,194</u>	<u>24,495</u>
Diluted	<u>30,172</u>	<u>26,118</u>	<u>29,222</u>	<u>24,568</u>

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.

### **Supplemental Reporting Measures**

FFO, normalized FFO, normalized adjusted FFO (“AFFO”), and normalized Funds Available for Distribution (“FAD”) are supplemental measures of a real estate investment trust’s (“REIT”) financial performance that are not defined by U.S. generally accepted accounting principles (“GAAP”). Investors, analysts and the Company use FFO, AFFO and FAD as supplemental measures of operating performance and we believe they are 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, AFFO and FAD facilitate comparisons of operating performance between periods. Additionally the Company believes that normalized FFO, normalized AFFO and normalized FAD provide useful information because they allow investors, analysts and our management to compare the Company’s operating performance on a consistent basis without having to account for differences caused by unanticipated items.

FFO, as defined by the National Association of Real Estate Investment Trusts (“NAREIT”), means net income available to common stockholders (computed in accordance with U.S. GAAP) excluding gains or losses on the sale of real estate and impairment write-downs of depreciable real estate plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Normalized 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 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.

We define AFFO as FFO excluding the effects of straight-line rent and amortization of lease inducement. U.S. GAAP requires rental revenues related to non-contingent leases that contain specified rental increases over the life of the lease to be recognized evenly over the life of the lease. This method results in rental income in the early years of a lease that is higher than actual cash received, creating a straight-line rent receivable asset included in our consolidated balance sheet. At some point during the lease, depending on its terms, cash rent payments exceed the straight-line rent which results in the straight-line rent receivable asset decreasing to zero over the remainder of the lease term. By excluding the non-cash portion of straight-line rental revenue and amortization of lease inducement, investors, analysts and our management can compare AFFO between periods. Normalized AFFO represents FFO adjusted for certain items detailed in the reconciliations and excludes the non-cash portion of straight-line rent and amortization of lease inducement.

We define FAD as AFFO excluding the effects of non-cash compensation charges. FAD is useful in analyzing the portion of cash flow that is available for distribution to stockholders. Investors, analysts and the Company utilize FAD as an indicator of common dividend potential. The FAD payout ratio, which represents annual distributions to

common shareholders expressed as a percentage of FAD, facilitates the comparison of operating performance between REITs. Normalized FAD represents FFO adjusted for certain items detailed in the reconciliations and excludes the non-cash portion of straight-line rent and amortization of lease inducement and non-cash compensation charges.

The Company uses FFO, normalized FFO, normalized AFFO and normalized FAD as supplemental performance measures of our cash flow generated by operations and cash available for distribution to stockholders. FFO, normalized FFO, normalized AFFO and normalized FAD 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.

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### Reconciliation of FFO, Normalized FFO, Normalized AFFO and Normalized FAD

The following table reconciles net income available to common stockholders to FFO available to common stockholders, normalized FFO available to common stockholders, normalized AFFO and normalized FAD (unaudited, amounts in thousands, except per share amounts):

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	2011	2010
Net income available to common stockholders	\$ 11,656	\$ 9,583	\$ 39,832	\$ 29,587
Add: Depreciation and amortization (continuing and discontinued operations)	5,141	4,162	19,623	16,109
Less: Gain on sale of real estate, net	—	(310)	—	(310)
FFO available to common stockholders	16,797	13,435	59,455	45,386
Add: Preferred stock redemption charge	—	—	3,566(1)	2,383(3)
Add: Preferred stock redemption dividend	—	—	472(2)	—
Add: Non-cash interest related to earn-out liabilities	110	—	464	—
Add: Non-recurring one-time items	—	(385)	—	467(4)
Normalized FFO available to common stockholders	16,907	13,050	63,957	48,236
Less: Non-cash rental income	(797)	(840)	(3,065)	(3,155)
Normalized adjusted FFO (AFFO)	16,110	12,210	60,892	45,081
Add: Non-cash compensation charges	372	303	1,467	1,285
Normalized funds available for distribution (FAD)	\$ 16,482	\$ 12,513	\$ 62,359	\$ 46,366

- (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 \$1.2 million provision for doubtful accounts charge related to two mortgage loans (one secured by a school property and one secured by land) partially offset by a \$0.8 million bankruptcy settlement distribution.

