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 20, 2014**
(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 February 20, 2014, LTC Properties, Inc. announced the operating results for the three and twelve months ended December 31, 2013. 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

99.1 Press Release issued February 20, 2014.
99.2 LTC Properties, Inc. Supplemental Information Package for the period ending December 31, 2013.

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 20, 2014

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

Exhibit 99.1

FOR IMMEDIATE RELEASE

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

LTC REPORTS FOURTH QUARTER 2013 RESULTS

WESTLAKE VILLAGE, CALIFORNIA, February 20, 2014 — LTC Properties, Inc. (NYSE: LTC) ("LTC" or the "Company") announces today operating results for the quarter ended December 31, 2013. The Company reported an increase of 13.8% in Funds from Operations ("FFO") to $20.0 million in the quarter ended December 31, 2013, from $17.5 million in the comparable 2012 period. FFO per diluted common share was $0.57 for the quarters ended December 31, 2013 and 2012. Normalized FFO increased by 24.3% to $21.9 million in the fourth quarter of 2013 from $17.7 million in the fourth quarter of 2012. Normalized FFO per diluted common share was $0.62 and $0.57 for the quarters ended December 31, 2013 and 2012, respectively. The increase in FFO and normalized FFO was due to higher revenues from mortgage loan originations, acquisitions and completed property developments.

Net income available to common stockholders for the quarter ended December 31, 2013 was $13.7 million or $0.40 per diluted share as compared to $11.9 million or $0.39 per diluted share for the same period in 2012. The increase in net income available to common stockholders for the quarter ended December 31, 2013 was primarily due to mortgage loan originations, acquisitions and completed property developments offset by non-cash provisions for loan loss reserves related to a mortgage loan origination and the write-off of straight-line rent in accordance with Generally Accepted Accounting Principles.

Conference Call Information

The Company will conduct a conference call on Friday, February 21, 2014, at 8:00 a.m. Pacific Time, to provide commentary on the Company's performance and operating results for the quarter ended December 31, 2013. The conference call is accessible by dialing 888-317-6016 (domestically) or 412-317-6016 (internationally). An audio replay of the conference call will be available from February 21 through March 7, 2014 and may be accessed by dialing 877-344-7529 (domestically) or 412-317-0088 (internationally) and entering conference number 10040227. The Company's earnings release and supplemental information package for the current period will be available on the Company's website at www.LTCProperties.com in the "Press Releases" and "Presentations" sections, respectively, of the "Investor Information" tab.

About LTC

At December 31, 2013, LTC had 227 investments located in 30 states comprising of 100 skilled nursing properties, 106 assisted living properties, 9 range of care properties, two schools, six parcels of land under development and four parcels of land held-for-use. These properties are located in 30 states. Assisted living properties, independent living properties, memory care properties and combinations thereof are included in the assisted living property type. 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 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,	
	2013	2012	2013	2012
	(unaudited)		(audited)	
Revenues:				
Rental income	$ 25,259	$ 22,844	$ 98,166	$ 86,022
Interest income from mortgage loans	3,103	1,135	6,298	5,496
Interest and other income	231	146	510	964
Total revenues	28,593	24,125	104,974	92,482
Expenses:				
Interest expense	2,852	2,907	11,364	9,932
Depreciation and amortization	6,237	5,560	24,389	21,613
Provisions (recovery) for doubtful accounts	2,139	(78)	2,180	(101)
General and administrative expenses	2,715	3,212	11,636	10,732

Total expenses	13,943	11,601	49,569	42,176
Income from continuing operations	14,650	12,524	55,405	50,306
Discontinued operations:				
Net income from discontinued operations	—	254	805	1,005
Gain on real estate assets, net	—	—	1,605	16
Net income from discontinued operations	—	254	2,410	1,021
Net income	14,650	12,778	57,815	51,327
Income allocated to non-controlling interests	—	(7)	—	(37)
Net income attributable to LTC Properties, Inc.	14,650	12,771	57,815	51,290
Income allocated to participating securities	(99)	(98)	(383)	(377)
Income allocated to preferred stockholders	(819)	(819)	(3,273)	(3,273)
Net income available to common stockholders	$ 13,732	$ 11,854	$ 54,159	$ 47,640
Basic earnings per common share:				
Continuing operations	$ 0.40	$ 0.38	$ 1.56	$ 1.54
Discontinued operations	$ 0.00	$ 0.01	$ 0.07	$ 0.03
Net income available to common stockholders	$ 0.40	$ 0.39	$ 1.64	$ 1.58
Diluted earnings per common share:				
Continuing operations	$ 0.40	$ 0.38	$ 1.56	$ 1.54
Discontinued operations	$ 0.00	$ 0.01	$ 0.07	$ 0.03
Net income available to common stockholders	$ 0.40	$ 0.39	$ 1.63	$ 1.57
Weighted average shares used to calculate earnings per common share:				
Basic	34,555	30,297	33,111	30,238
Diluted	34,582	30,341	33,142	30,278

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. The Company believes FFO, AFFO and FAD 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 like 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 have a different interpretation of the current NAREIT definition from that of 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.

While 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, such measures are not representative of 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 each of net income, FFO and normalized FFO available to common stockholders, as well as normalized AFFO and normalized FAD *(unaudited, amounts in thousands, except per share amounts)*:

	Three Months Ended December 31, 2013	Three Months Ended December 31, 2012	Twelve Months Ended December 31, 2013	Twelve Months Ended December 31, 2012
Net income available to common stockholders	$ 13,732	$ 11,854	$ 54,159	$ 47,640
Add: Depreciation and amortization (continuing and discontinued operations)	6,237	5,692	24,706	22,153
Less: Gain on sale of real estate, net	—	—	(1,605)	(16)
FFO available to common stockholders	19,969	17,546	77,260	69,777
Add: Non-cash interest related to earn-out liabilities	—	109	256	439
Less: Non-recurring one-time items	1,980(1)	—	2,687(2)	(347)(3)
Normalized FFO available to common stockholders	21,949	17,655	80,203	69,869
Add (less): Non-cash rental income	(790)	(900)	(3,295)	(2,604)
Normalized adjusted FFO (AFFO)	21,159	16,755	76,908	67,265
Add: Non-cash compensation charges	541	464	2,134	1,819
Normalized funds available for distribution (FAD)	$ 21,700	$ 17,219	$ 79,042	$ 69,084

(1) Comprised of a $1,244 provision for loan loss reserve on a $124,387 mortgage loan origination and an $869 non-cash write-off of straight-line rent offset by revenue from the Sunwest bankruptcy settlement distribution of $133.
(2) Represents a one-time severance and accelerated restricted stock vesting charge of $707 related to the retirement of the Company's former Senior Vice President, Marketing and Strategic Planning and (1) above.
(3) Represents revenue from the Sunwest bankruptcy settlement distribution.

