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

FORM 8-K

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

Date of report: **November 8, 2012**
(Date of earliest event reported)

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

Maryland	**1-11314**	**71-0720518**
(State or other jurisdiction of incorporation or organization)	(Commission file number)	(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):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. — Results of Operations and Financial Condition

On November 8, 2012, LTC Properties, Inc. announced the operating results for the three and nine months ended September 30, 2012. The press release referred to a supplemental information package that is available on LTC's website at 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 8, 2012.
99.2 LTC Properties, Inc. Supplemental Information Package for the period ending September 30, 2012.

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: November 8, 2012

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

Exhibit 99.1

FOR IMMEDIATE RELEASE

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

LTC ANNOUNCES ACQUISITION AND REPORTS THIRD QUARTER 2012 RESULTS

WESTLAKE VILLAGE, CALIFORNIA, November 8, 2012 — LTC Properties, Inc. (NYSE: LTC) ("LTC" or the "Company") announced that we acquired a vacant parcel of land in Kansas for $0.7 million in October 2012. Simultaneous with the purchase, the Company entered into a lease agreement and development commitment in an amount not to exceed $9.9 million to fund the construction of a 77-unit assisted living and memory care property. Rent under the lease will begin upon the earlier of project completion or the fifteenth month following the effective date of lease. Initial rent at the rate of 9.25% will be calculated based on the land purchase price and construction costs funded plus 9.0% compounded on each advance under the commitment from the disbursement date until the earlier of project completion or the improvement deadline. The lease has a 10-year initial term, two 5-year renewal options and annual escalations of 2.5%.

The Company also announced operating results for the quarter ended September 30, 2012. The Company reported a 6.5% increase in Funds from Operations ("FFO") to $17.5 million in the quarter ended September 30, 2012, from $16.4 million in the comparable 2011 period. FFO per diluted common share was $0.57 for the quarter ended September 30, 2012, an increase of 5.6% from $0.54 for the comparable 2011 period. Normalized FFO was $17.6 million in the third quarter of 2012 compared to $16.6 million in the third quarter of 2011. Normalized FFO per diluted common share was $0.57 for the third quarter of 2012 compared to $0.54 for the third quarter of 2011. The increase in normalized FFO and normalized FFO per diluted common share was due to higher revenues resulting from acquisitions partially offset by an increase in interest expense.

FFO for the nine months ended September 30, 2012 increased 22.4% to $52.2 million from $42.7 million in the comparable 2011 period. FFO per diluted common share for the nine months ended September 30, 2012 increased 15.8% to $1.69 from $1.46 in the comparable 2011 period. The Company reported an 11.0% increase in normalized FFO, which excludes a $0.3 million non-recurring bankruptcy settlement distribution from the Sunwest Management, Inc., to $52.2 million for the nine months ended September 30, 2012, from $47.1 million from the comparable 2011 period. Normalized FFO per diluted common share was $1.69 for the nine months ended September 30, 2012, an increase of 5.6% from $1.60 for the comparable 2011 period. Normalized FFO for the nine months ended September 30, 2011 excluded a $3.6 million charge and $0.5 million accrued dividend related to the Company's redemption of all of its 8.0% Series F Cumulative Preferred Stock ("Series F preferred stock"). The increase in FFO, normalized FFO, FFO per diluted common share and normalized FFO per diluted common share was due to higher revenues resulting from acquisitions partially offset by an increase in interest expense, acquisition costs and higher weighted average shares outstanding.

Net income available to common stockholders for the quarter ended September 30, 2012 was $11.6 million or $0.38 per diluted share. For the same period in 2011, net income available to common stockholders was $11.5 million or $0.38 per diluted share. Net income available to common stockholders for the nine months ended September 30, 2012 was $35.8 million or $1.18 per diluted share. For the same period in 2011, net income available to common stockholders was $28.2 million or $0.97 per diluted share which included a $3.6 million charge and $0.5 million accrued dividend related to the Company's redemption of all of its Series F preferred stock. The preferred stock redemption charge is combined with preferred stock dividends in the income statement line item "income allocated to preferred stockholders." The increases in net income available to common stockholders were due primarily to higher revenues from acquisitions and the effects of the Series F preferred stock redemption charge in 2011.

Conference Call Information
The Company will conduct a conference call on Friday, November 9, 2012, at 8:00 a.m. Pacific Time, in order to comment on the Company's performance and operating results for the quarter ended September 30, 2012. 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 9 through November 26, 2012. Callers can access the replay by dialing 877-344-7529 or 412-317-0088 and entering conference number 10020195. 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 in the "Presentations" section of the "Investor Information" tab.

About LTC
At September 30, 2012, LTC had investments in 89 skilled nursing properties, 102 assisted living properties, 14 other senior housing properties, two schools and two parcels 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.

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.

