
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: **February 21, 2013**
(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 21, 2013, LTC Properties, Inc. announced the operating results for the three and twelve months ended December 31, 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 February 21, 2013.

99.2 LTC Properties, Inc. Supplemental Information Package for the period ending December 31, 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: February 21, 2013

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 2012 RESULTS

WESTLAKE VILLAGE, CALIFORNIA, February 21, 2013 — LTC Properties, Inc. (NYSE: LTC) (“LTC” or the “Company”) announced operating results for the quarter ended December 31, 2012. The Company reported a 4.5% increase in Funds from Operations (“FFO”) to \$17.5 million in the quarter ended December 31, 2012, from \$16.8 million in the comparable 2011 period. FFO per diluted common share was \$0.57 for the quarter ended December 31, 2012, an increase of 3.6% from \$0.55 for the comparable 2011 period. Normalized FFO was \$17.7 million in the fourth quarter of 2012 compared to \$16.9 million in the fourth quarter of 2011. Normalized FFO per diluted common share was \$0.57 for the fourth quarter of 2012 compared to \$0.55 for the fourth 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 and general and administrative expenses.

FFO for the twelve months ended December 31, 2012 increased 17.4% to \$69.8 million from \$59.5 million in the comparable 2011 period. FFO per diluted common share for the twelve months ended December 31, 2012 increased 12.4% to \$2.26 from \$2.01 in the comparable 2011 period. The Company reported a 9.2% increase in normalized FFO, which excludes a \$0.3 million non-recurring bankruptcy settlement distribution from Sunwest Management, Inc., to \$69.9 million for the twelve months ended December 31, 2012, from \$64.0 million from the comparable 2011 period. Normalized FFO per diluted common share was \$2.26 for the twelve months ended December 31, 2012, an increase of 5.1% from \$2.15 for the comparable 2011 period. Normalized FFO for the twelve months ended December 31, 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, general and administrative expenses and higher weighted average shares outstanding.

Net income available to common stockholders for the quarter ended December 31, 2012 was \$11.9 million or \$0.39 per diluted share. For the same period in 2011, net income available to common stockholders was \$11.7 million or \$0.39 per diluted share. Net income available to common stockholders for the twelve months ended December 31, 2012 was \$47.6 million or \$1.57 per diluted share. For the same period in 2011, net income available to common stockholders was \$39.8 million or \$1.36 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 partially offset by an increase in interest expense, acquisition costs, general and administrative expenses and higher weighted average shares outstanding.

Conference Call Information

The Company will conduct a conference call on Friday, February 22, 2013, 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, 2012. The conference call is accessible by dialing 888-317-6016. The international number is 412-317-6016. An audio replay of the conference call will be available from February 22 through March 11, 2013. Callers can access the replay by dialing 877-344-7529 or 412-317-0088 and entering conference number 10024324. 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 December 31, 2012, LTC had investments in 88 skilled nursing properties, 104 assisted living properties, 11 range of care properties, two schools and five parcels of land under development. These properties are located in 29 states. Assisted living properties include assisted living, independent living and memory care properties. Range of care properties consist of properties providing skilled nursing and any combination of assisted living, independent living and/or memory care 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
(amounts in thousands, except per share amounts)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Revenues:				
	(unaudited)		(audited)	

Rental income	\$ 23,231	\$ 20,504	\$ 87,573	\$ 77,643
Interest income from mortgage loans	1,135	1,560	5,496	6,411
Interest and other income	146	235	964	1,111
Total revenues	<u>24,512</u>	<u>22,299</u>	<u>94,033</u>	<u>85,165</u>
Expenses:				
Interest expense	2,907	1,993	9,932	6,434
Depreciation and amortization	5,692	5,117	22,153	19,524
Acquisition costs	221	168	608	393
General and administrative expenses	2,914	2,393	10,029	9,272
Total expenses	<u>11,734</u>	<u>9,671</u>	<u>42,722</u>	<u>35,623</u>
Income from continuing operations	12,778	12,628	51,311	49,542
Discontinued operations:				
Loss from discontinued operations	—	(24)	—	(99)
Gain on sale of assets, net	—	—	16	—
Net (loss) income from discontinued operations	<u>—</u>	<u>(24)</u>	<u>16</u>	<u>(99)</u>
Net income	12,778	12,604	51,327	49,443
Income allocated to non-controlling interests	(7)	(47)	(37)	(191)
Net income attributable to LTC Properties, Inc.	<u>12,771</u>	<u>12,557</u>	<u>51,290</u>	<u>49,252</u>
Income allocated to participating securities	(98)	(83)	(377)	(342)
Income allocated to preferred stockholders	(819)	(818)	(3,273)	(9,078)
Net income available to common stockholders	<u>\$ 11,854</u>	<u>\$ 11,656</u>	<u>\$ 47,640</u>	<u>\$ 39,832</u>
Basic earnings per common share:				
Continuing operations	\$ 0.39	\$ 0.39	\$ 1.58	\$ 1.37
Discontinued operations	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Net income available to common stockholders	<u>\$ 0.39</u>	<u>\$ 0.39</u>	<u>\$ 1.58</u>	<u>\$ 1.36</u>
Diluted earnings per common share:				
Continuing operations	\$ 0.39	\$ 0.39	\$ 1.57	\$ 1.37
Discontinued operations	\$ 0.00	\$ 0.00	\$ 0.00	\$ (0.01)
Net income available to common stockholders	<u>\$ 0.39</u>	<u>\$ 0.39</u>	<u>\$ 1.57</u>	<u>\$ 1.36</u>
Weighted average shares used to calculate earnings per common share:				
Basic	<u>30,297</u>	<u>30,141</u>	<u>30,238</u>	<u>29,194</u>
Diluted	<u>30,341</u>	<u>30,172</u>	<u>30,278</u>	<u>29,222</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.