	Three Months Ended December 31, 2013	Three Months Ended December 31, 2012	Twelve Months Ended December 31, 2013	Twelve Months Ended December 31, 2012
Basic FFO available to common stockholders per share	$ 0.58	$ 0.58	$ 2.33	$ 2.31
Diluted FFO available to common stockholders per share	$ 0.57	$ 0.57	$ 2.29	$ 2.26
Diluted FFO available to common stockholders	$ 20,788	$ 18,470	$ 80,916	$ 73,464
Weighted average shares used to calculate diluted FFO per share available to common stockholders	36,582	32,548	35,342	32,508
Basic normalized FFO available to common stockholders per share	$ 0.64	$ 0.58	$ 2.42	$ 2.31
Diluted normalized FFO available to common stockholders per share	$ 0.62	$ 0.57	$ 2.37	$ 2.26
Diluted normalized FFO available to common stockholders	$ 22,867	$ 18,579	$ 83,859	$ 73,556
Weighted average shares used to calculate diluted normalized FFO per share available to common stockholders	36,778	32,548	35,342	32,508
Basic normalized AFFO per share	$ 0.61	$ 0.55	$ 2.32	$ 2.22
Diluted normalized AFFO per share	$ 0.60	$ 0.54	$ 2.28	$ 2.18
Diluted normalized AFFO	$ 21,978	$ 17,679	$ 80,564	$ 70,952
Weighted average shares used to calculate diluted normalized AFFO per share	36,582	32,548	35,342	32,508
Basic normalized FAD per share	$ 0.63	$ 0.57	$ 2.39	$ 2.28
Diluted normalized FAD per share	$ 0.61	$ 0.56	$ 2.34	$ 2.24
Diluted normalized FAD	$ 22,618	$ 18,143	$ 82,698	$ 72,771
Weighted average shares used to calculate diluted normalized FAD per share	36,778	32,548	35,342	32,508

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

	December 31, 2013	December 31, 2012
ASSETS		
Real estate investments:		
Land	$ 80,993	$ 74,702
Buildings and improvements	856,624	811,867
Accumulated depreciation and amortization	(218,700)	(194,448)
Net real estate property	718,917	692,121
Properties held-for-sale, net of accumulated depreciation and amortization: 2013 — $0; 2012 — $4,100	—	9,426
Net real estate property	718,917	701,547
Mortgage loans receivable, net of allowance for doubtful accounts: 2013 — $1,671; 2012 — $782	165,444	39,299
Real estate investments, net	884,361	740,846

Other assets:		
Cash and cash equivalents	6,778	7,191
Debt issue costs, net	2,458	3,040
Interest receivable	702	789
Straight-line rent receivable, net of allowance for doubtful accounts: 2013 — $1,541; 2012 — $1,513	29,760	26,766
Prepaid expenses and other assets	6,756	7,542
Notes receivable	595	3,180
Straight-line rent receivable and other assets related to properties held-for-sale, net of allowance for doubtful accounts: 2013 — $0; 2012 — $44	—	238
Total assets	$ 931,410	$ 789,592
LIABILITIES		
Bank borrowings	$ 21,000	$ 115,500
Senior unsecured notes	255,800	185,800
Bonds payable	2,035	2,635
Accrued interest	3,424	3,279
Earn-out liabilities	—	6,744
Accrued expenses and other liabilities	16,713	12,165
Accrued expenses and other liabilities related to properties held-for-sale	—	361
Total liabilities	298,972	326,484
EQUITY		
Stockholders' equity:		
Preferred stock $0.01 par value; 15,000 shares authorized; shares issued and outstanding: 2013 — 2,000; 2012 — 2,000	38,500	38,500
Common stock: $0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2013 — 34,746; 2012 — 30,544	347	305
Capital in excess of par value	688,654	510,236
Cumulative net income	781,848	724,033
Accumulated other comprehensive income	117	152
Cumulative distributions	(877,028)	(810,125)
Total LTC Properties, Inc. stockholders' equity	632,438	463,101
Non-controlling interests	—	7
Total equity	632,438	463,108
Total liabilities and equity	$ 931,410	$ 789,592

Exhibit 99.2

LTC PROPERTIES, INC.

Supplemental Operating and Financial Data
December 31, 2013
(Unaudited)

Combination of Assisted Living and Memory Care – Wichita, KS (77 units)
Operated by Oxford Senior Living

LTC PROPERTIES, INC.

Table of Contents

Company Information

LTC LISTED NYSE

Company

Founded in 1992, LTC Properties, Inc. ("LTC") 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, visit the Company's website at www.LTCProperties.com.

Board of Directors

Wendy Simpson
Chairman

Boyd Hendrickson
Lead Director

Edmund King

Devra Shapiro

Timothy Triche, MD

Senior Management

Wendy Simpson
Chairman, Chief Executive Officer and President

Pam Kessler
Executive Vice President and Chief Financial Officer

Clint Malin
Executive Vice President and Chief Investment Officer

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

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, 2013 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 26, 29, and 30 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 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
3/23/12	1	SNF	144 beds	TX	Senior Care Centers	2002	$ 18,600	$ 1,988	10.7%
5/14/12	1	UDP [1]	60 units	CO	Under Development Property	2012-2013 [1]	1,882	-	- [1]
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 [2]	77 units	KS	Under Development Property	2012-2013 [2]	730	-	- [2]
12/20/12	5	ALF/MC	266 units	CO/NJ	Juniper Communities, LLC	1999-2002	81,988	6,665	8.1%
12/27/12	1	UDP [3]	81 units	TX	Under Development Property	2013-2014 [3]	1,000	-	- [3]
12/28/12	1	UDP [3]	143 beds	KY	Under Development Property	2013-2015 [3]	2,050	-	- [3]
Total 2012	13		665 beds/484 units				166,750		
9/13/2013	1	UDP [3]	60 units	CO	Under Development Property	2013-2014 [3]	1,200	- [3]	- [3][4]
9/20/2013	1	UDP [3]	48 units	CO	Under Development Property	2013-2014 [3]	850	- [3]	- [3][4]
10/31/2013	4	Land	N/A	MI	Prestige Healthcare	N/A	1,163	-	-
11/1/2013	1	SNF	120 beds	FL	Traditions Management	2008 [5]	14,402	- [5]	- [5]
12/20/2013	1	UDP [3]	60 units	CO	Under Development Property	2013-2015 [3]	1,425	[3]	- [3][4]
Total 2013	8		120 beds/168 units				19,040		
Total	21		785 beds/652 units				$ 185,790		

(1) In July 2013, we received the certificate of occupancy on a newly constructed 60-unit memory care property in Colorado. The new memory care property opened in July 2013. See page 7 for Lease-Up Activity.
(2) In October 2013, we received the certificate of occupancy on a newly constructed 77-unit memory care property in Kansas. The new memory care property opened in October 2013. See page 7 for Lease-Up Activity.
(3) See page 7 for Development Activity.
(4) Simultaneous with the purchase, we entered into a lease agreement and development commitments totaling $30.3 million to fund the construction.
(5) The property was included in a master lease at an incremental initial cash yield of 8.75%. The GAAP yield on the master lease will be 10.7%.