Basic FFO available to common stockholders per share	\$ 0.56	\$ 0.51	\$ 2.04	\$ 1.85
Diluted FFO available to common stockholders per share	\$ 0.55	\$ 0.51	\$ 2.01	\$ 1.83
Diluted FFO available to common stockholders	\$ 17,745	\$ 14,375	\$ 63,260	\$ 49,119
Weighted average shares used to calculate diluted FFO per share available to common stockholders	32,485	28,393	31,539	26,824
Basic normalized FFO available to common stockholders per share	\$ 0.56	\$ 0.50	\$ 2.19	\$ 1.97
Diluted normalized FFO available to common stockholders per share	\$ 0.55	\$ 0.49	\$ 2.15	\$ 1.94
Diluted normalized FFO available to common stockholders	\$ 17,855	\$ 13,990	\$ 67,762	\$ 51,969
Weighted average shares used to calculate diluted normalized FFO per share available to common stockholders	32,485	28,393	31,539	26,824
Basic normalized AFFO per share	\$ 0.53	\$ 0.47	\$ 2.09	\$ 1.84
Diluted normalized AFFO per share	\$ 0.53	\$ 0.46	\$ 2.05	\$ 1.82
Diluted normalized AFFO	\$ 17,058	\$ 13,150	\$ 64,697	\$ 48,814
Weighted average shares used to calculate diluted normalized AFFO per share	32,485	28,393	31,539	26,824
Basic normalized FAD per share	\$ 0.55	\$ 0.48	\$ 2.14	\$ 1.89
Diluted normalized FAD per share	\$ 0.54	\$ 0.47	\$ 2.10	\$ 1.87
Diluted normalized FAD	\$ 17,430	\$ 13,453	\$ 66,164	\$ 50,099
Weighted average shares used to calculate diluted normalized FAD per share	32,485	28,393	31,539	26,824

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	<u>December 31, 2011</u>	<u>December 31, 2010</u>
<b>ASSETS</b>		
Real estate investments:		
Land	\$ 57,093	\$ 43,031
Buildings and improvements	662,300	567,017
Accumulated depreciation and amortization	(177,583)	(158,204)
Net operating real estate property	541,810	451,844
Properties held-for-sale, net of accumulated depreciation and amortization: 2011 — \$613; 2010 — \$505	5,025	5,113
Net real estate property	546,835	456,957
Mortgage loans receivable, net of allowance for doubtful accounts: 2011 — \$921; 2010 — \$981	53,081	59,026
Real estate investments, net	599,916	515,983
Other assets:		
Cash and cash equivalents	4,408	6,903
Debt issue costs, net	2,301	743
Interest receivable	1,494	1,571
Straight-line rent receivable, net of allowance for doubtful accounts: 2011 — \$680; 2010 — \$634	23,772	20,090
Prepaid expenses and other assets	7,852	8,162
Other assets related to properties held-for-sale, net of allowance for doubtful accounts: 2011 — \$839; 2010 — \$839	52	51
Notes receivable	817	1,283
Marketable securities	6,485	6,478
Total assets	<u>\$ 647,097</u>	<u>\$ 561,264</u>
<b>LIABILITIES</b>		
Bank borrowings	\$ 56,000	\$ 37,700
Senior unsecured notes	100,000	50,000
Bonds payable	3,200	3,730
Accrued interest	1,356	675
Earn-out liabilities	6,305	—
Accrued expenses and other liabilities	11,400	9,737
Accrued expenses and other liabilities related to properties held-for-sale	126	132
Distributions payable	—	1,768
Total liabilities	<u>178,387</u>	<u>103,742</u>
<b>EQUITY</b>		
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 — 30,346; 2010 — 26,345	303	263
Capital in excess of par value	507,343	398,599
Cumulative net income	672,743	623,491
Other	199	264
Cumulative distributions	(752,340)	(693,970)
Total LTC Properties, Inc. stockholders' equity	<u>466,748</u>	<u>455,560</u>
Non-controlling interests	1,962	1,962
Total equity	<u>468,710</u>	<u>457,522</u>
Total liabilities and equity	<u>\$ 647,097</u>	<u>\$ 561,264</u>



Supplemental Operating and Financial Data  
 December 31, 2011  
*(Unaudited)*



Gulf Breeze, FL  
 61 units



South Hills, PA  
 67 units



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## Company Information

**LTC**  
**LISTED**  
**NYSE**

### 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

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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.**  
Dan Bernstein

**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.

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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, 2011 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 17 and 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).

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## Acquisitions: Year 2010 and Year 2011

(dollar amounts 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>(2)</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	\$ 1,158	10.1%
03/09/11	4	SNF	524	TX	Meridian Senior Properties	2007-2008	45,000 <sup>(3)</sup>	4,722	10.5% <sup>(4)</sup>
08/01/11	1	SNF	140	TX	Senior Care Centers	2008	10,000	1,058	10.5%
10/11/11	1	SNF	196	TX	Fundamental	2005	15,500	1,881	11.0% <sup>(4)</sup>
10/11/11	1 <sup>(5)</sup>	N/A <sup>(5)</sup>	N/A <sup>(5)</sup>	TX	Fundamental	2012 <sup>(5)</sup>	844	-	11.0% <sup>(4)</sup>
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.