Supplemental Reporting Measures

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 dividend coverage 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 December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Net income available to common stockholders	\$ 11,854	\$ 11,656	\$ 47,640	\$ 39,832
Add: Depreciation and amortization (continuing and discontinued operations)	5,692	5,141	22,153	19,623
Less: Gain on sale of real estate, net	—	—	(16)	—
FFO available to common stockholders	17,546	16,797	69,777	59,455
Add: Preferred stock redemption charge	—	—	—	3,566 ⁽¹⁾
Add: Preferred stock redemption dividend	—	—	—	472 ⁽²⁾
Add: Non-cash interest related to earn-out liabilities	109	110	439	464
Less: Non-recurring one-time items	—	—	(347) ⁽³⁾	—
Normalized FFO available to common stockholders	17,655	16,907	69,869	63,957
Less: Non-cash rental income	(900)	(797)	(2,604)	(3,065)
Normalized adjusted FFO (AFFO)	16,755	16,110	67,265	60,892
Add: Non-cash compensation charges	464	372	1,819	1,467
Normalized funds available for distribution (FAD)	\$ 17,219	\$ 16,482	\$ 69,084	\$ 62,359

(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.

Basic FFO available to common stockholders per share	\$ 0.58	\$ 0.56	\$ 2.31	\$ 2.04
Diluted FFO available to common stockholders per share	\$ 0.57	\$ 0.55	\$ 2.26	\$ 2.01
Diluted FFO available to common stockholders	\$ 18,470	\$ 17,745	\$ 73,464	\$ 63,260
Weighted average shares used to calculate diluted FFO per share available to common stockholders	32,548	32,485	32,508	31,539
Basic normalized FFO available to common stockholders per share	\$ 0.58	\$ 0.56	\$ 2.31	\$ 2.19
Diluted normalized FFO available to common stockholders per share	\$ 0.57	\$ 0.55	\$ 2.26	\$ 2.15
Diluted normalized FFO available to common stockholders	\$ 18,579	\$ 17,855	\$ 73,556	\$ 67,762
Weighted average shares used to calculate diluted normalized FFO per share available to common stockholders	32,548	32,485	32,508	31,539
Basic normalized AFFO per share	\$ 0.55	\$ 0.53	\$ 2.22	\$ 2.09
Diluted normalized AFFO per share	\$ 0.54	\$ 0.53	\$ 2.18	\$ 2.05
Diluted normalized AFFO	\$ 17,679	\$ 17,058	\$ 70,952	\$ 64,697
Weighted average shares used to calculate diluted normalized AFFO per share	32,548	32,485	32,508	31,539
Basic normalized FAD per share	\$ 0.57	\$ 0.55	\$ 2.28	\$ 2.14
Diluted normalized FAD per share	\$ 0.56	\$ 0.54	\$ 2.24	\$ 2.10
Diluted normalized FAD	\$ 18,143	\$ 17,430	\$ 72,771	\$ 66,164
Weighted average shares used to calculate diluted normalized FAD per share	32,548	32,485	32,508	31,539

	December 31, 2012	December 31, 2011
ASSETS		
Real estate investments:		
Land	\$ 75,407	\$ 57,369
Buildings and improvements	824,688	664,758
Accumulated depreciation and amortization	(198,548)	(176,546)
Net operating real estate property	701,547	545,581
Properties held-for-sale, net of accumulated depreciation and amortization: 2012 — \$0; 2011 — \$1,650	—	1,254
Net real estate property	701,547	546,835
Mortgage loans receivable, net of allowance for doubtful accounts: 2012 — \$782; 2011 — \$921	39,299	53,081
Real estate investments, net	740,846	599,916
Other assets:		
Cash and cash equivalents	7,191	4,408
Debt issue costs, net	3,040	2,301
Interest receivable	789	1,494
Straight-line rent receivable, net of allowance for doubtful accounts: 2012 — \$1,557; 2011 — \$1,519	26,998	23,772
Prepaid expenses and other assets	7,548	7,904
Notes receivable	3,180	817
Marketable securities	—	6,485
Total assets	<u>\$ 789,592</u>	<u>\$ 647,097</u>
LIABILITIES		
Bank borrowings	\$ 115,500	\$ 56,000
Senior unsecured notes	185,800	100,000
Bonds payable	2,635	3,200
Accrued interest	3,279	1,356
Earn-out liabilities	6,744	6,305
Accrued expenses and other liabilities	12,526	11,440
Accrued expenses and other liabilities related to properties held-for-sale	—	86
Total liabilities	326,484	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 — 30,544; 2011 — 30,346	305	303
Capital in excess of par value	510,236	507,343
Cumulative net income	724,033	672,743
Accumulated other comprehensive income	152	199
Cumulative distributions	(810,125)	(752,340)
Total LTC Properties, Inc. stockholders' equity	463,101	466,748
Non-controlling interests	7	1,962
Total equity	463,108	468,710
Total liabilities and equity	<u>\$ 789,592</u>	<u>\$ 647,097</u>



Supplemental Operating and Financial Data
December 31, 2012
(Unaudited)



Assisted Living Property - Chatham, NJ (92 units)
Operated by Juniper Communities, LLC



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Company Information



Company

Founded in 1992, LTC Properties, Inc. is a self-administered real estate investment trust that primarily invests in senior housing and long-term care properties through facility lease transactions, mortgage loans, and other investments. Our primary objectives are to sustain and enhance stockholder equity value and provide current income for distribution to stockholders through real estate investments in long-term care properties and other health care related properties operated 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

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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
Mike Carroll

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

Sidoti & Company, LLC
Peter Sieher

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, 2012 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 25, 28, and 29 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.