LOAN ORIGINATIONS

Date	# of Properties	Property Type	# Beds/Units	Location	Borrower	Operator	Funded to Date	Annual Revenue	Interest Rate
11/15/12	1	SNF/UDP [1]	106 beds	WI	Hartford Healthcare	Fundamental	$ 7,590	$ 755	10.1%
12/20/12	1	ALF	70 units	PA	Cordia Commons at Meadville	Juniper	5,100	362	7.0%
Total 2012	2		106 beds / 70 units				$ 12,690	$ 1,117	
10/31/13	15	SNF	2,092 beds	MI	Affiliates of Madison Healthcare	Prestige Healthcare	$ 124,387	$ 11,854	9.5%
Total 2013	15		2,092 beds				$ 124,387	$ 11,854	
Total	17		2,198 beds / 70 units				$ 137,077	$ 12,971	

(1) Represents a mortgage and construction loan secured by a currently operating skilled nursing property and parcel of land upon which a 106-bed replacement facility is being constructed. The initial funding in 2012 was $2,619.

Development and Lease-Up Activity

(dollar amounts in thousands)

DEVELOPMENT

Estimated Rent Inception Date	Commitment Year	Project Type	Location	# of Projects	Property Type	Approximate Cash Lease Yield	# Beds/Units	Investment Commitment [1]	4Q13 Funding [1]	Total Funded to Date [1]	Remaining Commitment [1]
2Q14	2012	Renovation	Roswell, NM	1	SNF	9.00%	-	$ 1,540	$ -	$ 1,056	$ 484
2Q14	2012	Renovation	Alamagordo, NM	1	SNF	9.00%	-	710	-	371	339
- [2]	2012	Construction Loan	Slinger, WI	1	SNF	9.25% [3]	106 beds	10,600	2,155	7,590	3,010
2Q14	2012	Expansion	Arvada, CO	1	ALF/MC	7.75% [3]	-	6,600	1	4	6,596
2Q14	2013	Renovation	Hillview, TN	1	SNF	7.00%	-	1,100	525	752	348
2Q14	2013	Renovation	Lauderdale, TN	1	SNF	7.00%	-	1,100	76	253	847
3Q14	2012	Development	Frisco, TX	1	ALF/MC	9.25%	81 units	5,800	972	3,392	2,408
3Q14	2012	Renovation	Sacramento, CA	1	SNF	9.00%	-	1,700	-	-	1,700
4Q14	2012	Expansion	Ft. Collins, CO	1	ALF/MC	7.75% [3]	-	4,700	1	2	4,698
4Q14	2012	Renovation	Ft. Collins, CO	1	ALF/MC	7.75% [3]	-	3,300	1	2	3,298
4Q14	2013	Renovation	St. Petersburg, FL	1	SNF	8.75%	-	500	-	-	500
4Q14	2013	Development	Littleton, CO	1	MC	9.25%	60 units	9,931	1,455	3,337	6,594
				12			106 beds/141 units	$ 47,581	$ 5,186	$ 16,759	$ 30,822
1Q15	2012	Development	Coldspring, KY	1	SNF	8.50%	143 beds	$ 23,500	$ 2,408	$ 10,325	$ 13,175
1Q15	2013	Development	Aurora, CO	1	MC	9.25%	48 units	9,621	116	1,486	8,135
1Q15	2013	Development	Westminster, CO	1	MC	9.25%	60 units	10,703	2,437	2,437	8,266
- [4]	2013	Mortgage Loan [5]	Various cities in MI	15	SNF	9.41%	-	12,000	-	-	12,000
				18			143 beds/108 units	$ 55,824	$ 4,961	$ 14,248	$ 41,576
			Total	30			249 beds/249 units	$ 103,405	$ 10,147	$ 31,007	$ 72,398

(1) Includes land and excludes capitalized interest on our open commitment.
(2) Interest on the current outstanding construction loan balance is paid monthly in arrears.
(3) Based on Treasury rate and/or Treasury rate plus spread but not less than the rate shown.
(4) Interest on additional loan proceeds (see footnote 5 below) begins upon funding. Under the mortgage loan, the commitment to fund additional loan proceeds for approved capital improvement projects expires on March 31, 2016.
(5) Mortgage loan originated on October 31, 2013 provides for a $12.0 million commitment to fund renovations and/or expansions at certain properties securing the mortgage loan.

LEASE-UP

Date Opened	Occupancy at Jan-14	Commitment Year	Project Type	Location	# of Projects	Property Type	Approximate Cash Lease Yield	# Beds/Units	Total Commitment	4Q13 Funding	Total Funded to Date
Jul-13	78%	2011	Re-development [1]	Amarillo, TX	1	SNF	9.00%	120 beds	$ 9,094	$ -	$ 8,635
Jul-13	100%	2012	Development [2]	Littleton, CO	1	MC	9.25%	60 units	9,925	(57) [2]	9,851
Oct-13	37%	2012	Development [3]	Wichita, KS	1	ALF/MC	9.25%	77 units	10,585	2,809	9,675
					3			120 beds/137 units	$ 29,604	$ 2,752	$ 28,161

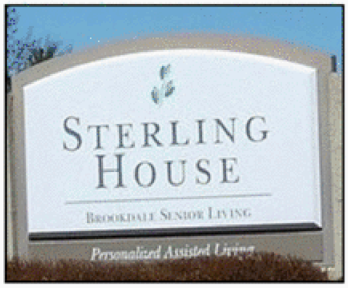
(1) Represents a newly developed 120-bed skilled nursing property in Texas which replaces a skilled nursing property in our existing portfolio. GAAP rent began in 3Q13.
(2) Represents a newly developed 60-unit memory care property in Colorado. GAAP rent began in 3Q13. In 4Q13, we received a vendor refund.
(3) Represents a newly developed 77-unit assisted living and memory care property in Kansas. GAAP rent began in 4Q13.

Development Activity

Development in Coldspring, KY
143-bed skilled nursing property
To be operated by Carespring Health Care Mgmt, LLC

Development Activity

Expansion Project in Arvada, CO
Operated by Brookdale Senior Living, Inc.