(2) Renovation in 1991.

(3) 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.

(4) GAAP yield assumes \$8,250 construction funding as noted in (5) below.

(5) Acquired a vacant parcel of land in Texas and entered into a commitment to fund the construction of a 120-bed skilled nursing property which will replace an existing 90-bed skilled nursing property.



Hewitt, TX  
140 licensed beds

## REAL ESTATE PORTFOLIO

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## Real Estate Portfolio Summary

(dollar amounts in thousands)

### Real Estate Portfolio Snapshot

Type of Property	Twelve Months Ended December 31, 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	\$389,458	50.0%	\$35,579	\$3,447	46.4%	89	10,347	-	-	\$37.64
Assisted Living	308,757	39.6%	33,172	2,596	42.6%	102	-	4,365	-	\$70.73
Other Senior Housing	67,732	8.7%	7,543	368	9.4%	14	913	330	423	\$40.66
Schools	12,192	1.6%	1,349	-	1.6%	2	-	-	-	
Under Development <sup>(1)</sup>	894	0.1%	-	-	-	-	-	-	-	
<b>Total</b>	<b>\$779,033</b>	<b>100.0%</b>	<b>\$77,643</b>	<b>\$6,411</b>	<b>100.0%</b>	<b>207</b>	<b>11,260</b>	<b>4,695</b>	<b>423</b>	

(1) During 2011, we acquired a vacant parcel of land in Texas and entered into a commitment to fund the construction of a 120-bed skilled nursing property which will replace an existing 90-bed skilled nursing property.

### "Same Property Portfolio" Quality Mix

Owned Properties Payor Source <sup>(1)</sup>	For the Nine Months Ended September 30, 2011
Private Pay	61.2%
Medicare	14.3%
Medicaid	24.5%

(1) Quality mix for our skilled nursing portfolio, for the period presented, is 23.9% Private Pay, 25.9% 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	
	3Q11	2Q11	3Q11	2Q11	3Q11	2Q11
Assisted Living <sup>(2)</sup>	77.1%	77.1%	1.40	1.39	1.62	1.62
Assisted Living <sup>(3)</sup>	88.2%	88.1%	1.47	1.46	1.72	1.72
Skilled Nursing	78.1%	78.2%	2.15	2.13	2.92	2.90
Other Senior Housing	83.4%	83.7%	1.70	1.63	2.21	2.14

(1) Data from June 30, 2011 and September 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
3Q11	2.2	3.0
2Q11	2.2	3.0
1Q11	2.1	2.9
4Q10	2.0	2.8

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

### REAL ESTATE PORTFOLIO

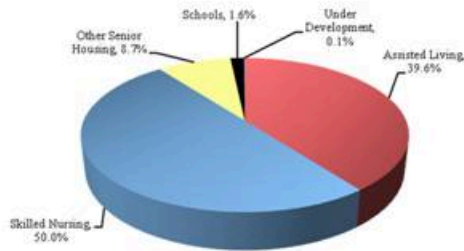
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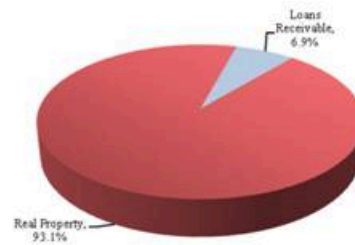
## Real Estate Portfolio Diversification

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

Gross Investment By Property Type

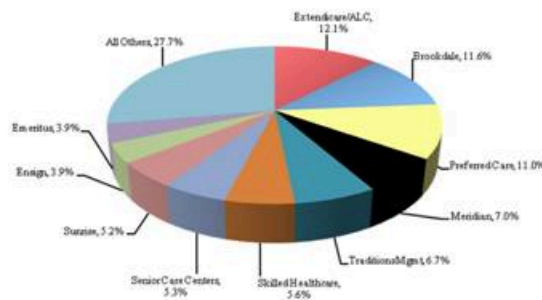


Gross Investment By Asset Type



### Owned Portfolio – Operator Diversification

Gross Investment By Operator



### REAL ESTATE PORTFOLIO

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## Real Estate Portfolio Diversification

(dollar amounts in thousands)

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

Property Type	# of Properties	Gross Investment	%	Twelve Months Ended December 31, 2011		Asset Type	Gross Investment	%
				Revenue	%			
Skilled Nursing	89	\$ 389,458	50.0%	\$ 39,026	46.4%	Real Property	\$ 725,031	93.1%
Assisted Living	102	308,757	39.6%	35,768	42.6%	Loans Receivable	54,002	6.9%
Other Senior Housing	14	67,732	8.7%	7,911	9.4%	Total	\$ 779,033	100.0%
Schools	2	12,192	1.6%	1,349	1.6%			
Under Development <sup>(1)</sup>	-	894	0.1%	-	-			
<b>Total</b>	<b>207</b>	<b>\$ 779,033</b>	<b>100.0%</b>	<b>\$ 84,054</b>	<b>100.0%</b>			

(1) During 2011, we acquired a vacant parcel of land in Texas and entered into a commitment to fund the construction of a 120-bed skilled nursing property which will replace an existing 90-bed skilled nursing property.