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Acquisitions and Loan Originations

(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	ROC	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 ⁽³⁾	60 units	CO	Under Development Property	2012-2013 ⁽³⁾	1,882	-	- ⁽³⁾
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 ⁽³⁾	77 units	KS	Under Development Property	2012-2013 ⁽³⁾	730	-	- ⁽³⁾
12/20/12	5	ALF/MC	266 units	CO/NJ	Juniper Management, LLC	1999-2002	81,988	6,665	8.1%
12/27/12	1	UDP ⁽³⁾	81 units	TX	Under Development Property	2013 ⁽³⁾	1,000	-	- ⁽³⁾
12/28/12	1	UDP ⁽³⁾	143 beds	KY	Under Development Property	2013 ⁽³⁾	2,050	-	- ⁽³⁾
Total 2012	13		665 beds/484 units				166,750		
Total	23		1,919 beds/577 units				\$ 267,044		

(1) GAAP yield assumes a total purchase price of \$45,000 which includes \$41,000 of cash paid at closing and \$4,000 earn-out paid in 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) See page 8 for Development Activity.

LOAN ORIGINATIONS

DATE	# OF PROPERTIES	PROPERTY TYPE	# BEDS/UNITS	LOCATION	BORROWER	OPERATOR	AMOUNT FUNDED	ANNUAL REVENUE	INTEREST RATE
11/15/12	1	SNF	106 beds	WI	Hartford Healthcare	Fundamental	\$ 2,619	\$ 240	9.2%
12/20/12	1	ALF	70 units	PA	Cordia Commons at Meadville	Juniper	5,100	362	7.1%
Total 2012	2		106 beds / 70 units				\$ 7,719	\$ 602	

REAL ESTATE PORTFOLIO

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Assisted Living Property - Williamstown, NJ (38 units)
Operated by Juniper Communities, LLC



Memory Care Property - Williamstown, NJ (36 units)
Operated by Juniper Communities, LLC



Memory Care Property - Aurora, CO (48 units)
Operated by Juniper Communities, LLC



Memory Care Property - Louisville, CO (52 units)
Operated by Juniper Communities, LLC

REAL ESTATE PORTFOLIO

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(dollar amounts in thousands)

Commitment Date	Property	# of Projects	Property Type	Estimated Rent Inception Date	Approximate Cash Lease Yield	# Units/Beds	Investment Commitment ⁽¹⁾	2012 Funding ⁽¹⁾	Total Funded to Date ⁽¹⁾	Remaining Commitment ⁽¹⁾
Development										
5/14/12	Littleton, CO	1	MC	3Q13	9.25%	60 units	\$ 9,817	\$ 5,535	\$ 5,535	\$ 4,282
10/23/12	Wichita, KS	1	ALF/MC	4Q13	9.25%	77 units	10,585	1,594	1,594	8,991
12/27/12	Frisco, TX	1	ALF/MC	3Q14	9.25%	81 units	5,800	1,047	1,047	4,753
12/28/12	Coldspring, KY	1	SNF	1Q15	8.50%	143 beds	23,500	4,768	4,768	18,732
		4				218 units / 143 beds	\$ 49,702	\$ 12,944	\$ 12,944	\$ 36,758
Re-development										
10/11/11	Amarillo, TX	1	SNF	3Q13	9.00%	120 beds	\$ 9,094	\$ 2,676	\$ 3,569	\$ 5,525
Renovation										
7/31/12	Sacramento, CA	1	SNF	3Q14	9.00%	121 beds	1,700	-	-	1,700
4/1/12	Roswell, NM	1	SNF	4Q13	9.00%	118 beds	990	449	449	541
4/1/12	Alamogordo, NM	1	SNF	4Q13	9.00%	117 beds	710	319	319	391
		3				356 beds	\$ 3,400	\$ 768	\$ 768	\$ 2,632
Expansion										
8/1/12	Arvada, CO	1	ALF/MC	4Q14	7.75% ⁽³⁾	23 units	\$ 6,600	\$ -	\$ -	\$ 6,600
8/1/12	Ft. Collins, CO	1	ALF/MC	4Q14	7.75% ⁽³⁾	41 units	8,000	-	-	8,000
		2				64 units	\$ 14,600	\$ -	\$ -	\$ 14,600
Mortgage Construction Loan										
11/15/12	Slinger, WI	1	SNF	N/A ⁽²⁾	9.00% ⁽³⁾	106 beds	\$ 10,600	\$ 2,619	\$ 2,619	\$ 7,981
	Total	11				282 units 725 beds	\$ 87,396	\$ 19,007	\$ 19,900	\$ 67,496

(1) Includes land and excludes capitalized interest on our open commitment.

(2) Estimated completion date is 4Q13. Interest on the loan is paid monthly in arrears.

(3) Based on Treasury rate and/or Treasury rate plus spread but not less than the rate shown.

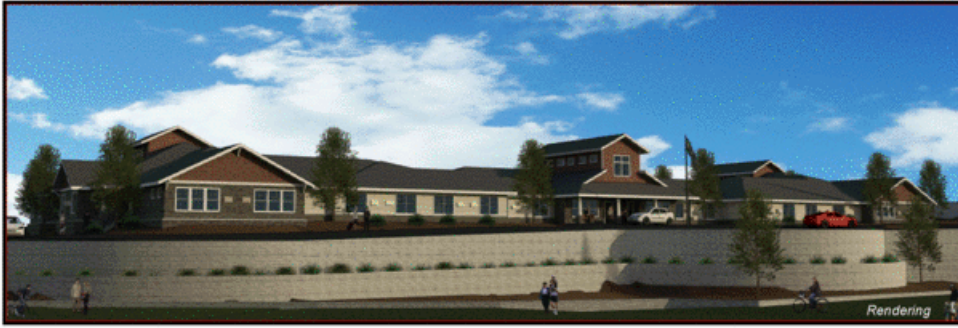
REAL ESTATE PORTFOLIO

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Development Activity

Development in Littleton, CO
60-unit memory care property
To be operated by Anthem Memory Care



REAL ESTATE PORTFOLIO

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Development Activity

Re-development in Amarillo, TX
120-bed skilled nursing property
To be operated by an entity within the Fundamental family of companies