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

	Three Months Ended September 30	Nine Months Ended September 30

	2012	2011	2012	2011
Revenues:				
Rental income	$ 22,295	$ 19,620	$ 64,342	$ 57,139
Interest income from mortgage loans	1,398	1,582	4,361	4,851
Interest and other income	96	229	818	876
Total revenues	23,789	21,431	69,521	62,866
Expenses:				
Interest expense	2,988	1,794	7,025	4,441
Depreciation and amortization	5,925	4,949	16,461	14,407
Acquisition costs	205	60	387	225
Operating and other expenses	2,167	2,180	7,115	6,879
Total expenses	11,285	8,983	30,988	25,952
Income from continuing operations	12,504	12,448	38,533	36,914
Discontinued operations:				
Loss from discontinued operations	—	(25)	—	(75)
Gain on sale of assets, net	—	—	16	—
Net (loss) gain from discontinued operations	—	(25)	16	(75)
Net income	12,504	12,423	38,549	36,839
Income allocated to non-controlling interests	(9)	(48)	(30)	(144)
Net income attributable to LTC Properties, Inc.	12,495	12,375	38,519	36,695
Income allocated to participating securities	(94)	(85)	(279)	(259)
Income allocated to preferred stockholders	(818)	(818)	(2,454)	(8,260)
Net income available to common stockholders	$ 11,583	$ 11,472	$ 35,786	$ 28,176
Basic earnings per common share:				
Continuing operations	$ 0.38	$ 0.38	$ 1.18	$ 0.98
Discontinued operations	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Net income available to common stockholders	$ 0.38	$ 0.38	$ 1.18	$ 0.98
Diluted earnings per common share:				
Continuing operations	$ 0.38	$ 0.38	$ 1.18	$ 0.98
Discontinued operations	$ 0.00	$ 0.00	$ 0.00	$ (0.01)
Net income available to common stockholders	$ 0.38	$ 0.38	$ 1.18	$ 0.97
Weighted average shares used to calculate earnings per common share:				
Basic	30,253	30,137	30,219	28,874
Diluted	30,293	30,156	30,263	28,902

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.

<u>Supplemental Reporting Measures</u>

FFO, adjusted FFO (“AFFO”), and 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 AFFO adjusted for certain items detailed in the reconciliations.

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 FAD adjusted for certain items detailed in the reconciliations.

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.

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 September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Net income available to common stockholders	$ 11,583	$ 11,472	$ 35,786	$ 28,176
Add: Depreciation and amortization (continuing and discontinued operations)	5,925	4,974	16,461	14,482
Less: Gain on sale of real estate, net	—	—	(16)	—
FFO available to common stockholders	17,508	16,446	52,231	42,658
Add: Preferred stock redemption charge	—	—	—	3,566(1)
Add: Preferred stock redemption dividend	—	—	—	472(2)
Add: Non-cash interest related to earn-out liabilities	110	177	330	354
Less: Non-recurring one-time items	—	—	(347)(3)	—
Normalized FFO available to common stockholders	17,618	16,623	52,214	47,050
Less: Non-cash rental income	(701)	(912)	(1,704)	(2,268)
Normalized adjusted FFO (AFFO)	16,917	15,711	50,510	44,782
Add: Non-cash compensation charges	445	374	1,355	1,095
Normalized funds available for distribution (FAD)	$ 17,362	$ 16,085	$ 51,865	$ 45,877

(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 revenue from the Sunwest bankruptcy settlement distribution.

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Basic FFO available to common stockholders per share	$ 0.58	$ 0.55	$ 1.73	$ 1.48
Diluted FFO available to common stockholders per share	$ 0.57	$ 0.54	$ 1.69	$ 1.46
Diluted FFO available to common stockholders	$ 18,429	$ 17,397	$ 54,994	$ 45,515
Weighted average shares used to calculate diluted FFO per share available to common stockholders	32,521	32,473	32,494	31,221
Basic normalized FFO available to common stockholders per share	$ 0.58	$ 0.55	$ 1.73	$ 1.63
Diluted normalized FFO available to common stockholders per share	$ 0.57	$ 0.54	$ 1.69	$ 1.60
Diluted normalized FFO available to common stockholders	$ 18,539	$ 17,574	$ 54,977	$ 49,907
Weighted average shares used to calculate diluted normalized FFO per share available to common stockholders	32,521	32,473	32,494	31,221
Basic normalized AFFO per share	$ 0.56	$ 0.52	$ 1.67	$ 1.55
Diluted normalized AFFO per share	$ 0.55	$ 0.51	$ 1.64	$ 1.53
Diluted normalized AFFO	$ 17,838	$ 16,662	$ 53,273	$ 47,639
Weighted average shares used to calculate diluted normalized AFFO per share	32,521	32,473	32,494	31,221
Basic normalized FAD per share	$ 0.57	$ 0.53	$ 1.72	$ 1.59
Diluted normalized FAD per share	$ 0.56	$ 0.52	$ 1.68	$ 1.56
Diluted normalized FAD	$ 18,283	$ 17,036	$ 54,628	$ 48,734
Weighted average shares used to calculate diluted normalized FAD per share	32,521	32,473	32,494	31,221

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

	September 30, 2012 (unaudited)	December 31, 2011 (audited)
ASSETS		

Real estate investments:		
Land	$ 63,121	$ 57,392
Buildings and improvements	742,638	664,758
Accumulated depreciation and amortization	(192,895)	(176,546)
Net operating real estate property	612,864	545,604
Properties held-for-sale, net of accumulated depreciation and amortization: 2012 — $0; 2011 — $1,650	—	1,231
Net real estate property	612,864	546,835
Mortgage loans receivable, net of allowance for doubtful accounts: 2012 — $873; 2011 — $921	48,268	53,081
Real estate investments, net	661,132	599,916
Other assets:		
Cash and cash equivalents	8,274	4,408
Debt issue costs, net	3,218	2,301
Interest receivable	1,035	1,494
Straight-line rent receivable, net of allowance for doubtful accounts: 2012 — $1,545; 2011 — $1,519	25,945	23,772
Prepaid expenses and other assets	7,222	7,904
Notes receivable	3,007	817
Marketable securities	—	6,485
Total assets	$ 709,833	$ 647,097
LIABILITIES		
Bank borrowings	$ 35,500	$ 56,000
Senior unsecured notes	185,800	100,000
Bonds payable	2,635	3,200
Accrued interest	2,320	1,356
Earn-out liabilities	6,634	6,305
Accrued expenses and other liabilities	12,054	11,440
Accrued expenses and other liabilities related to properties held-for-sale	—	86
Total liabilities	244,943	178,387
EQUITY		
Stockholders' equity:		
Preferred stock $0.01 par value; 15,000 shares authorized; shares issued and outstanding: 2012 — 2,000; 2011 — 2,000	38,500	38,500
Common stock: $0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2012 — 30,498; 2011 — 30,346	305	303
Capital in excess of par value	509,431	507,343
Cumulative net income	711,262	672,743
Other	160	199
Cumulative distributions	(795,117)	(752,340)
Total LTC Properties, Inc. stockholders' equity	464,541	466,748
Non-controlling interests	349	1,962
Total equity	464,890	468,710
Total liabilities and equity	$ 709,833	$ 647,097

Exhibit 99.2

Supplemental Operating and Financial Data
September 30, 2012
(Unaudited)

Cincinnati, OH
144 licensed beds

Table of Contents

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.