### Owned Portfolio – Operator Diversification

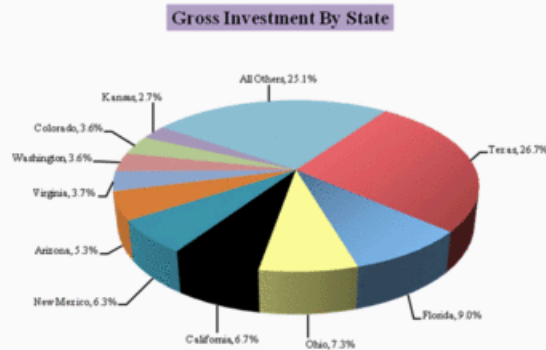
Operator	# of Props	Gross Investment	%	Annualized GAAP Rent	%
Extencare REIT and Assisted Living Concepts, Inc	37	\$ 88,034	12.1%	\$ 10,963	13.1%
Brookdale Senior Living Communities, Inc.	35	84,210	11.6%	10,523	12.6%
Preferred Care	26	80,088	11.0%	10,588	12.7%
Meridian Senior Properties Fund II, LP	4	50,841	7.0%	4,742	5.7%
Traditions Management	4	48,500	6.7%	5,231	6.3%
Skilled Healthcare Group, Inc.	5	40,270	5.6%	4,501	5.4%
Senior Care Centers, LLC	3	38,500	5.3%	4,004	4.8%
Sunrise Senior Living	6	37,659	5.2%	4,614	5.5%
Ensign Group, Inc.	3	28,496	3.9%	1,596	1.9%
Emeritus Corporation	2	28,071	3.9%	2,726	3.3%
All Others	46	200,362	27.7%	23,969	28.7%
<b>Total</b>	<b>171</b>	<b>\$ 725,031</b>	<b>100.0%</b>	<b>\$ 83,457</b>	<b>100.0%</b>

### REAL ESTATE PORTFOLIO

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## Owned and Loan Portfolio - State Diversification By Property Type

State <sup>(1)</sup>	Gross Investment	%
Texas	\$ 207,760	26.7%
Florida	70,217	9.0%
Ohio	56,804	7.3%
California	52,036	6.7%
New Mexico	48,876	6.3%
Arizona	41,212	5.3%
Virginia	29,052	3.7%
Washington	27,951	3.6%
Colorado	27,816	3.6%
Kansas	20,844	2.7%
All Others	196,465	25.1%
<b>Total</b>	<b>\$ 779,033</b>	<b>100.0%</b>



State <sup>(1)</sup>	# of Props	ALF	%	SNF	%	Other	%	School	%	UDP <sup>(2)</sup>	%	Gross Investment	%
Texas	55	\$ 32,266	10.5%	\$ 165,968	42.6%	\$ 8,632	12.7%	\$ -	-	\$ 894	100.0%	\$ 207,760	26.7%
Florida	18	36,618	11.9%	20,179	5.2%	13,420	19.8%	-	-	-	-	70,217	9.0%
Ohio	17	44,647	14.5%	12,157	3.1%	-	-	-	-	-	-	56,804	7.3%
California	6	28,070	9.1%	20,872	5.4%	3,094	4.6%	-	-	-	-	52,036	6.7%
New Mexico	7	-	-	48,876	12.5%	-	-	-	-	-	-	48,876	6.3%
Arizona	7	5,120	1.7%	36,092	9.3%	-	-	-	-	-	-	41,212	5.3%
Virginia	4	-	-	15,713	4.0%	13,339	19.7%	-	-	-	-	29,052	3.7%
Washington	10	19,080	6.2%	8,871	2.3%	-	-	-	-	-	-	27,951	3.6%
Colorado	10	18,402	6.0%	7,407	1.9%	2,007	3.0%	-	-	-	-	27,816	3.6%
Kansas	7	6,733	2.2%	14,111	3.6%	-	-	-	-	-	-	20,844	2.7%
All Others	66	117,821	37.9%	39,212	10.1%	27,240	40.2%	12,192	100.0%	-	-	196,465	25.1%
<b>Total</b>	<b>207</b>	<b>\$ 308,757</b>	<b>100.0%</b>	<b>\$ 389,458</b>	<b>100.0%</b>	<b>\$ 67,732</b>	<b>100.0%</b>	<b>\$ 12,192</b>	<b>100.0%</b>	<b>\$ 894</b>	<b>100.0%</b>	<b>\$ 779,033</b>	<b>100.0%</b>

(1) Due to master leases with properties in multiple states, revenue by state is not available.  
(2) Under Development Properties. See definition in the Glossary.