REAL ESTATE PORTFOLIO

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Development Activity

Development in Wichita, KS
77-unit assisted living and memory care property
To be operated by Oxford Development Holdings, LLC



REAL ESTATE PORTFOLIO

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Development Activity

Mortgage and Construction Loan in Slinger, Wisconsin
106-bed skilled nursing property
To be operated by an entity within the Fundamental family of companies



REAL ESTATE PORTFOLIO

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Real Estate Portfolio Summary

(dollar amounts in thousands)

Real Estate Portfolio Snapshot

For the Year Ended
December 31, 2012

Type of Property	Gross Investments	% of Investments	Rental Income	Interest Income	% of Revenues	# of Properties	SNF Beds	ALF Units	Investment per Bed/Unit
Skilled Nursing	\$ 463,319	49.3%	\$ 44,823	\$ 2,870	51.2%	88	10,072	-	\$46.00
Assisted Living	392,157	41.7%	34,182	2,284	39.2%	104	-	4,713	\$83.21
Range of Care	55,732	5.9%	6,996	342	7.9%	11	913	392	\$42.71
Under Development	16,642	1.8%	-	-	-	-	-	-	-
Schools	12,326	1.3%	1,572	-	1.7%	2	-	-	-
Total	\$ 940,176	100.0%	\$ 87,573	\$5,496	100.0%	205	10,985	5,105	



Skilled Nursing Property - Dayton, OH (144 beds)
Operated by Carespring Health Care Management, LLC



Skilled Nursing Property - Cincinnati, OH (144 beds)
Operated by Carespring Health Care Management, LLC

REAL ESTATE PORTFOLIO

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Real Estate Portfolio Metrics

"Same Property Portfolio" Statistics ⁽¹⁾

Owned Properties	Occupancy		EBITDAR Coverage		EBITDARM Coverage	
	3Q12	2Q12	3Q12	2Q12	3Q12	2Q12
Assisted Living ⁽²⁾	77.8%	77.7%	1.30	1.34	1.53	1.57
Assisted Living ⁽³⁾	86.6%	86.4%	1.41	1.40	1.67	1.66
Skilled Nursing	78.7%	78.5%	1.83	1.83	2.52	2.52
Range of Care	86.8%	86.5%	1.42	1.41	1.88	1.87

(1) Information is for the trailing twelve months through September 30, 2012 and June 30, 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.

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

"Same Property Portfolio" Quality Mix

Owned Properties Payor Source ⁽¹⁾	For the Nine Months Ended September 30, 2012
Private Pay	59.7%
Medicare	13.6%
Medicaid	26.7%

(1) Quality mix for our skilled nursing portfolio, for the period presented, is 25.4% Private Pay, 24.8% Medicare, and 49.8% Medicaid.

REAL ESTATE PORTFOLIO

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Historical Portfolio Snapshot ⁽¹⁾

The Centers for Medicare & Medicaid Services ("CMS") annually updates Medicare skilled nursing facility prospective payment system rates and other policies. In 4Q2010 CMS implemented the Resource Utilization Groups, version four ("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 3Q2012 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
No RUG-IV	3Q2012	1.95	2.69
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

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Real Estate Portfolio Diversification



- ❖ LTC owns or holds mortgages on 205 properties and five parcels of land under development in 29 states
- ❖ Approximately 79% of the Company's total gross investment is located in 10 states
- ❖ LTC's largest concentration is in Texas which has approximately 25% of the Company's total gross investment

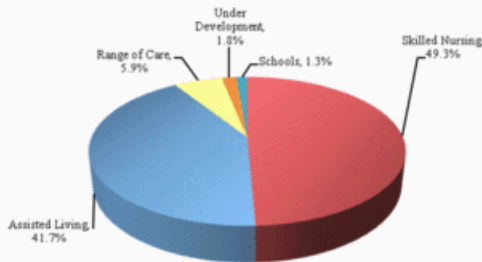
REAL ESTATE PORTFOLIO

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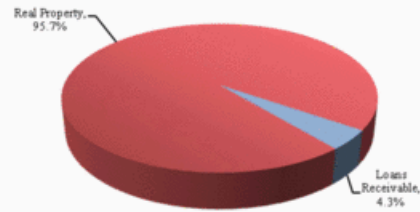
Real Estate Portfolio Diversification

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	%	For the Year Ended December 31, 2012	
				Revenue ⁽¹⁾	%
Skilled Nursing	88	\$ 463,319	49.3%	\$ 47,693	51.2%
Assisted Living	104	392,157	41.7%	36,466	39.2%
Range of Care	11	55,732	5.9%	7,338	7.9%
Under Development	-	16,642	1.8%	-	-
Schools	2	12,326	1.3%	1,572	1.7%
Total	205	\$ 940,176	100.0%	\$ 93,069	100.0%

Asset Type	Gross Investment	%
Real Property	\$ 900,095	95.7%
Loans Receivable	40,081	4.3%
Total	\$ 940,176	100.0%

(1) Includes Rental income and interest income from mortgage loans

REAL ESTATE PORTFOLIO

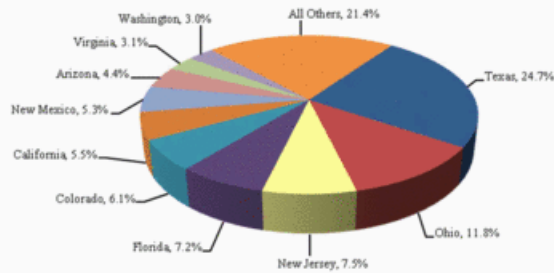
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Real Estate Portfolio Diversification

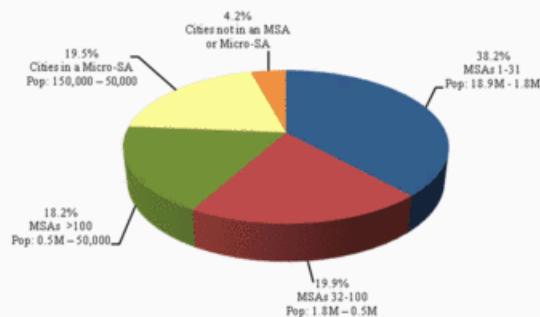
(dollar amounts in thousands)