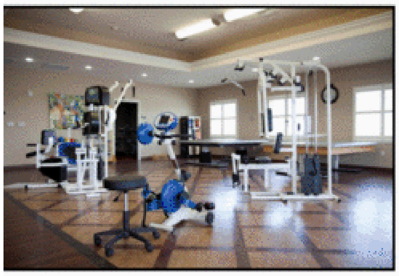


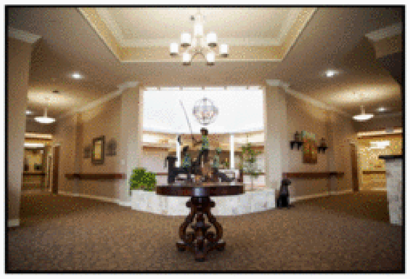
Development Activity

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

Lease-Up Activity

Lease-Up in Amarillo, TX
120-bed skilled nursing property
Certificate of Occupancy – July 10, 2013
Operated by Fundamental family of companies





Lease-Up Activity

Lease-Up in Littleton, CO
60-unit memory care property
Certificate of Occupancy – July 9, 2013
Operated by Anthem Memory Care

Lease-Up Activity

Lease-Up in Wichita, KS
77-unit assisted living and memory care property
Certificate of Occupancy – October 30, 2013
Operated by Oxford Senior Living

REAL ESTATE PORTFOLIO

Real Estate Portfolio Summary

(dollar amounts in thousands)

Real Estate Portfolio Snapshot

			For the Year Ended December 31, 2013						
Type of Property	Gross Investments	% of Investments	Rental Income	Interest Income	% of Revenues[1]	# of Properties	SNF Beds	ALF Units	Investment per Bed/Unit
Skilled Nursing[2]	$ 611,160	55.3%	$ 50,046	$ 4,881	52.6%	100	12,217	-	$50.03
Assisted Living[3]	412,024	37.3%	41,641	1,103	40.9%	106	-	4,852	$84.92
Range of Care	46,509	4.2%	4,904	314	5.0%	9	733	348	$43.02
Under Development[4]	21,432	2.0%	-	-	-	-	-	-	
Other[5]	13,607	1.2%	1,575	-	1.5%	2	-	-	
Total	$ 1,104,732	100.0%	$ 98,166	$6,298 [6]	100.0%	217	12,950	5,200	

(1) Includes rental income and interest income from mortgage loans.
(2) Includes a mortgage and construction loan secured by a currently operating skilled nursing property and parcel of land upon which a 106-bed replacement property is being constructed.
(3) Includes four properties with 196 units devoted to memory care.
(4) Includes three MC developments with a total of 168 units, a combination ALF and MC developments with a total of 81 units, and a SNF development with 143 beds.
(5) Includes two school properties and four parcels of land held-for-use.
(6) Includes two months of interest from a $124,387 mortgage loan originated in 4Q13. Assuming a full year of interest income from this mortgage loan, interest income would have been $16,144.

REAL ESTATE PORTFOLIO

Real Estate Portfolio Metrics

Same Property Portfolio Statistics (1)

Owned Properties	Occupancy 3Q13	Occupancy 2Q13	Normalized EBITDAR Coverage 3Q13	Normalized EBITDAR Coverage 2Q13	Normalized EBITDARM Coverage 3Q13	Normalized EBITDARM Coverage 2Q13
Assisted Living (2)	77.6%	77.3%	1.20	1.19	1.42	1.42
Assisted Living (3)	87.0%	86.6%	1.43	1.41	1.68	1.67
Skilled Nursing	79.0%	79.1%	1.79	1.84	2.44	2.49
Range of Care	86.9%	86.5%	1.36	1.41	1.81	1.86

(1) Information is for the trailing twelve months through September 30, 2013 and June 30, 2013 and is from property level operator financial statements which are unaudited and have not been independently verified by us.

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

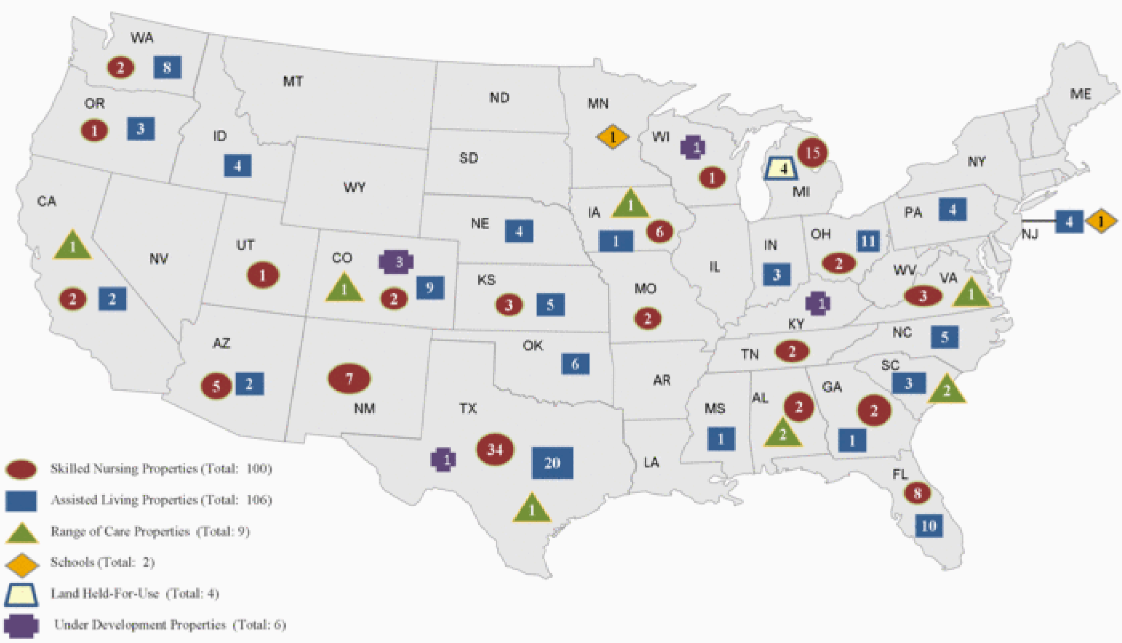
(3) Excludes properties leased to Extendicare Inc. and Assisted Living Concepts, Inc.

Stabilized Property Portfolio Quality Mix

Owned Properties Payor Source (1)	For the Twelve Months Ended September 30, 2013
Private Pay	58.0%
Medicare	15.0%
Medicaid	27.0%

(1) Quality mix for our skilled nursing portfolio, for the twelve months presented, is 24.1% Private Pay, 26.9% Medicare, and 49.0% Medicaid.

Real Estate Portfolio Diversification



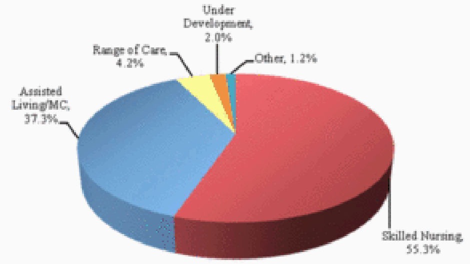
- LTC owns or holds mortgages on 217 properties, six parcels of land under development, and four parcels of land held-for-use in 30 states
- Approximately 78% of the Company's total gross investment is located in 10 states
- LTC's largest concentration is in Texas which has approximately 22% of the Company's total gross investment

Real Estate Portfolio Diversification

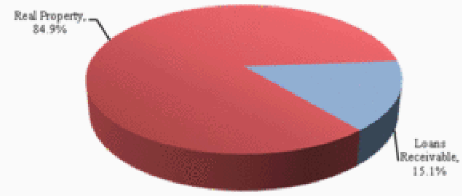
(dollar amounts in thousands)