## REAL ESTATE PORTFOLIO

## Top Ten Operators – Owned Portfolio

**Extendicare REIT and Assisted Living Concepts, Inc.** (TSX: EXE.UN) operates 262 senior care facilities in Canada and in the United States with the ability to serve approximately 28,213 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 independent living residences with capacity for 9,325 residents in 20 states. As of December 31, 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 647 independent living, assisted living, and dementia-care communities and continuing care retirement centers, with the ability to serve approximately 67,000 residents. As of December 31, 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 67 facilities comprised of skilled nursing, assisted living, and independent living facilities, as well as 5 specialty care facilities, in 10 states. As of December 31, 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 December 31, 2011, the LTC portfolio consisted of 4 skilled nursing properties in 1 state with a gross investment balance of \$50.8 million which includes \$6.3 million of earn-out liabilities.

**Traditions Management** (Privately held) operates 10 independent living, assisted living, and skilled nursing facilities in 4 states. As of December 31, 2011, the LTC portfolio consisted of 3 skilled nursing and 1 other senior housing properties in 3 states with a gross investment balance of \$48.5 million. They also operate 2 skilled nursing properties under a sub-lease with Preferred Care, Inc. which is not included in the Traditions Management rental revenue.

**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 8 states, including 74 skilled nursing facilities and 23 assisted living facilities. As of December 31, 2011, the LTC portfolio consisted of 5 skilled nursing properties in 1 state with a gross investment balance of \$40.3 million.

**Senior Care Centers, LLC** (Privately held) provides skilled nursing care, Alzheimer's care, assisted living, and independent living services in 37 facilities exclusively in Texas. As of December 31, 2011, the LTC portfolio consisted of 3 skilled nursing properties in 1 state with a gross investment balance of \$38.5 million. They also operate 4 skilled nursing properties under a sub-lease with Meridian Senior Properties Fund II, LP which is not included in the Senior Care Centers, LLC rental revenue.

**Sunrise Senior Living** (NYSE: SRZ) operates 311 communities in the United States, Canada and the United Kingdom, with a total capacity of approximately 31,000 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, 2011, the LTC portfolio consisted of 6 assisted living properties in 2 states with a gross investment balance of \$37.7 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 106 facilities in 10 states. As of December 31, 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 485 communities representing capacity for approximately 35,703 residents in 38 states. As of December 31, 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



## Market Capitalization

### Capitalization at December 31, 2011

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

At December 31, 2011

Capitalization

#### Debt

Bank borrowings	\$	56,000	
Senior unsecured notes		100,000	
Bonds payable		3,200	
Total debt		159,200	14.0%

#### Equity

	No. of shares	Closing		
Preferred stock -series C <sup>(1)</sup>			38,500	3.4%
Common stock <sup>(2)</sup>	30,345,574	\$ 30.86	936,464	82.4%
Non-controlling interest			1,962	0.2%
Total equity			976,926	86.0%

#### Market Capitalization

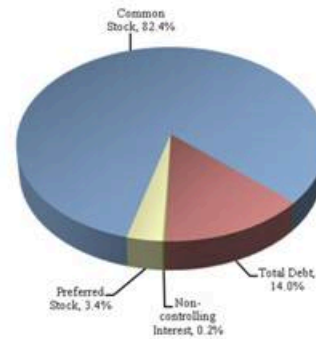
\$ 1,136,126

100.0%

Debt to Market Cap 14.0%

Debt & Preferred to Market Cap 17.4%

#### Capitalization



- (1) Non-traded shares. Two million shares outstanding with a face rate of 8.5% and a liquidation value of \$19.25 per share, convertible into common stock on a one-for-one basis. Our Preferred C's are not redeemable by us.
- (2) Traded on NYSE.

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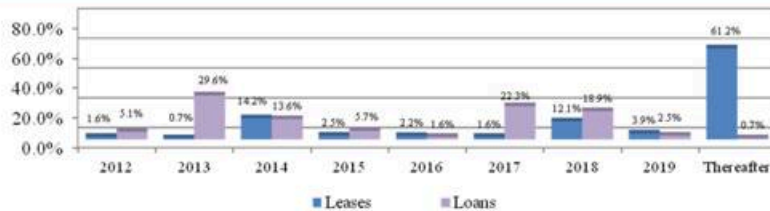


## Lease and Mortgage Loan Receivable Maturity

(dollar amounts in thousands)

### 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 77% of the portfolio has lease expirations beyond 2017. Over 22% of outstanding mortgage loans mature after 2017.