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
Executive 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
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(805) 981-8655

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(805) 981-8663 fax

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** Mike Carroll	**Sandler O'Neill + Partners, L.P.** James Milam
Sidoti & Company, LLC Peter Sicher	**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.

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 21, 24, and 25 of this supplemental information, and additional information is available under the "Non-GAAP Financial Measures" subsection under the "Selected Financial Data" section of our website at www.LTCProperties.com.

Acquisitions and Developments

(dollar amounts in thousands)

ACQUISITIONS

DATE	# OF PROPERTIES	PROPERTY TYPE	# BEDS/UNITS	LOCATION	OPERATOR	DATE OF CONSTRUCTION	PURCHASE PRICE	ANNUAL GAAP REVENUE	GAAP Lease Yield
2/28/11	2	OTHER	118 beds/93 units	SC	Prestige Healthcare	1965-2001	$ 11,450	$ 1,158	10.1%
3/9/11	4	SNF	524 beds	TX	Meridian Senior Properties	2007-2008	45,000 (1)	4,722	10.5% (1)
8/1/11	1	SNF	140 beds	TX	Senior Care Centers	2008	10,000	1,058	10.5%
10/11/11	1	SNF	196 beds	TX	Fundamental	2005	15,500	1,881	11.0% (2)
10/11/11	1	UDP (3)	120 beds	TX	Under Development Property	2012-2013 (3)	844	-	- (3)
11/1/11	1	SNF	156 beds	CA	Traditions Management	1990	17,500	1,814	10.3%
Total 2011	10		1,254 beds/93 units				100,294		
3/23/12	1	SNF	144 beds	TX	Senior Care Centers	2002	18,600	$ 1,988	10.7%
5/14/12	1	UDP (4)	60 units	CO	Under Development Property	2012-2013 (4)	1,882	-	- (4)
7/2/12	1	SNF	90 beds	TX	Senior Care Centers	2011	6,500	701	10.7%
7/31/12	2	SNF	288 beds	OH	Carespring Health Care Mgt	2009-2010	54,000	5,426	10.1%
10/23/12	1	UDP (6)	77 units	KS	Under Development Property	2012-2013 (6)	730	-	- (6)
Total 2012	6		522 beds/137 units				81,712		
Total	16		1,776 beds/230 units				$ 182,006		

DEVELOPMENT, RE-DEVELOPMENT, AND EXPANSIONS

CATEGORY	LOCATION	PROPERTY TYPE	# BEDS/UNITS	INCREMENTAL CASH LEASE YIELD	ESTIMATED COMPLETION DATE	TOTAL COMMITMENT	FUNDED AS OF SEPTEMBER 30, 2012	REMAINING COMMITMENT
Re-development	Amarillo, TX	SNF	120 beds	9.00% (3)	April 2013	$ 8,250	$ 492	$ 7,758
Development	Littleton, CO	Memory Care	60 units	9.25% (4)	December 2013	7,935	1,438	6,497
Expansion/Renovation	Arvada, CO	ALF/Memory Care	23 units	7.75% (5)	December 2013	6,600	-	6,600
Expansion/Renovation	Ft. Collins, CO	ALF/Memory Care	41 units	7.75% (5)	December 2013	8,000	-	8,000
Development	Wichita, KS	ALF/Memory Care	77 units	9.25% (6)	January 2014	9,855	- (6)	9,855
Total			120 beds/ 201 units			$ 40,640	$ 1,930	$ 38,710

(1) 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.
(2) This property was added to a master lease. The GAAP yield represents the yield on the master lease and includes $8,250 construction funding as noted in (3) below.
(3) 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 we own. This property is in a master lease. The incremental cash lease yield excludes other properties in the master lease. The cash yield including the other properties is 9.6%
(4) Acquired a vacant parcel of land in Colorado and entered into a commitment to fund the construction of a 60-unit free-standing private-pay memory care property.
(5) Additional rent for the renovation projects will be the greater of 580 basis points over the 10-year treasury note or 7.75%.
(6) Acquired a vacant parcel of land in Kansas and entered into a commitment to fund the construction of a 77-unit assisted living and memory care property. In October 2012, we funded $492 under this commitment.