Property and Asset Type Diversification - Owned and Loan Portfolio

Gross Investment By Property Type



Gross Investment By Asset Type



Property Type	# of Properties	# of Beds/Units	Gross Investment	%	For the Year Ended December 31, 2013 Revenue[1]	%
Skilled Nursing[2]	100	12,217	$ 611,160	55.3%	$ 54,927	52.6%
Assisted Living[3]	106	4,852	412,024	37.3%	42,744	40.9%
Range of Care	9	1,081	46,509	4.2%	5,218	5.0%
Under Development[4]	-	-	21,432	2.0%	-	-
Other[5]	2	-	13,607	1.2%	1,575	1.5%
Total	217	18,150	$ 1,104,732	100.0%	$ 104,464 [6]	100.0%

Asset Type	Gross Investment	%
Real Property	$ 937,617	84.9%
Loans Receivable	167,115	15.1%
Total	$ 1,104,732	100.0%

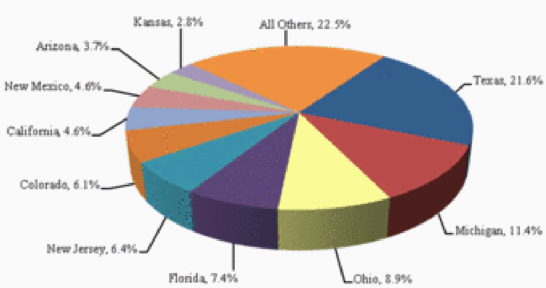
(1) Includes rental income and interest income from mortgage loans.
(2) Includes a mortgage and construction loan secured by a currently operating skilled nursing property and parcel of land upon which a 106-bed replacement property is being constructed.
(3) Includes four properties totaling 196 units devoted to memory care.
(4) Includes three MC developments with a total of 168 units, a combination ALF and MC developments with a total of 81 units, and a SNF development with 143 beds.
(5) Includes two school properties and four parcels of land held-for-use.
(6) Includes two months of interest from a $124,387 mortgage loan originated in 4Q13. Assuming a full year of interest income from this mortgage loan, revenue would have been $114,310.

Real Estate Portfolio Diversification

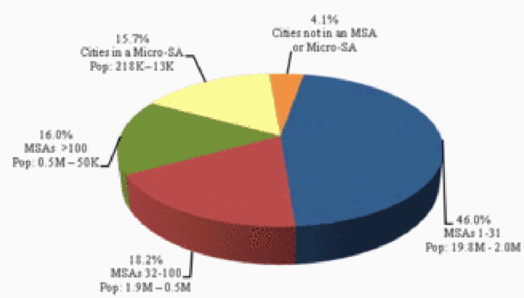
(dollar amounts in thousands)

State Diversification By Property Type - Owned and Loan Portfolio

Gross Investment By State



Gross Portfolio By MSA[1]



State [2]	# of Props	SNF	%	ALF	%	ROC	%	UDP	%	OTH	%	Gross Investment	%
Texas	55	$ 194,571	31.8%	$ 37,699	9.1%	$ 2,994	6.4%	$ 3,486	16.3%	$ -	-	$ 238,750	21.6%
Michigan	15	124,387	20.4%	-	-	-	-	-	-	1,163	8.5%	125,550	11.4%
Ohio	13	54,000	8.8%	44,647	10.8%	-	-	-	-	-	-	98,647	8.9%
Florida	18	41,027	6.7%	41,052	10.0%	-	-	-	-	-	-	82,079	7.4%
New Jersey	5	-	-	61,398	14.9%	-	-	-	-	9,270	68.1%	70,668	6.4%
Colorado	12	6,038	1.0%	52,056	12.6%	2,007	4.3%	7,315	34.1%	-	-	67,416	6.1%
California	5	20,649	3.4%	28,071	6.8%	2,602	5.6%	-	-	-	-	51,322	4.6%
New Mexico	7	50,303	8.2%	-	-	-	-	-	-	-	-	50,303	4.6%
Arizona	7	36,092	5.9%	5,120	1.2%	-	-	-	-	-	-	41,212	3.7%
Kansas	8	14,111	2.3%	16,594	4.0%	-	-	-	-	-	-	30,705	2.8%
All Others	72	69,982	11.5%	125,387	30.6%	38,906	83.7%	10,631	49.6%	3,174	23.4%	248,080	22.5%
Total	217	$ 611,160	100.0%	$ 412,024	100.0%	$ 46,509	100.0%	$ 21,432	100.0%	$ 13,607	100.0%	$ 1,104,732	100.0%

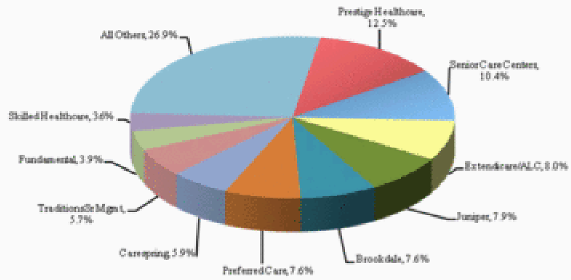
(1) The MSA rank by population as of July 1, 2012, as estimated by the United States Census Bureau.
(2) Due to master leases with properties in multiple states, revenue by state is not available.

Real Estate Portfolio Diversification

(dollar amounts in thousands)

Operator Diversification – Owned and Loan Portfolio

Gross Investment By Operator



Operators[1]	# of Properties	Gross Investment	%	Annual Income[2]	%
Prestige Healthcare	17	$ 137,739	12.5%	$ 13,089	11.3%
Senior Care Centers, LLC	9	114,539	10.4%	12,284	10.6%
Extendicare Inc. and Assisted Living Concepts, Inc	37	88,034	8.0%	10,963	9.4%
Juniper Communities, LLC	6	87,088	7.9%	7,025	6.0%
Brookdale Senior Living, Inc.	35	84,219	7.6%	10,948	9.4%
Preferred Care	29	83,874	7.6%	11,336	9.8%
Carespring Health Care Mgt, LLC	2	64,631	5.9%	5,431	4.7%
Traditions Senior Management, Inc.	5	62,902	5.7%	6,761	5.8%
Fundamental Family of Companies	6	42,805	3.9%	4,191	3.6%
Skilled Healthcare Group, Inc.	5	40,270	3.6%	4,501	3.9%
All Others	66	298,631	26.9%	29,653	25.5%
Total	217	$ 1,104,732	100.0%	$ 116,182	100.0%

(1) We lease or mortgage 217 properties to 40 different operators.
(2) Includes annualized GAAP rent for leased properties and trailing twelve months interest income from properties secured by mortgage loans, except for Prestige Healthcare which we acquired in 4Q13. Prestige Healthcare includes annualized GAAP rent for leased properties and annualized interest income from properties secured by mortgage loans. Annual income also excludes GAAP rent from a lease related to four assisted living properties which is being transitioned to a new lessee.