### Rental Revenue and Interest Income Maturity

Year	Annualized GAAP			Total Rental and Interest		
	Rental Income	% of Total	Interest Income <sup>(1)</sup>	% of Total	Interest Income	% of Total
2012	\$ 1,277	1.5%	\$ 382	7.7%	\$ 1,659	1.9%
2013	1,002	1.2%	1,912	38.2%	2,914	3.3%
2014	12,951	15.5%	849	17.0%	13,800	15.7%
2015	2,243	2.7%	269	5.4%	2,512	2.8%
2016	2,129	2.6%	26	0.5%	2,155	2.4%
2017	1,557	1.9%	627	12.6%	2,184	2.5%
2018	10,190	12.2%	803	16.1%	10,993	12.4%
2019	1,596	1.9%	123	2.5%	1,719	1.9%
Thereafter	50,512	60.5%	-	-	50,512	57.1%
Total	\$ 83,457	100.0%	\$ 4,991	100.0%	\$ 88,448	100.0%

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

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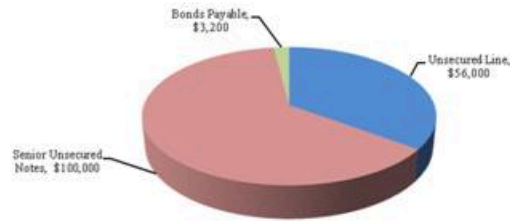
## Debt Maturity

(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	56,000	29,166	1,400	86,566
2016	-	16,667	-	16,667
2017	-	14,167	-	14,167
2018	-	14,167	-	14,167
Thereafter	-	21,666	-	21,666
<b>Total</b>	<b>\$ 56,000</b>	<b>\$ 100,000</b>	<b>\$ 3,200</b>	<b>\$ 159,200</b>

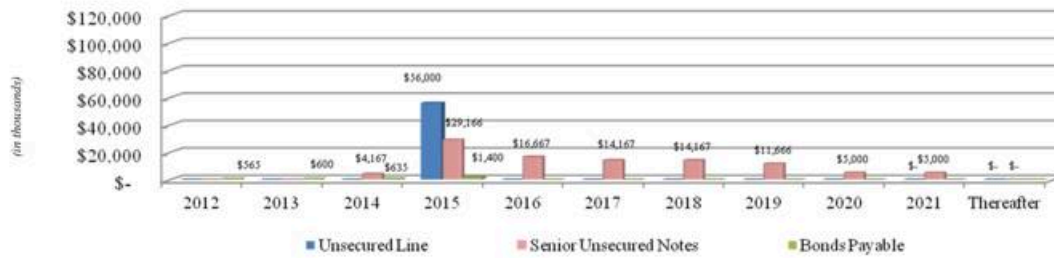
## Debt Structure

Amounts outstanding at December 31, 2011  
(in thousands)



(1) Reflects scheduled principal payments for amortizing of debt.

(2) Reflects amount outstanding at December 31, 2011. Subsequent to December 31, 2011, we borrowed \$4.0 million. As a result of this borrowing, we had \$60.0 million outstanding and \$150.0 million available for borrowing.



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## Financial Data Summary

(dollar amounts in thousands)

### Balance Sheet and Coverage Ratios

	For the Year Ended		
	12/31/09	12/31/10	12/31/11
Net Real Estate Assets	\$444,163	\$515,983	\$599,916
Total Assets	490,593	561,264	647,097
Total Debt	25,410	91,430	159,200
Total Liabilities	36,280	103,742	178,387
Preferred Stock	186,801	126,913	38,500
Total Equity	454,313	457,522	468,710
Debt to book capitalization ratio	5.3%	16.7%	25.4%
Debt & Preferred Stock to book capitalization ratio	44.2%	39.8%	31.5%
Debt to market capitalization ratio	3.0%	9.5%	14.0%
Debt & Preferred Stock to market capitalization ratio	25.1%	23.0%	17.4%
Debt to Normalized EBITDA	0.4x	1.4x	2.1x
Normalized interest coverage ratio	25.4x	24.5x	11.8x
Normalized fixed charges coverage ratio	3.5x	4.0x	6.4x

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## Financial Data Summary

(dollar amounts in thousands)