Acquisitions and Developments

Development in Littleton, CO
60-unit memory care property

Acquisitions and Developments

Re-development in Amarillo, TX
120-bed skilled nursing property

Real Estate Portfolio Summary

(dollar amounts in thousands)

Real Estate Portfolio Snapshot

			Trailing Twelve Months as of September 30, 2012							
Type of Property	Gross Investments	% of Investments	Rental Income	Interest Income	% of Revenues	# of Properties	SNF Beds	ALF Units	ILF Units	Investment per Bed/Unit
Skilled Nursing	$ 461,915	54.0%	$ 42,338	$ 3,018	50.0%	89	10,397	-	-	$44.43
Assisted Living	308,419	36.1%	33,141	2,553	39.3%	102	-	4,365	-	$70.66
Other Senior Housing	67,627	7.9%	7,822	350	9.0%	14	913	330	423	$40.59
Schools	12,268	1.4%	1,545	-	1.7%	2	-	-	-	
Under Development	4,671	0.6%	-	-	-	-	-	-	-	
Total	$ 854,900	100.0%	$ 84,846	$5,921	100.0%	207	11,310	4,695	423	

Dayton, OH
144 licensed beds

Real Estate Portfolio Metrics

"Same Property Portfolio" Statistics [1]

Owned Properties	Occupancy 2Q12	Occupancy 1Q12	EBITDAR Coverage 2Q12	EBITDAR Coverage 1Q12	EBITDARM Coverage 2Q12	EBITDARM Coverage 1Q12
Assisted Living [2]	78.0%	78.1%	1.37	1.39	1.59	1.61
Assisted Living [3]	88.0%	88.2%	1.44	1.45	1.70	1.71
Skilled Nursing	78.5%	78.6%	1.83	1.87	2.52	2.53
Other Senior Housing	86.3%	86.7%	1.29	1.34	1.70	1.76

(1) Information is for the trailing twelve months through June 30, 2012 and March 31, 2012 and is from 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)

"Same Property Portfolio" Quality Mix

Owned Properties Payor Source [1]	For the Six Months Ended June 30, 2012
Private Pay	59.6%
Medicare	13.8%
Medicaid	26.6%

(1) Quality mix for our skilled nursing portfolio, for the period presented, is 24.9% Private Pay, 25.3% Medicare, and 49.8% Medicaid.

Real Estate Portfolio Metrics

Historical Portfolio Snapshot [1]

The Centers for Medicare & Medicaid Services (or CMS) annually updates Medicare skilled nursing facility prospective payment system rates and other policies. In 4Q2010 CMS implemented the Resource Utilization Groups, version four (or RUG-IV) patient classification system. Although the implementation of RUG-IV was intended to be budget-neutral, according to CMS, this change in case-mix classification methodology resulted in a significant increase in Medicare expenditures, in part because the proportion of patients grouped in the highest-paying RUG therapy categories greatly exceeded CMS expectations. In July 2011, CMS issued its final rule updating skilled nursing facility rates for fiscal year 2012, which began in 4Q2011. The final rule included a recalibration of the case-mix indexes that form RUG-IV and reduced average aggregate Medicare reimbursement to skilled nursing facilities by 11.1%. The following table represents a snapshot of our historical portfolio of stabilized skilled nursing properties in 3Q2010 (prior to the implementation of RUG-IV) through 2Q2012 on a same property basis to illustrate the trend in the lease coverage as RUG-IV is implemented (4Q2010) and Medicare rates were subsequently cut (4Q2011).

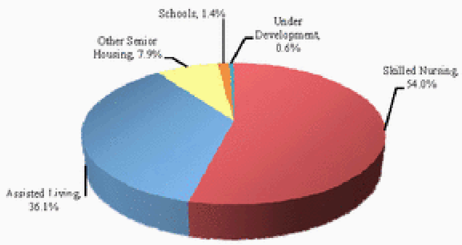
RUG-IV	Period [2]	EBITDAR Coverage	EBITDARM Coverage
1Q RUG-IV	2Q2012	1.96	2.71
2Q RUG-IV	1Q2012	2.01	2.76
3Q RUG-IV	4Q2011	2.16	2.93
4Q RUG-IV	3Q2011	2.27	3.04
3Q RUG-IV	2Q2011	2.20	2.98
2Q RUG-IV	1Q2011	2.16	2.94
1Q RUG-IV	4Q2010	2.02	2.79
No RUG-IV	3Q2010	1.89	2.64

(1) Data from property level operator financial statements which are unaudited and have not been independently verified by us.
(2) Coverage is based on the trailing twelve months for each period presented.

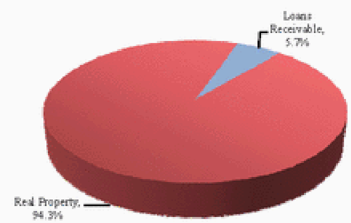
Real Estate Portfolio Diversification

Property and Asset Type Diversification - Owned and Loan Portfolio

Gross Investment By Property Type



Gross Investment By Asset Type



Property Type	# of Properties	Gross Investment	%	Trailing Twelve Months as of September 30, 2012 Revenue	%
Skilled Nursing	89	$ 461,915	54.0%	$ 45,356	50.0%
Assisted Living	102	308,419	36.1%	35,694	39.3%
Other Senior Housing	14	67,627	7.9%	8,172	9.0%
Schools	2	12,268	1.4%	1,545	1.7%
Under Development	-	4,671	0.6%	-	-
Total	207	$ 854,900	100.0%	$ 90,767	100.0%

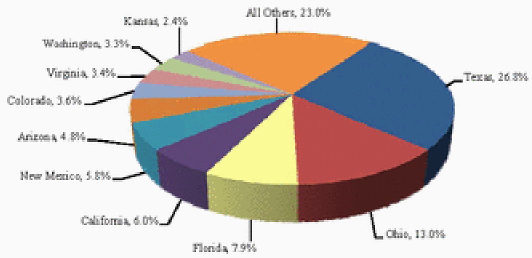
Asset Type	Gross Investment	%
Real Property	$ 805,759	94.3%
Loans Receivable	49,141	5.7%
Total	$ 854,900	100.0%

Real Estate Portfolio Diversification

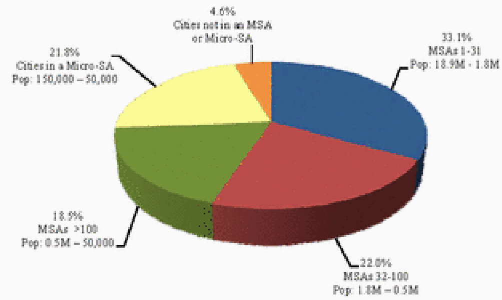
(dollar amounts in thousands)