Top Ten Operators

Prestige Healthcare (privately held) provides skilled nursing, assisted living, and independent living services, and other rehabilitative and healthcare services at 35 facilities in seven states. As of December 31, 2013, the LTC portfolio consisted of 15 skilled nursing properties in Michigan and two range of care properties in South Carolina with a gross investment balance of $137.7 million.

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, 2013, the LTC portfolio consisted of nine skilled nursing properties in Texas with a gross investment balance of $114.5 million.

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, 2013. Extendicare Inc. (TSX: EXE) operates 245 senior care centers in North America with the ability to serve approximately 27,000 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. (Privately held) and its subsidiaries own or operate 210 senior living residences with over 9,000 units in 20 states.

Juniper Communities, LLC (privately held) operates 18 facilities comprised of skilled nursing, assisted living, memory care, and independent living facilities in four states. As of December 31, 2013, the LTC portfolio consisted of six assisted living and memory care properties in three states with a gross investment balance of $87.1 million.

Brookdale Senior Living, Inc. (NYSE: BKD) operates more than 650 independent living, assisted living, and memory care communities and continuing care retirement centers, with the ability to serve approximately 67,000 residents. As of December 31, 2013, the LTC portfolio consisted of 35 assisted living properties in eight states with a gross investment balance of $84.2 million.

Preferred Care, Inc. (privately held) operates 105 facilities comprised of skilled nursing, assisted living, and independent living facilities, as well as five specialty care facilities, in 12 states. As of December 31, 2013, the LTC portfolio consisted of 27 skilled nursing and two range of care properties in six states with a gross investment balance of $83.9 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.

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, 2013, the LTC portfolio consisted of a parcel of land in Kentucky and two skilled nursing properties in Ohio with a gross investment balance of $64.6 million.

Traditions Senior Management, Inc. and other affiliated entities (privately held) operate 23 facilities consisting of independent living, assisted living, and skilled nursing facilities in eight states. As of December 31, 2013, the LTC portfolio consisted of four skilled nursing properties and one range of care property operated by Traditions and another affiliate in three states with a gross investment balance of $62.9 million. They also operate two skilled nursing properties under a sub-lease with Preferred Care, Inc. which is not included in the Traditions rental revenue.

Fundamental Family of Companies (privately held) includes skilled nursing facilities, assisted living facilities, long term acute care hospitals, hospices, outpatient clinics, behavioral health services and other healthcare services at 86 locations in 10 states. As of December 31, 2013, the LTC portfolio consisted six skilled nursing properties in three states with a gross investment balance of $42.8 million.

Skilled Healthcare Group, Inc. (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 72 skilled nursing and 22 assisted living facilities in eight states. As of December 31, 2013, the LTC portfolio consisted of five skilled nursing properties in New Mexico with a gross investment balance of $40.3 million.

Extendicare Inc. (TSX: EXE) and Assisted Living Concepts, Inc. (Privately Held)

Co-lessee	Extendicare Inc. and Assisted Living Concepts, Inc.
Total # of Properties	37 properties
Total # of Units	1,430 units
Lease Expiration	December 31, 2014
Normalized EBITDAR Coverage (1)	0.74x
Normalized EBITDARM Coverage (1)	0.91x
% of Portfolio Income	9.2% of Annual Income

EXTENDICARE®

Assisted Living Concepts, Inc.

Master Lease I		
States	# of Properties	# of Units
Idaho	4	148
Iowa	1	35
New Jersey	1	39
Ohio	5	191
Texas	7	278
Total	18	691

Master Lease II		
States	# of Properties	# of Units
Arizona	2	76
Indiana	2	78
Nebraska	4	158
Oregon	3	119
Washington	8	308
Total	19	739

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.

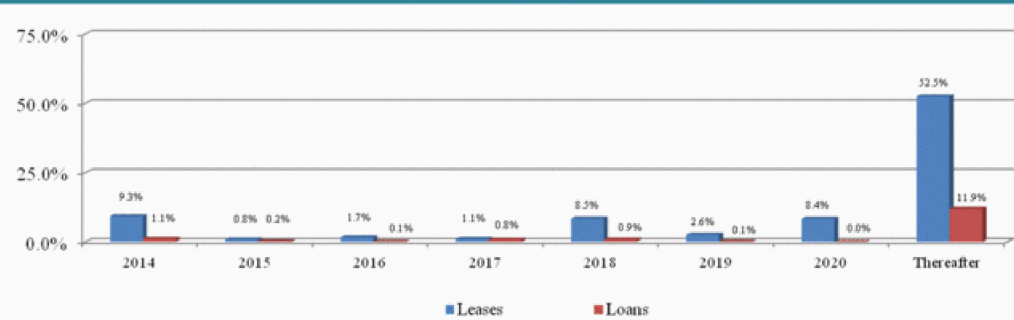
(1) Twelve Months Ended September 30, 2013

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)



Rental Revenue and Interest Income Maturity

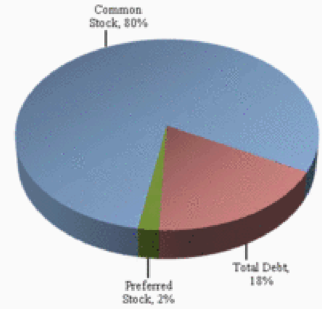
Year	Rental Income(1)(2)	% of Total	Interest Income(1)	% of Total	Annual Income(1)	% of Total
2014	$ 12,951	13.0%	$ 1,203	7.5%	$ 14,154	12.2%
2015	1,132	1.1%	314	1.9%	1,446	1.3%
2016	2,581	2.6%	78	0.5%	2,659	2.3%
2017	1,638	1.6%	1,085	6.7%	2,723	2.3%
2018	10,620	10.6%	1,021	6.3%	11,641	10.0%
2019	1,596	1.6%	140	0.9%	1,736	1.5%
2020	11,850	11.9%	-	-	11,850	10.2%
Thereafter	57,670	57.6%	12,303	76.2%	69,973	60.2%
Total	$ 100,038	100.0%	$ 16,144	100.0%	$ 116,182	100.0%

(1) Includes annualized GAAP rent for leased properties and trailing twelve months interest income from properties secured by mortgage loans, except for Prestige Healthcare which we acquired in 4Q13. Prestige Healthcare includes annualized GAAP rent for leased properties and annualized interest income from properties secured by mortgage loans.
(2) Excludes GAAP rent from a lease related to four assisted living properties which is being transitioned to a new lessee.