### Reconciliation of Normalized EBITDA and Fixed Charges

	For the Year Ended		
	12/31/09	12/31/10	12/31/11
Net income	\$ 44,360	\$ 46,053	\$ 49,443
Less: Gain on sale	-	(310)	-
Add: Interest expense	2,418	2,653	6,434
Add: Depreciation and amortization (including discontinued operations)	14,822	16,109	19,623
EBITDA	61,600	64,505	75,500
(Deduct)/Add back:			
Non-cash interest related to earn-out liability	-	-	464
Non-recurring one-time charge	(198)	467	-
<b>Normalized EBITDA</b>	<b>\$ 61,402</b>	<b>\$ 64,972</b>	<b>\$ 75,964</b>
<b>Interest expense</b>	<b>\$ 2,418</b>	<b>\$ 2,653</b>	<b>\$ 6,434</b>
Preferred stock dividend	15,141	13,662	5,512
<b>Fixed Charges</b>	<b>\$ 17,559</b>	<b>\$ 16,315</b>	<b>\$ 11,946</b>

### Non-Cash Rental Revenue Components

	4Q11	1Q12 <sup>(1)</sup>	2Q12 <sup>(1)</sup>	3Q12 <sup>(1)</sup>	4Q12 <sup>(1)</sup>
Straight-line rent	\$ 962	\$ 639	\$ 572	\$ 573	\$ 568
Amort of lease inducement	(165)	(165)	(165)	(165)	(165)
Net	\$ 797	\$ 474	\$ 407	\$ 408	\$ 403

(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.

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## Consolidated Statements of Income

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

	Three Months Ended December 31		Twelve Months Ended December 31	
	2011	2010	2011	2010
<b>Revenues</b>				
Rental income	\$ 20,504	\$ 16,996	\$ 77,643	\$ 64,351
Interest from mortgage loans	1,560	1,799	6,411	7,482
Interest and other income	234	1,025	1,106	1,863
Total revenues	22,298	19,820	85,160	73,696
<b>Expenses</b>				
Interest expense	1,993	981	6,434	2,653
Depreciation and amortization	5,141	4,098	19,515	15,717
Provisions (recovery) for doubtful accounts	2	380	(13)	1,409
Acquisition costs	168	253	393	370
Operating and other expenses	2,358	2,073	9,158	7,687
Total expenses	9,662	7,785	35,487	27,836
Income from continuing operations	12,636	12,035	49,673	45,860
Discontinued operations:				
Loss from discontinued operations	(32)	(54)	(230)	(117)
Gain on sale of assets, net	-	310	-	310
Net (loss) income from discontinued operations	(32)	256	(230)	193
Net income	12,604	12,291	49,443	46,053
Income allocated to non-controlling interests	(47)	(47)	(191)	(191)
Net income attributable to LTC Properties, Inc.	12,557	12,244	49,252	45,862
Income allocated to participating securities	(83)	(75)	(342)	(230)
Income allocated to preferred stockholders	(818)	(2,586)	(9,078)	(16,045)
<b>Net income available to common stockholders</b>	<b>\$ 11,656</b>	<b>\$ 9,583</b>	<b>\$ 39,832</b>	<b>\$ 29,587</b>
<b>Basic earnings per common share:</b>	<b>\$0.39</b>	<b>\$0.37</b>	<b>\$1.36</b>	<b>\$1.21</b>
<b>Diluted earnings per common share:</b>	<b>\$0.39</b>	<b>\$0.37</b>	<b>\$1.36</b>	<b>\$1.21</b>
<b>Weighted average shares used to calculate earnings per common share</b>				
Basic	30,141	26,090	29,194	24,495
Diluted	30,172	26,118	29,222	24,568

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## Consolidated Balance Sheets

(amounts in thousands)

ASSETS	December 31, 2011	December 31, 2010	LIABILITIES	December 31, 2011	December 31, 2010
	(continued)			(continued)	
Real estate investments:			Bank borrowings	\$ 56,000	\$ 37,700
Land	\$ 57,093	\$ 43,031	Senior unsecured notes	100,000	50,000
Buildings and improvements	662,300	567,017	Bonds payable	3,200	3,730
Accumulated depreciation and amortization	(177,583)	(158,204)	Accrued interest	1,356	675
Net operating real estate property	541,810	451,844	Earn-out liabilities	6,305	-
Properties held-for-sale, net of accumulated depreciation and amortization: 2011 - \$613; 2010 - \$505	5,025	5,113	Accrued expenses and other liabilities	11,400	9,737
Net real estate property	546,835	456,957	Accrued expenses and other liabilities related to properties held-for-sale	126	132
Mortgage loans receivable, net of allowance for doubtful accounts: 2011 - \$921; 2010 - \$981	53,081	59,026	Distributions payable	-	1,768
Real estate investments, net	599,916	515,983	Total liabilities	178,387	103,742
Other assets:			<b>EQUITY</b>		
Cash and cash equivalents	4,408	6,903	Preferred stock <sup>(1)</sup>	38,500	126,913
Debt issue costs, net	2,301	743	Common stock <sup>(2)</sup>	303	263
Interest receivable	1,494	1,571	Capital in excess of par value	507,343	398,599
Straight-line rent receivable, net of allowance for doubtful accounts: 2011 - \$680; 2010 - \$634	23,772	20,090	Cumulative net income	672,743	623,491
Prepaid expenses and other assets	7,852	8,162	Other	199	264
Other assets related to properties held-for-sale, net of allowance for doubtful accounts: 2011 - \$839; 2010 - \$839	52	51	Cumulative distributions	(752,340)	(693,970)
Notes receivable	817	1,283	Total LTC Properties, Inc. stockholders' equity	466,748	455,560
Marketable securities	6,485	6,478	Non-controlling interests	1,962	1,962
Total assets	\$ 647,097	\$ 561,264	Total equity	468,710	457,522
			Total liabilities and equity	\$ 647,097	\$ 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 - 30,346; 2010 - 26,345