State Diversification By Property Type - Owned and Loan Portfolio

Gross Investment By State



Gross Owned Portfolio By MSA[1]



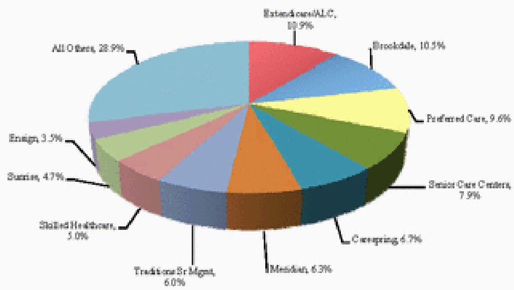
State [2]	# of Props	SNF	%	ALF	%	Other	%	School	%	UDP [3]	%	Gross Investment	%
Texas	55	$ 186,933	40.5%	$ 32,155	10.4%	$ 8,632	12.8%	$ -	-	$ 1,342	28.7%	$ 229,062	26.8%
Ohio	19	66,157	14.3%	44,647	14.5%	-	-	-	-	-	-	110,804	13.0%
Florida	17	17,800	3.9%	36,610	11.9%	13,420	19.8%	-	-	-	-	67,830	7.9%
California	5	20,649	4.5%	28,071	9.1%	2,923	4.3%	-	-	-	-	51,643	6.0%
New Mexico	7	49,368	10.7%	-	-	-	-	-	-	-	-	49,368	5.8%
Arizona	7	36,092	7.8%	5,120	1.7%	-	-	-	-	-	-	41,212	4.8%
Colorado	10	7,407	1.6%	18,402	6.0%	2,007	3.0%	-	-	3,329	71.3%	31,145	3.6%
Virginia	4	15,713	3.4%	-	-	13,339	19.7%	-	-	-	-	29,052	3.4%
Washington	10	8,775	1.9%	19,080	6.2%	-	-	-	-	-	-	27,855	3.3%
Kansas	7	14,111	3.1%	6,733	2.2%	-	-	-	-	-	-	20,844	2.4%
All Others	66	38,910	8.3%	117,601	38.0%	27,306	40.4%	12,268	100.0%	-	-	196,085	23.0%
Total	207	$ 461,915	100.0%	$ 308,419	100.0%	$ 67,627	100.0%	$ 12,268	100.0%	$ 4,671	100.0%	$ 854,900	100.0%

(1) Metropolitan Statistical Area (MSA) population is based on 2010 Census.
(2) Due to master leases with properties in multiple states, revenue by state is not available.
(3) Properties under development.

Real Estate Portfolio Diversification

Operator Diversification - Owned Portfolio

Gross Investment By Operator



Operator	# of Properties	Gross Investment	%	Annualized GAAP Rent	%
Extendicare Inc. and Assisted Living Concepts, Inc.	37	$ 88,034	10.9%	$ 10,963	12.0%
Brookdale Senior Living Communities, Inc.	35	84,210	10.5%	10,734	11.7%
Preferred Care	25	77,206	9.6%	10,588	11.5%
Senior Care Centers, LLC	5	63,698	7.9%	6,748	7.4%
Carespring Health Care Mgt, LLC	2	54,000	6.7%	5,431	5.9%
Meridian Senior Properties Fund II, LP	4	50,841	6.3%	4,742	5.2%
Traditions Senior Management, Inc.	4	48,500	6.0%	5,243	5.7%
Skilled Healthcare Group, Inc.	5	40,270	5.0%	4,501	4.9%
Sunrise Senior Living	6	37,659	4.7%	4,614	5.0%
Ensign Group, Inc.	3	28,496	3.5%	1,596	1.7%
All Others	48	232,845	28.9%	26,526	29.0%
Total	174	$ 805,759	100.0%	$ 91,686	100.0%

Top Ten Operators – Owned Portfolio

Extendicare Inc. and Assisted Living Concepts, Inc. operate 37 of our assisted living properties in 10 states with a gross investment balance of $88.0 million as of September 30, 2012. Extendicare Inc. (TSX: EXE) operates 243 senior care centers in North America with the ability to serve approximately 26,700 residents. EXE 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. Assisted Living Concepts, Inc. (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.

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 September 30, 2012, 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 87 facilities comprised of skilled nursing, assisted living, and independent living facilities, as well as 5 specialty care facilities, in 11 states. As of September 30, 2012, the LTC portfolio consisted of 23 skilled nursing and 2 other senior housing properties in 6 states with a gross investment balance of $77.2 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.

Senior Care Centers, LLC (Privately held) provides skilled nursing care, Alzheimer's care, assisted living, and independent living services in 35 facilities exclusively in Texas. As of September 30, 2012, the LTC portfolio consisted of 5 skilled nursing properties in 1 state with a gross investment balance of $63.7 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.

Carespring Health Care Mgmt, LLC (Privately held) provides skilled nursing, assisted living, and independent living services, and other rehabilitative and healthcare services at 12 facilities in 2 states. As of September 30, 2012, the LTC portfolio consisted of 2 skilled nursing properties in 1 state with a gross investment balance of $54.0 million.

Meridian Realty Advisors, LP through its affiliates including Meridian Senior Properties Fund II, LP (Privately held) acquires, develops and operates independent living, assisted living/memory care and skilled nursing facilities and currently owns or leases 10 skilled nursing facilities and one assisted living facility, all located in Texas. Meridian, through its affiliated entities, is currently developing four new assisted living/memory care facilities to be managed by a non-affiliated, third-party operating company and one new skilled nursing facility that will be operated by Meridian. As of September 30, 2012, the LTC portfolio consisted of 4 skilled nursing properties in 1 state with a gross investment balance of $50.8 million.