Market Value

(In thousands, except per share amounts and number of shares)	No. of shares	Closing Price	At December 31, 2013	Capitalization
Debt				
Bank borrowings - LIBOR + 1.25%			$ 21,000	
Senior unsecured notes -weighted average rate 4.85% [(1)]			255,800	
Bonds payable - weighted average rate 2.94% [(2)]			2,035	
Total debt			278,835	18%
Equity				
Preferred stock -Series C [(3)]			38,500	2%
Common stock [(4)]	34,745,585	$ 35.39 [(5)]	1,229,646	80%
Total equity			1,268,146	82%
Total Market Value			$ 1,546,981	100%
Debt to Total Market Value			18.0%	
Debt & Preferred to Total Market Value			20.5%	
Debt to Normalized EBITDA			2.9x	

Capitalization



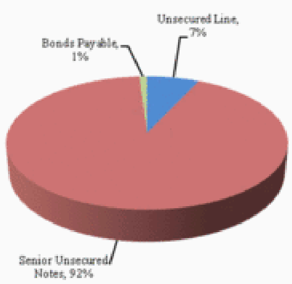
(1) Includes amortization of debt issue cost.
(2) Includes letter of credit fees.
(3) Non-traded shares. Two million shares outstanding with a face rate of 8.5% and a liquidation value of $19.25 per share, convertible into common stock on a one-for-one basis. Our Series C preferred stock is not redeemable by us.
(4) Traded on NYSE.
(5) Closing price of our common stock as reported by the NYSE on December 31, 2013, the last trading day of fourth quarter 2013.

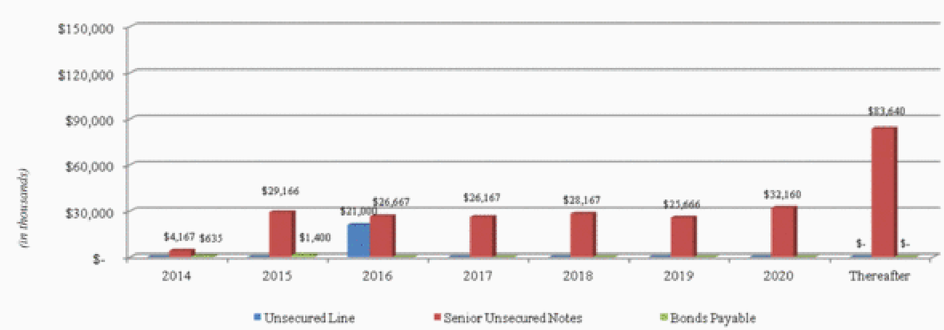
Debt Maturity

(in thousands)

Year	Unsecured Line of Credit	Senior Unsecured Notes [(1)]	Bonds Payable [(1)]	Total
2014	$ -	$ 4,167	$ 635	$ 4,802
2015	-	29,166	1,400	30,566
2016	21,000	26,667	-	47,667
2017	-	26,167	-	26,167
2018	-	28,167	-	28,167
2019	-	25,666	-	25,666
2020	-	32,160	-	32,160
Thereafter	-	83,640	-	83,640
Total	$ 21,000	$ 255,800	$ 2,035	$ 278,835

Debt Structure





(1) Reflects scheduled principal payments.

Financial Data Summary

(dollar amounts in thousands)

Balance Sheet, Leverage Ratios, and Coverage Ratios

	For the Year Ended			
	12/31/13	12/31/12	12/31/11	12/31/10
Balance Sheet:				
Gross real estate assets	$1,104,732	$940,176	$779,033	$675,673
Net real estate assets	884,361	740,846	599,916	515,983
Gross asset value	1,150,110	988,140	825,293	719,973
Total debt	278,835	303,935	159,200	91,430
Total liabilities	298,972	326,484	178,387	103,742
Preferred stock	38,500	38,500	38,500	126,913
Total equity	632,438	463,108	468,710	457,522
Leverage Ratios:				
Debt to gross asset value	24.2%	30.8%	19.3%	12.7%
Debt & preferred stock to gross asset value	27.6%	34.7%	24.0%	30.3%
Debt to total market value	18.0%	21.4%	14.0%	9.5%
Debt & preferred stock to total market value	20.5%	24.2%	17.4%	23.0%
Coverage Ratios:				
Debt to normalized EBITDA	2.9x	3.7x	2.1x	1.4x
Normalized EBITDA / interest expense	8.4x	8.4x	11.7x	24.5x
Normalized EBITDA / fixed charges	6.5x	6.3x	6.3x	4.0x

Financial Data Summary

(dollar amounts in thousands)

Reconciliation of Normalized EBITDA and Fixed Charges

	For the Year Ended			
	12/31/13	12/31/12	12/31/11	12/31/10
Net income	$ 57,815	$ 51,327	$ 49,443	$ 46,053
Less: Gain on sale of real estate, net	(1,605)	(16)	-	(310)
Add: Interest expense	11,364	9,932	6,434	2,653
Add: Depreciation and amortization (continuing and discontinued operations)	24,706	22,153	19,623	16,109
Adjusted EBITDA	92,280	83,396	75,500	64,505
Add back/(deduct):				
Non-recurring one-time items	2,687 (1)	(347) (2)	-	467 (3)
Normalized EBITDA	**$ 94,967**	**$ 83,049**	**$ 75,500**	**$ 64,972**
Interest expense	$ 11,364	$ 9,932	$ 6,434	$ 2,653
Preferred stock dividend	3,273	3,273	5,512	13,662
Fixed Charges	**$ 14,637**	**$ 13,205**	**$ 11,946**	**$ 16,315**

(1) Represents the one-time severance and accelerated restricted stock vesting charge of $707 related to the retirement of the Company's former Senior Vice President, Marketing and Strategic Planning, a $1,244 provision for loan loss reserve on a $124,387 mortgage loan origination and an $869 non-cash write off of straight-line rent offset by revenue from the Sunwest bankruptcy settlement distribution of $133.

(2) Represents revenue from the Sunwest bankruptcy settlement distribution.

(3) Includes a $1,237 provision for doubtful accounts charge related to two mortgage loans (one secured by a private school property located in Minnesota and one secured by land located in Oklahoma) partially offset by a $770 bankruptcy settlement distribution relating to Sunwest.

Non-Cash Rental Revenue Components

	4Q13	1Q14(1)	2Q14(1)	3Q14(1)	4Q14(1)
Straight-line rent	$ 955	$ 641	$ 603	$ 524	$ 425
Amort of lease inducement	(165)	(165)	(165)	(165)	(165)
Net	$ 790	$ 476	$ 438	$ 359	$ 260

(1) For leases in place, excluding a lease related to four assisted living properties which is being transitioned to a new lessee, and 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 December 31, 2013	Three Months Ended December 31, 2012	Twelve Months Ended December 31, 2013	Twelve Months Ended December 31, 2012
Revenues				
Rental income	$ 25,259	$ 22,844	$ 98,166	$ 86,022
Interest income from mortgage loans	3,103	1,135	6,298	5,496
Interest and other income	231	146	510	964
Total revenues	28,593	24,125	104,974	92,482
Expenses				
Interest expense	2,852	2,907	11,364	9,932
Depreciation and amortization	6,237	5,560	24,389	21,613
Provision (recovery) for doubtful accounts	2,139	(78)	2,180	(101)
General and administrative expenses	2,715	3,212	11,636	10,732
Total expenses	13,943	11,601	49,569	42,176
Income from continuing operations	14,650	12,524	55,405	50,306
Discontinued operations:				
Net income from discontinued operations	-	254	805	1,005
Gain on sale of assets, net	-	-	1,605	16
Net income from discontinued operations	-	254	2,410	1,021
Net income	14,650	12,778	57,815	51,327
Income allocated to non-controlling interests	-	(7)	-	(37)
Net income attributable to LTC Properties, Inc.	14,650	12,771	57,815	51,290
Income allocated to participating securities	(99)	(98)	(383)	(377)
Income allocated to preferred stockholders	(819)	(819)	(3,273)	(3,273)
Net income available to common stockholders	**$ 13,732**	**$ 11,854**	**$ 54,159**	**$ 47,640**
Basic earnings per common share:	**$0.40**	**$0.39**	**$1.64**	**$1.58**
Diluted earnings per common share:	**$0.40**	**$0.39**	**$1.63**	**$1.57**
Weighted average shares used to calculate earnings per common share:				
Basic	**34,555**	**30,297**	**33,111**	**30,238**
Diluted	**34,582**	**30,341**	**33,142**	**30,278**