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	%	ROC	%	UDP	%	School	%	Gross Investment	%
Texas	54	\$ 186,653	40.3%	\$ 37,820	9.6%	\$ 2,994	5.4%	\$ 4,639	27.9%	\$ -	-	\$ 232,106	24.7%
Ohio	19	66,157	14.3%	44,647	11.4%	-	-	-	-	-	-	110,804	11.8%
New Jersey	5	-	-	61,397	15.7%	-	-	-	-	9,270	75.2%	70,667	7.5%
Florida	17	17,774	3.8%	41,065	10.5%	8,963	16.1%	-	-	-	-	67,802	7.2%
Colorado	12	7,407	1.6%	41,917	10.7%	2,007	3.6%	5,629	33.8%	-	-	56,960	6.1%
California	5	20,649	4.5%	28,071	7.2%	2,862	5.1%	-	-	-	-	51,582	5.5%
New Mexico	7	49,644	10.7%	-	-	-	-	-	-	-	-	49,644	5.3%
Arizona	7	36,092	7.8%	5,120	1.3%	-	-	-	-	-	-	41,212	4.4%
Virginia	4	15,713	3.4%	-	-	13,339	23.9%	-	-	-	-	29,052	3.1%
Washington	10	8,741	1.9%	19,080	4.9%	-	-	-	-	-	-	27,821	3.0%
All Others	65	54,489	11.7%	113,040	28.7%	25,567	45.9%	6,374	38.3%	3,056	24.8%	202,526	21.4%
Total	205	\$ 463,319	100.0%	\$ 392,157	100.0%	\$ 55,732	100.0%	\$ 16,642	100.0%	\$ 12,326	100.0%	\$ 940,176	100.0%

(1) Population is based on 2010 Census.

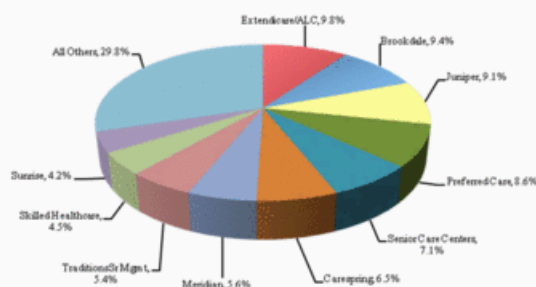
(2) Due to master leases with properties in multiple states, revenue by state is not available.

REAL ESTATE PORTFOLIO

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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	9.8%	\$ 10,963	11.1%
Brookdale Senior Living Communities, Inc.	35	84,210	9.4%	10,734	10.9%
Juniper Communities, LLC	5	81,988	9.1%	6,663	6.8%
Preferred Care	25	77,206	8.6%	10,588	10.8%
Senior Care Centers, LLC	5	63,698	7.1%	6,748	6.9%
Carespring Health Care Mgt, LLC	2	58,770	6.5%	5,431	5.5%
Meridian Senior Properties Fund II, LP	4	50,841	5.6%	4,742	4.8%
Traditions Senior Management, Inc.	4	48,500	5.4%	5,243	5.3%
Skilled Healthcare Group, Inc.	5	40,270	4.5%	4,501	4.6%
Sunrise Senior Living	6	37,659	4.2%	4,614	4.7%
All Others	51	268,919	29.8%	28,243	28.6%
Total	179	\$ 900,095	100.0%	\$ 98,470	100.0%

REAL ESTATE PORTFOLIO

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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 December 31, 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 memory care communities and continuing care retirement centers, with the ability to serve approximately 66,700 residents. As of December 31, 2012, the LTC portfolio consisted of 35 assisted living properties in eight states with a gross investment balance of \$84.2 million.

Juniper Communities, LLC (Privately held) operates 18 facilities comprised of skilled nursing, assisted living, and memory care facilities in four states. As of December 31, 2012, the LTC portfolio consisted of five assisted living and memory care properties in two states with a gross investment balance of \$82.0 million.

Preferred Care, Inc. (Privately held) operates 101 facilities comprised of skilled nursing, assisted living, and independent living facilities, as well as five specialty care facilities, in 11 states. As of December 31, 2012, the LTC portfolio consisted of 22 skilled nursing and two range of care properties in six states with a gross investment balance of \$77.2 million. They also operate one skilled nursing facility under a sub-lease with another lessee in our portfolio which is not included in the Preferred Care rental revenue.

Senior Care Centers, LLC (Privately held) provides skilled nursing care, memory care, assisted living, and independent living services in 35 facilities exclusively in Texas. As of December 31, 2012, the LTC portfolio consisted of five skilled nursing properties in Texas with a gross investment balance of \$63.7 million. They also operate four 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 10 facilities in two states. As of December 31, 2012, the LTC portfolio consisted of a parcel of land in Kentucky and two skilled nursing properties in Ohio with a gross investment balance of \$58.8 million.

Meridian Senior Properties Fund II, LP and other affiliated entities (Privately held) acquire, develop and operate 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. As of December 31, 2012, the LTC portfolio consisted of four skilled nursing properties in Texas with a gross investment balance of \$50.8 million.

Traditions Senior Management, Inc. and other affiliated entities (Privately held) operate 22 facilities in eight states consisting of independent living, assisted living, and skilled nursing. As of December 31, 2012, the LTC portfolio consisted of three skilled nursing properties and one range of care property operated by Traditions and another affiliate in three states with a gross investment balance of \$48.5 million. Traditions also operates two skilled nursing properties under a sub-lease with Preferred Care, Inc. which is not included in the Traditions 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 22 assisted living facilities. As of December 31, 2012, the LTC portfolio consisted of 5 skilled nursing properties in New Mexico with a gross investment balance of \$40.3 million.