Traditions Senior Management, Inc. (Privately held) operates 9 facilities in 4 states and Management Affiliates (Privately held) operates 15 facilities in 5 states consisting of independent living, assisted living, and skilled nursing. As of September 30, 2012, 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

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 22 assisted living facilities. As of September 30, 2012, 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 307 communities in the United States, Canada and the United Kingdom, with a total capacity of approximately 29,800 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, 2012, 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 107 facilities in 11 states. As of September 30, 2012, the LTC portfolio consisted of 3 skilled nursing properties in 1 state with a gross investment balance of $28.5 million.

Assisted Living Concepts, Inc. (NYSE: ALC)

Co-lessee	Extendicare Inc. (TSX: EXE)
Total # of Properties	37 properties
Total # of Units	1,427 units
Lease Expiration	December 31, 2014
Renewal Options	Three (3) periods of ten (10) years each
Current Lease Coverage (1)	1.2x EBITDAR
% of Portfolio Rent	12% of Annualized GAAP Rent

Master Lease I		
States	**# of Properties**	**# of Units**
Idaho	4	148
Iowa	1	35
New Jersey	1	39
Ohio	5	191
Texas	7	277
Total	18	690

Master Lease II		
States	**# of Properties**	**# of Units**
Arizona	2	76
Indiana	2	78
Nebraska	4	156
Oregon	3	119
Washington	8	308
Total	19	737

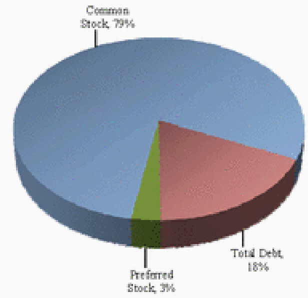
Photos of our properties leased to ALC/Extendicare are available on the Company's website at www.LTCProperties.com in the "ALC/EXE Properties" subsection under the "Property Photos" section of the "Properties" tab.

(1) Trailing Twelve Months Ended June 30, 2012

Market Capitalization

(In thousands, except per share amounts and number of shares)	No. of shares	Closing Price	At September 30, 2012	Capitalization
Debt				
Bank borrowings - LIBOR + 125 bps			$ 35,500	
Senior unsecured notes -weighted average rate 5.17% (1)			185,800	
Bonds payable - weighted average rate 2.21% (2)			2,635	
Total debt			223,935	18%
Equity				
Preferred stock -Series C (3)			38,500	3%
Common stock (4)	30,498,068	$ 31.85 (5)	971,363	79%
Non-controlling interest			349	0%
Total equity			1,010,212	82%
Market Capitalization			$ 1,234,147	100%
Debt to Market Cap			18.1%	
Debt & Preferred to Market Cap			21.3%	

Capitalization



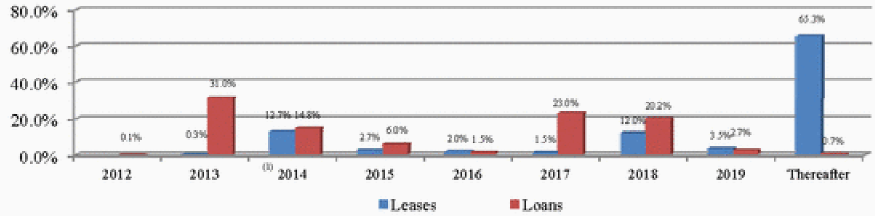
(1) Includes amortization of debt issue cost.
(2) Includes letter of credit fees.
(3) Non-traded shares. Two million shares outstanding with a face rate of 8.5% and a liquidation value of $19.25 per share, convertible into common stock on a one-for-one basis. Our Series C preferred stock is not redeemable by us.
(4) Traded on NYSE.
(5) Closing price of our common stock as reported by the NYSE on September 28, 2012, the last trading of third quarter 2012.

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 80% of the portfolio has lease expirations after 2017. Over 23% of outstanding mortgage loans mature after 2017.

Rental Revenue and Interest Income Maturity

Year	Annualized GAAP Rental Income	% of Total	Interest Income [2]	% of Total	Total Rental & Interest Income	% of Total
2012	$ -	0.0%	$ 19	0.4%	$ 19	0.0%
2013	453	0.5%	1,844 [1]	40.4%	2,297	2.4%
2014	12,951	14.1%	849	18.6%	13,800	14.3%
2015	2,539	2.8%	269	5.9%	2,808	2.9%
2016	2,129	2.3%	26	0.6%	2,155	2.2%
2017	1,615	1.8%	627	13.8%	2,242	2.3%
2018	11,262	12.3%	803	17.6%	12,065	12.5%
2019	1,596	1.7%	123	2.7%	1,719	1.9%
Thereafter	59,141	64.5%	-	-	59,141	61.5%
Total	$ 91,686	100.0%	$ 4,560	100.0%	$ 96,246	100.0%

(1) We received a notice of prepayment from a borrower who holds seven mortgage loans secured by seven assisted living properties with a weighted average interest rate of 12.1%. We expect to receive a total of $15.2 million plus accrued interest on or about November 24, 2012 related to this payoff.