Consolidated Balance Sheets

(amounts in thousands)

	December 31, 2013 (unaudited)	December 31, 2012 (audited)
ASSETS		
Real estate investments:		
Land	$ 80,993	$ 74,702
Buildings and improvements	856,624	811,867
Accumulated depreciation and amortization	(218,700)	(194,448)
Net operating real estate property	718,917	692,121
Properties held-for-sale, net of accumulated depreciation and amortization: 2013 - $0; 2012 - $4,100	-	9,426
Net real estate property	718,917	701,547
Mortgage loans receivable, net of allowance for doubtful accounts: 2013 - $1,671; 2012 - $782	165,444	39,299
Real estate investments, net	884,361	740,846
Other assets:		
Cash and cash equivalents	6,778	7,191
Debt issue costs, net	2,458	3,040
Interest receivable	702	789
Straight-line rent receivable, net of allowance for doubtful accounts: 2013 - $1,541; 2012 - $1,513	29,760	26,766
Prepaid expenses and other assets	6,756	7,542
Notes receivable	595	3,180
Straight-line rent receivable and other assets related to properties held-for-sale, net of allowance for doubtful accounts: 2013 - $0; 2012 - $44	-	238
Total assets	**$ 931,410**	**$ 789,592**

	December 31, 2013 (unaudited)	December 31, 2012 (audited)
LIABILITIES		
Bank borrowings	$ 21,000	$ 115,500
Senior unsecured notes	255,800	185,800
Bonds payable	2,035	2,635
Accrued interest	3,424	3,279
Earn-out liabilities	-	6,744
Accrued expenses and other liabilities	16,713	12,165
Accrued expenses and other liabilities related to properties held-for-sale	-	361
Total liabilities	298,972	326,484
EQUITY		
Preferred stock (1)	38,500	38,500
Common stock (2)	347	305
Capital in excess of par value	688,654	510,236
Cumulative net income	781,848	724,033
Other	117	152
Cumulative distributions	(877,028)	(810,125)
Total LTC stockholders' equity	632,438	463,101
Non-controlling interests	-	7
Total equity	632,438	463,108
Total liabilities and equity	**$ 931,410**	**$ 789,592**

(1) Preferred stock $0.01 par value; 15,000 shares authorized; shares issued and outstanding: 2013 - 2,000; 2012 - 2,000

(2) Common stock $0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2013 - 34,746; 2012 - 30,544

Funds from Operations

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

Reconciliation of Normalized FFO, Normalized AFFO, and Normalized FAD

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2013	2012	2013	2012
Net income available to common stockholders	$ 13,732	$ 11,854	$ 54,159	$ 47,640
Add: Depreciation and amortization (continuing and discontinued operations)	6,237	5,692	24,706	22,153
Less: Gain on sale of real estate, net	-	-	(1,605)	(16)
FFO available to common stockholders	19,969	17,546	77,260	69,777
Add: Non-cash interest related to earn-out liabilities	-	109	256	439
Less: Non-recurring one-time items	1,980 [1]	-	2,687 [2]	(347) [3]
Normalized FFO available to common stockholders	**21,949**	**17,655**	**80,203**	**69,869**
Add (less): Non-cash rental income	(790)	(900)	(3,295)	(2,604)
Normalized adjusted FFO (AFFO)	21,159	16,755	76,908	67,265
Add: Non-cash compensation charges	541	464	2,134	1,819
Normalized funds available for distribution (FAD)	$ 21,700	$ 17,219	$ 79,042	$ 69,084
Diluted FFO available to common stockholders per share	$0.57	$0.57	$2.29	$2.26
Diluted normalized FFO available to common stockholders per share	**$0.62**	**$0.57**	**$2.37**	**$2.26**
Diluted normalized AFFO per share	$0.60	$0.54	$2.28	$2.18
Diluted normalized FAD per share	$0.61	$0.56	$2.34	$2.24

(1) Comprised of a $1,244 provision for loan loss reserve on a $124,387 mortgage loan origination and an $869 non-cash write-off of straight-line rent offset by revenue from the Sunwest bankruptcy settlement distribution of $133.

(2) Represents the one-time severance and accelerated restricted stock vesting charge of $707 related to the retirement of the Company's former Senior Vice President, Marketing and Strategic Planning and (1) above.

(3) Represents revenue from the Sunwest bankruptcy settlement distribution.

Funds from Operations

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

Normalized FFO Per Share Reconciliation

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2013	2012	2013	2012
Normalized FFO available to common stockholders	**$ 21,949**	**$ 17,655**	**$ 80,203**	**$ 69,869**
Effect of dilutive securities:				
Participating securities	99	98	383	377
Convertible preferred securities	819	819	3,273	3,273
Convertible non-controlling interests	-	7	-	37
Diluted normalized FFO available to common stockholders	**$ 22,867**	**$ 18,579**	**$ 83,859**	**$ 73,556**
Shares for basic FFO per share	34,555	30,297	33,111	30,238
Effect of dilutive securities:				
Stock options	27	26	31	40
Participating securities	196	207	200	208
Convertible preferred securities	2,000	2,000	2,000	2,000
Convertible non-controlling interests	-	18	-	22
Shares for diluted FFO per share	**36,778**	**32,548**	**35,342**	**32,508**
Basic normalized FFO per share	**$0.64**	**$0.58**	**$2.42**	**$2.31**
Diluted normalized FFO per share	**$0.62**	**$0.57**	**$2.37**	**$2.26**

Glossary

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.

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 total assets plus accumulated depreciation.

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 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.

Glossary

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 EBITDAR Coverage: The trailing twelve month's earnings from the operator financial statements adjusted for non-recurring, infrequent, or unusual items and before interest, taxes, depreciation, amortization, and rent divided by the operator's contractual lease rent. Management fees are imputed at 5% of revenues.

Normalized EBITDARM Coverage: The trailing twelve month's earnings from the operator financial statements adjusted for non-recurring, infrequent, or unusual items and before interest, taxes, depreciation, amortization, rent, and management fees divided by the operator's contractual lease rent.

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.

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 twelve months 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.