Sunrise Senior Living (Privately Held) operates 296 communities in the United States, Canada and the United Kingdom. Sunrise offers a full range of personalized senior living services, including independent living, assisted living, memory care, as well as nursing and rehabilitative services. As of December 31, 2012, the LTC portfolio consisted of six assisted living and memory care properties in two states with a gross investment balance of \$37.7 million.

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Co-lessee	Extendicare Inc. and Assisted Living Concepts, Inc.
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
EBITDAR Coverage ⁽¹⁾	1.1x
% of Portfolio Rent	11.1% 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 September 30, 2012

REAL ESTATE PORTFOLIO

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Market Capitalization

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

At December 31, 2012

Capitalization

Debt

Bank borrowings - LIBOR + 1.25% ⁽¹⁾	\$	115,500	
Senior unsecured notes - weighted average rate 5.17% ⁽²⁾		185,800	
Bonds payable - weighted average rate 2.22% ⁽³⁾		2,635	
Total debt		303,935	21%

Equity

	No. of shares	Closing Price		
Preferred stock - Series C ⁽⁴⁾			38,500	3%
Common stock ⁽⁵⁾	30,544,368	\$ 35.19 ⁽⁶⁾	1,074,856	76%
Non-controlling interest			7	0%
Total equity			1,113,363	79%

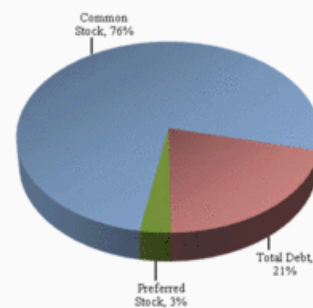
Total Market Value

\$ 1,417,298

Debt to Total Market Value 21.4%

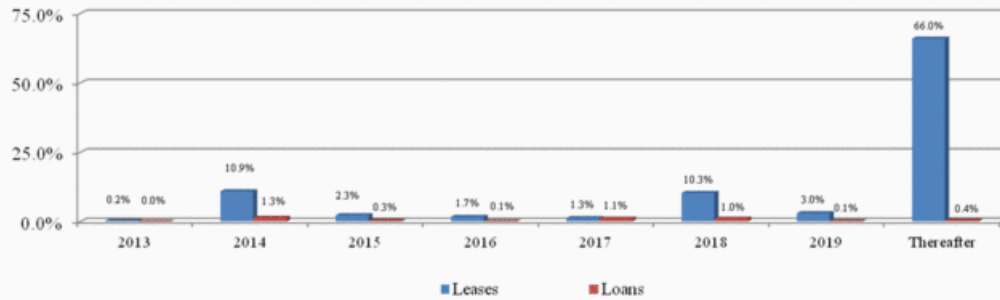
Debt & Preferred to Total Market Value 24.2%

Capitalization



- (1) Subsequent to December 31, 2012, we borrowed \$2.0 million under our Unsecured Credit Agreement at LIBOR plus 125 bps. Based on our total indebtedness to total asset value ratio at December 31, 2012, interest will increase to LIBOR plus 150 bps on new borrowings.
- (2) Includes amortization of debt issue cost.
- (3) Includes letter of credit fees.
- (4) 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.
- (5) Traded on NYSE.
- (6) Closing price of our common stock as reported by the NYSE on December 31, 2012, the last trading day of fourth quarter 2012.

Investment Portfolio Maturity Schedule (as a % of total gross owned investment and mortgage loans outstanding)



Rental Revenue and Interest Income Maturity

Year	Annualized GAAP Rental Income	% of Total	Interest Income ⁽¹⁾	% of Total	Total Rental & Interest Income	% of Total
2013	\$ 453	0.5%	\$ -	-	\$ 453	0.4%
2014	12,951	13.2%	1,211	36.7%	14,162	13.9%
2015	2,539	2.6%	298	9.0%	2,837	2.8%
2016	2,129	2.2%	26	0.8%	2,155	2.1%
2017	1,615	1.6%	600	18.2%	2,215	2.2%
2018	11,383	11.6%	803	24.3%	12,186	12.0%
2019	1,596	1.6%	123	3.7%	1,719	1.7%
Thereafter	65,804	66.7%	240	7.3%	66,044	64.9%
Total	\$ 98,470	100.0%	\$ 3,301	100.0%	\$ 101,771	100.0%

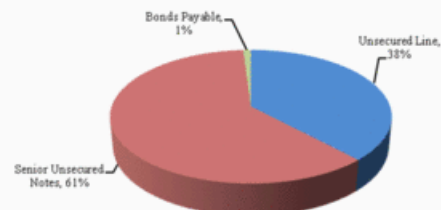
(1) Reflects annualized contract rate of interest for loans, net of collectability reserves, if applicable.

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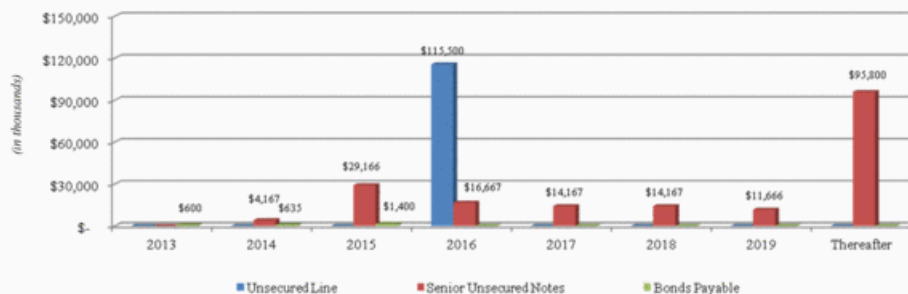
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Year	Unsecured Line of Credit ⁽¹⁾	Senior Unsecured Notes ⁽²⁾	Bonds Payable ⁽²⁾	Total
2013	\$ -	\$ -	\$ 600	\$ 600
2014	-	4,167	635	4,802
2015	-	29,166	1,400	30,566
2016	115,500	16,667	-	132,167
2017	-	14,167	-	14,167
2018	-	14,167	-	14,167
2019	-	11,666	-	11,666
Thereafter	-	95,800	-	95,800
Total	\$ 115,500	\$ 185,800	\$ 2,635	\$ 303,935

Debt Structure



- (1) Subsequent to December 31, 2012, we borrowed \$2.0 million under our Unsecured Credit Agreement at LIBOR plus 125 bps. Based on our total indebtedness to total asset value ratio at December 31, 2012, interest will increase to LIBOR plus 150 bps on new borrowings.
- (2) Reflects scheduled principal payments.