### FINANCIAL

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## Funds from Operations

(dollar amounts in thousands, except per share amounts)

### FFO Reconciliation

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	2011	2010
Net income available to common stockholders	\$ 11,656	\$ 9,583	\$ 39,832	\$ 29,587
Add: Depreciation and amortization (continuing and discontinued operations)	5,141	4,162	19,623	16,109
Less: Gain on sale of assets, net	-	(310)	-	(310)
<b>FFO available to common stockholders</b>	<b>16,797</b>	<b>13,435</b>	<b>59,455</b>	<b>45,386</b>
Add: Preferred stock redemption charge	-	-	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	110	-	464	-
Add: Non-recurring one time items	-	(385)	-	467 <sup>(4)</sup>
<b>Normalized FFO available to common stockholders</b>	<b>16,907</b>	<b>13,050</b>	<b>63,957</b>	<b>48,236</b>
Less: Non-cash rental income	(797)	(840)	(3,065)	(3,155)
<b>Normalized adjusted FFO (AFFO)</b>	<b>16,110</b>	<b>12,210</b>	<b>60,892</b>	<b>45,081</b>
Add: Non-cash compensation charges	372	303	1,467	1,285
<b>Normalized funds available for distribution (FAD)</b>	<b>\$ 16,482</b>	<b>\$ 12,513</b>	<b>\$ 62,359</b>	<b>\$ 46,366</b>
Diluted FFO available to common stockholders per share	\$0.55	\$0.51	\$2.01	\$1.83
<b>Diluted normalized FFO available to common stockholders per share</b>	<b>\$0.55</b>	<b>\$0.49</b>	<b>\$2.15</b>	<b>\$1.94</b>
Diluted normalized AFFO per share	\$0.53	\$0.46	\$2.05	\$1.82
Diluted normalized FAD per share	\$0.54	\$0.47	\$2.10	\$1.87

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

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## Glossary

**Adjusted Funds From Operations ("AFFO"):** FFO excluding the effects of non-cash rental income.

**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 include personal supervision and assistance with eating, bathing, grooming and administering medication. The facilities provide a combination of housing, supportive services, personalized assistance and health care designed to respond to individual needs.

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

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

**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"):** FFO excluding the effects of non-cash rental income and non-cash compensation charges.

**Funds From Operations ("FFO"):** As defined by the National Association of Real Estate Investment Trusts ("NAREIT"), net income available to common stockholders (computed in accordance with U.S. GAAP) excluding gains or losses on the sale of real estate and impairment write-downs of depreciable real estate plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

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

**GAAP Rent:** Total rent we will receive as a fixed amount over the life of the lease and recognized 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.

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## GLOSSARY



## Glossary

**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 Asset is commonly referred to as Net Book Value ("NBV").

**Non-cash rental income:** Straight-line rental income and amortization of lease inducement.

**Non-cash compensation charges:** Vesting expense relating to stock options and restricted stock.

**Normalized AFFO:** FFO adjusted for non-recurring, infrequent or unusual items and excludes the non-cash rental income.

**Normalized FAD:** FFO adjusted for non-recurring, infrequent or unusual items and excludes the non-cash rental income and non-cash compensation charges.

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

**Occupancy:** The weighted average percentage of all beds and/or units that are occupied at a given time. The calculation uses the trailing twelve months and is based on licensed beds and/or units which may differ from the number of beds and/or units in service at any given time.

**Operator Financial Statements:** Property level operator financial statements 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).

**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.

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## GLOSSARY

**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 our portfolio of properties. We identify our 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 our same property portfolio.

**Schools:** An institution 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.

**Under Development Properties (“UDP”):** Development projects to construct senior living properties.