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

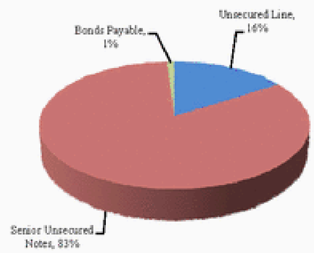
Debt Maturity

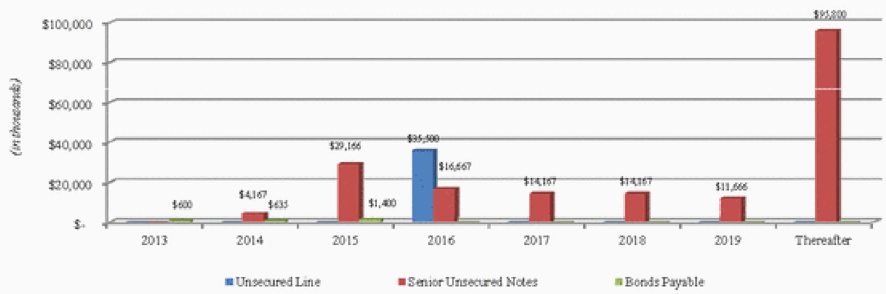
(in thousands)

Year	Unsecured Line of Credit[(1)]	Senior Unsecured Notes [(2)]	Bonds Payable [(2)]	Total
2013	$ -	$ -	$ 600	$ 600
2014	-	4,167	635	4,802
2015	-	29,166	1,400	30,566
2016	35,500	16,667	-	52,167
2017	-	14,167	-	14,167
2018	-	14,167	-	14,167
2019	-	11,666	-	11,666
Thereafter	-	95,800	-	95,800
Total	$ 35,500	$ 185,800	$ 2,635	$ 223,935

(1) Subsequent to September 30, 2012, we repaid $6.0 million under our Unsecured Credit Agreement.
(2) Reflects annualized contract rate of interest for loans, net of collectability reserves, if applicable.

Debt Structure





Financial Data Summary

(dollar amounts in thousands)

Balance Sheet and Coverage Ratios

	Trailing twelve months ended			
	12/31/09	12/31/10	12/31/11	9/30/12
Net real estate assets	$444,163	$515,983	$599,916	$661,132
Total assets	490,593	561,264	647,097	709,833
Total debt	25,410	91,430	159,200	223,935
Total liabilities	36,280	103,742	178,387	244,943
Preferred stock	186,801	126,913	38,500	38,500
Total equity	454,313	457,522	468,710	464,890
Debt to gross asset value ratio [1]	4.0%	12.7%	19.3%	24.8%
Debt & preferred stock to gross asset value ratio [1]	33.4%	30.3%	24.0%	29.1%
Debt to market capitalization ratio	3.0%	9.5%	14.0%	18.1%
Debt & preferred stock to market capitalization ratio	25.1%	23.0%	17.4%	21.3%
Debt to normalized EBITDA	0.4x	1.4x	2.1x	2.8x
Normalized interest coverage ratio	25.4x	24.5x	11.7x	9.0x
Normalized fixed charge coverage ratio	3.5x	4.0x	6.3x	6.6x

(1) Gross asset value represents undepreciated book value.

Financial Data Summary

(dollar amounts in thousands)

Reconciliation of Normalized EBITDA and Fixed Charges

	Trailing twelve months ended			
	12/31/09	12/31/10	12/31/11	9/30/12
Net income	$ 44,360	$ 46,053	$ 49,443	$ 51,153
Less: Gain on sale	-	(310)	-	(16)
Add: Interest expense	2,418	2,653	6,434	9,018
Add: Depreciation and amortization (including discontinued operations)	14,822	16,109	19,623	21,602
Adjusted EBITDA	61,600	64,505	75,500	81,757
(Deduct)/Add back:				
Non-recurring one-time items	(198)	467	-	(347)
Normalized EBITDA	**$ 61,402**	**$ 64,972**	**$ 75,500**	**$ 81,410**
Interest expense	**$ 2,418**	**$ 2,653**	**$ 6,434**	**$ 9,018**
Preferred stock dividend	15,141	13,662	5,512	3,272
Fixed Charges	**$ 17,559**	**$ 16,315**	**$ 11,946**	**$ 12,290**

Non-Cash Rental Revenue Components

	3Q12 (1)	4Q12 (1)	1Q13 (1)	2Q13 (1)	3Q13 (1)
Straight-line rent	$ 866	$ 917	$ 712	$ 638	$ 547
Amort of lease inducement	(165)	(165)	(165)	(165)	(165)
Net	$ 701	$ 752	$ 547	$ 473	$ 382

(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.

Consolidated Statements of Income

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

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Revenues				
Rental income	$ 22,295	$ 19,620	$ 64,342	$ 57,139
Interest from mortgage loans	1,398	1,582	4,361	4,851
Interest and other income	96	229	818	876
Total revenues	23,789	21,431	69,521	62,866
Expenses				
Interest expense	2,988	1,794	7,025	4,441
Depreciation and amortization	5,925	4,949	16,461	14,407
Acquisition costs	205	60	387	225
Operating and other expenses	2,167	2,180	7,115	6,879
Total expenses	11,285	8,983	30,988	25,952
Income from continuing operations	12,504	12,448	38,533	36,914
Discontinued operations:				
Loss from discontinued operations	-	(25)	-	(75)
Gain on sale of assets, net	-	-	16	-
Net loss from discontinued operations	-	(25)	16	(75)
Net income	12,504	12,423	38,549	36,839
Income allocated to non-controlling interests	(9)	(48)	(30)	(144)
Net income attributable to LTC Properties, Inc.	12,495	12,375	38,519	36,695
Income allocated to participating securities	(94)	(85)	(279)	(259)
Income allocated to preferred stockholders	(818)	(818)	(2,454)	(8,260)
Net income available to common stockholders	**$ 11,583**	**$ 11,472**	**$ 35,786**	**$ 28,176**
Basic earnings per common share:	**$0.38**	**$0.38**	**$1.18**	**$0.98**
Diluted earnings per common share:	**$0.38**	**$0.38**	**$1.18**	**$0.97**
Weighted average shares used to calculate earnings per common share				
Basic	30,253	30,137	30,219	28,874
Diluted	30,293	30,156	30,263	28,902