FINANCIAL

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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	12/31/12
Net real estate assets	\$444,163	\$515,983	\$599,916	\$740,846
Total assets	490,593	561,264	647,097	789,592
Total debt	25,410	91,430	159,200	303,935
Total liabilities	36,280	103,742	178,387	326,484
Preferred stock	186,801	126,913	38,500	38,500
Total equity	454,313	457,522	468,710	463,108
Debt to gross asset value ratio ⁽¹⁾	4.0%	12.7%	19.3%	30.8%
Debt & preferred stock to gross asset value ratio ⁽¹⁾	33.4%	30.3%	24.0%	34.7%
Debt to total market value ratio ⁽²⁾	3.0%	9.5%	14.0%	21.4%
Debt & preferred stock to total market value ratio ⁽²⁾	25.1%	23.0%	17.4%	24.2%
Debt to normalized EBITDA	0.4x	1.4x	2.1x	3.7x
Normalized interest coverage ratio	25.4x	24.5x	11.7x	8.4x
Normalized fixed charge coverage ratio	3.5x	4.0x	6.3x	6.3x

(1) Gross asset value represents undepreciated book value.

(2) Closing price of our common stock as reported by the NYSE on the last trading day of fourth quarter for the years presented.

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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	12/31/12
Net income	\$ 44,360	\$ 46,053	\$ 49,443	\$ 51,327
Less: Gain on sale	-	(310)	-	(16)
Add: Interest expense	2,418	2,653	6,434	9,932
Add: Depreciation and amortization (including discontinued operations)	14,822	16,109	19,623	22,153
Adjusted EBITDA	61,600	64,505	75,500	83,396
(Deduct)/Add back:				
Non-recurring one-time items	(198)	467	-	(347)
Normalized EBITDA	\$ 61,402	\$ 64,972	\$ 75,500	\$ 83,049
Interest expense	\$ 2,418	\$ 2,653	\$ 6,434	\$ 9,932
Preferred stock dividend	15,141	13,662	5,512	3,273
Fixed Charges	\$ 17,559	\$ 16,315	\$ 11,946	\$ 13,205

Non-Cash Rental Revenue Components

	4Q12	1Q13 ⁽¹⁾	2Q13 ⁽¹⁾	3Q13 ⁽¹⁾	4Q13 ⁽¹⁾
Straight-line rent	\$ 1,065	\$ 937	\$ 863	\$ 771	\$ 710
Amort of lease inducement	(165)	(165)	(165)	(165)	(165)
Net	\$ 900	\$ 772	\$ 698	\$ 606	\$ 545

(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, audited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Revenues				
Rental income	\$ 23,231	\$ 20,504	\$ 87,573	\$ 77,643
Interest from mortgage loans	1,135	1,560	5,496	6,411
Interest and other income	146	235	964	1,111
Total revenues	24,512	22,299	94,033	85,165
Expenses				
Interest expense	2,907	1,993	9,932	6,434
Depreciation and amortization	5,692	5,117	22,153	19,524
Acquisition costs	221	168	608	393
General and administrative expenses	2,914	2,393	10,029	9,272
Total expenses	11,734	9,671	42,722	35,623
Income from continuing operations	12,778	12,628	51,311	49,542
Discontinued operations:				
Loss from discontinued operations	-	(24)	-	(99)
Gain on sale of assets, net	-	-	16	-
Net loss from discontinued operations	-	(24)	16	(99)
Net income	12,778	12,604	51,327	49,443
Income allocated to non-controlling interests	(7)	(47)	(37)	(191)
Net income attributable to LTC Properties, Inc.	12,771	12,557	51,290	49,252
Income allocated to participating securities	(98)	(83)	(377)	(342)
Income allocated to preferred stockholders	(819)	(818)	(3,273)	(9,078)
Net income available to common stockholders	\$ 11,854	\$ 11,656	\$ 47,640	\$ 39,832
Basic earnings per common share:	\$0.39	\$0.39	\$1.58	\$1.36
Diluted earnings per common share:	\$0.39	\$0.39	\$1.57	\$1.36
Weighted average shares used to calculate earnings per common share				
Basic	30,297	30,141	30,238	29,194
Diluted	30,341	30,172	30,278	29,222

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Consolidated Balance Sheets

(amounts in thousands, audited)