Consolidated Balance Sheets

(amounts in thousands)

	September 30, 2012 (unaudited)	December 31, 2011
ASSETS		
Real estate investments:		
Land	$ 63,121	$ 57,392
Buildings and improvements	742,638	664,758
Accumulated depreciation and amortization	(192,895)	(176,546)
Net operating real estate property	612,864	545,604
Properties held-for-sale, net of accumulated depreciation and amortization: 2012 - $0; 2011 - $1,650	-	1,231
Net real estate property	612,864	546,835
Mortgage loans receivable, net of allowance for doubtful accounts: 2012 - $873; 2011 - $921	48,268	53,081
Real estate investments, net	661,132	599,916
Other assets:		
Cash and cash equivalents	8,274	4,408
Debt issue costs, net	3,218	2,301
Interest receivable	1,035	1,494
Straight-line rent receivable, net of allowance for doubtful accounts: 2012 - $1,545; 2011 - $1,519	25,945	23,772
Prepaid expenses and other assets	7,222	7,904
Notes receivable	3,007	817
Marketable securities	-	6,485
Total assets	**$ 709,833**	**$ 647,097**

	September 30, 2012 (unaudited)	December 31, 2011
LIABILITIES		
Bank borrowings	$ 35,500	$ 56,000
Senior unsecured notes	185,800	100,000
Bonds payable	2,635	3,200
Accrued interest	2,320	1,356
Earn-out liabilities	6,634	6,305
Accrued expenses and other liabilities	12,054	11,440
Accrued expenses and other liabilities related to properties held-for-sale	-	86
Total liabilities	244,943	178,387
EQUITY		
Preferred stock (1)	38,500	38,500
Common stock (2)	305	303
Capital in excess of par value	509,431	507,343
Cumulative net income	711,262	672,743
Other	160	199
Cumulative distributions	(795,117)	(752,340)
Total LTC stockholders' equity	464,541	466,748
Non-controlling interests	349	1,962
Total equity	464,890	468,710
Total liabilities and equity	**$ 709,833**	**$ 647,097**

(1) Preferred stock $0.01 par value; 15,000 shares authorized; shares issued and outstanding: 2012 - 2,000; 2011 - 2,000

(2) Common stock $0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2012 - 30,498; 2011 - 30,346

Funds from Operations

(dollar amounts in thousands, except per share amounts)

Normalized FFO, AFFO, and FAD Reconciliation

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Net income available to common stockholders	$ 11,583	$ 11,472	$ 35,786	$ 28,176
Add: Depreciation and amortization (continuing and discontinued operations)	5,925	4,974	16,461	14,482
Less: Gain on sale of real estate, net	-	-	(16)	-
FFO available to common stockholders	17,508	16,446	52,231	42,658
Add: Preferred stock redemption charge	-	-	-	3,566 (1)
Add: Preferred stock redemption dividend	-	-	-	472 (2)
Add: Non-cash interest related to earn-out liabilities	110	177	330	354
Add: Non-recurring one time items	-	-	(347) (3)	-
Normalized FFO available to common stockholders	**17,618**	**16,623**	**52,214**	**47,050**
Less: Non-cash rental income	(701)	(912)	(1,704)	(2,268)
Normalized adjusted FFO (AFFO)	16,917	15,711	50,510	44,782
Add: Non-cash compensation charges	445	374	1,355	1,095
Normalized funds available for distribution (FAD)	$ 17,362	$ 16,085	$ 51,865	$ 45,877
Diluted FFO available to common stockholders per share	$0.57	$0.54	$1.69	$1.46
Diluted normalized FFO available to common stockholders per share	**$0.57**	**$0.54**	**$1.69**	**$1.60**
Diluted normalized AFFO per share	$0.55	$0.51	$1.64	$1.53
Diluted normalized FAD per share	$0.56	$0.52	$1.68	$1.56

(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) Respresents revenue from the Sunwest bankruptcy settlement distribution.

Funds from Operations

(dollar amounts in thousands, except per share amounts)

Normalized FFO Per Share Reconciliation

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Normalized FFO available to common stockholders	$ 17,618	$ 16,623	$ 52,214	$ 47,050
Effect of dilutive securities:				
Participating securities	94	85	279	259
Convertible preferred securities	818	818	2,454	2,454
Convertible non-controlling interests	9	48	30	144
Normalized diluted FFO available to common stockholders	**$ 18,539**	**$ 17,574**	**$ 54,977**	**$ 49,907**
Shares for basic FFO per share	30,253	30,137	30,219	28,874
Effect of dilutive securities:				
Stock options	40	19	44	28
Participating securities	208	204	208	206
Convertible preferred securities	2,000	2,000	2,000	2,000
Convertible non-controlling interests	20	113	23	113
Shares for diluted FFO per share	**32,521**	**32,473**	**32,494**	**31,221**
Basic normalized FFO per share	**$0.58**	**$0.55**	**$1.73**	**$1.63**
Diluted normalized FFO per share	**$0.57**	**$0.54**	**$1.69**	**$1.60**

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 Asset Value: Represents undepreciated book value.

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.

Glossary

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.

Metropolitan Statistical Areas (MSA) is a geographic entity defined by the Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. The term "Core Based Statistical Area" (CBSA) is a collective term for both metro and micro areas. A metropolitan area contains a core urban area of 50,000 or more population, and a micropolitan area contains an urban core of at least 10,000 (but less than 50,000) population. Each metro or micro area consists of one or more counties and includes the counties containing the core urban area, as well as any adjacent counties that have a high degree of social and economic integration (as measured by commuting to work) with the urban core.

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).

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 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, major renovations, and property additions, 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 housing properties.