	December 31, 2012	December 31, 2011		December 31, 2012	December 31, 2011
ASSETS			LIABILITIES		
Real estate investments:			Bank borrowings	\$ 115,500	\$ 56,000
Land	\$ 75,407	\$ 57,369	Senior unsecured notes	185,800	100,000
Buildings and improvements	824,688	664,758	Bonds payable	2,635	3,200
Accumulated depreciation and amortization	(198,548)	(176,546)	Accrued interest	3,279	1,356
Net operating real estate property	701,547	545,581	Earn-out liabilities	6,744	6,305
Properties held-for-sale, net of accumulated depreciation and amortization: 2012 - \$0; 2011 - \$1,650	-	1,254	Accrued expenses and other liabilities	12,526	11,440
Net real estate property	701,547	546,835	Accrued expenses and other liabilities related to properties held-for-sale	-	86
Mortgage loans receivable, net of allowance for doubtful accounts: 2012 - \$782; 2011 - \$921	39,299	53,081	Total liabilities	326,484	178,387
Real estate investments, net	740,846	599,916	EQUITY		
Other assets:			Preferred stock ⁽¹⁾	38,500	38,500
Cash and cash equivalents	7,191	4,408	Common stock ⁽²⁾	305	303
Debt issue costs, net	3,040	2,301	Capital in excess of par value	510,236	507,343
Interest receivable	789	1,494	Cumulative net income	724,033	672,743
Straight-line rent receivable, net of allowance for doubtful accounts: 2012 - \$1,557; 2011 - \$1,519	26,998	23,772	Other	152	199
Prepaid expenses and other assets	7,548	7,904	Cumulative distributions	(810,125)	(752,340)
Notes receivable	3,180	817	Total LTC stockholders' equity	463,101	466,748
Marketable securities	-	6,485	Non-controlling interests	7	1,962
Total assets	\$ 789,592	\$ 647,097	Total equity	463,108	468,710
			Total liabilities and equity	\$ 789,592	\$ 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 - 30,544; 2011 - 30,346

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Funds from Operations

(dollar amounts in thousands, except per share amounts)

Normalized FFO, AFFO, and FAD Reconciliation

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Net income available to common stockholders	\$ 11,854	\$ 11,656	\$ 47,640	\$ 39,832
Add: Depreciation and amortization (continuing and discontinued operations)	5,692	5,141	22,153	19,623
Less: Gain on sale of real estate, net	-	-	(16)	-
FFO available to common stockholders	17,546	16,797	69,777	59,455
Add: Preferred stock redemption charge	-	-	-	3,566 ⁽¹⁾
Add: Preferred stock redemption dividend	-	-	-	472 ⁽²⁾
Add: Non-cash interest related to earn-out liabilities	109	110	439	464
Add: Non-recurring one time items	-	-	(347) ⁽³⁾	-
Normalized FFO available to common stockholders	17,655	16,907	69,869	63,957
Less: Non-cash rental income	(900)	(797)	(2,604)	(3,065)
Normalized adjusted FFO (AFFO)	16,755	16,110	67,265	60,892
Add: Non-cash compensation charges	464	372	1,819	1,467
Normalized funds available for distribution (FAD)	\$ 17,219	\$ 16,482	\$ 69,084	\$ 62,359
Diluted FFO available to common stockholders per share	\$0.57	\$0.55	\$2.26	\$2.01
Diluted normalized FFO available to common stockholders per share	\$0.57	\$0.55	\$2.26	\$2.15
Diluted normalized AFFO per share	\$0.54	\$0.53	\$2.18	\$2.05
Diluted normalized FAD per share	\$0.56	\$0.54	\$2.24	\$2.10

(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.

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Funds from Operations

(dollar amounts in thousands, except per share amounts)

Normalized FFO Per Share Reconciliation

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Normalized FFO available to common stockholders	\$ 17,655	\$ 16,907	\$ 69,869	\$ 63,957
Effect of dilutive securities:				
Participating securities	98	83	377	342
Convertible preferred securities	819	818	3,273	3,272
Convertible non-controlling interests	7	47	37	191
Normalized diluted FFO available to common stockholders	\$ 18,579	\$ 17,855	\$ 73,556	\$ 67,762
Shares for basic FFO per share	30,297	30,141	30,238	29,194
Effect of dilutive securities:				
Stock options	26	31	40	28
Participating securities	207	200	208	204
Convertible preferred securities	2,000	2,000	2,000	2,000
Convertible non-controlling interests	18	113	22	113
Shares for diluted FFO per share	32,548	32,485	32,508	31,539
Basic normalized FFO per share	\$0.58	\$0.56	\$2.31	\$2.19
Diluted normalized FFO per share	\$0.57	\$0.55	\$2.26	\$2.15

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

Assisted Living Properties ("ALF"): The ALF portfolio consists of assisted living, independent living, and/or memory care properties. (See *Independent Living and Memory Care*) Assisted living properties are 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.

Core Based Statistical Area ("CBSA"): Based on the U.S. Census Bureau, CBSA is a collective term for both metro and micro areas. 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.

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.

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Independent Living Properties ("ILF"): Senior housing properties offering a sense of community and numerous levels of service, such as laundry, housekeeping, dining options/meal plans, exercise and wellness programs, transportation, social, cultural and recreational activities, on-site security and emergency response programs. Many offer on-site conveniences like beauty/barber shops, fitness facilities, game rooms, libraries and activity centers. ILFs are also known as retirement communities or senior apartments.

Interest Income: Represents interest income from mortgage loans.

Licensed Beds/Units: The number of beds and/or units that an operator is authorized to operate at senior housing and long-term care properties. Licensed beds and/or units may differ from the number of beds and/or units in service at any given time.

Memory Care Properties ("MC"): Senior housing properties offering specialized options for seniors with Alzheimer's disease and other forms of dementia. These facilities offer dedicated care and specialized programming for various conditions relating to memory loss in a secured environment that is typically smaller in scale and more residential in nature than traditional assisted living facilities. These facilities have staff available 24 hours a day to respond to the unique needs of their residents.

Metropolitan Statistical Areas ("MSA"): Based on the U.S. Census Bureau, MSA is a geographic entity defined by the Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. A metro area contains a core urban area of 50,000 or more population. (See *Core Based Statistical Area*)

Micropolitan Statistical Areas ("Micro-SA"): Based on the U.S. Census Bureau, Micro-SA is a geographic entity defined by the Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. A micro area contains an urban core of at least 10,000 (but less than 50,000) population. (See *Core Based Statistical Area*)

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.

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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.

Range of Care ("ROC"): Range of care properties consist of properties providing skilled nursing and any combination of assisted living, independent living and/or memory care services.

Rental Income: Represents GAAP rent net of amortized lease inducement cost 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.