

Nationwide Health Properties



Supplemental Information

December 31, 2009

Certain information contained in this release includes forward-looking statements. Forward-looking statements include statements regarding our expectations, beliefs, intentions, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements which are not statements of historical facts. These statements may be identified, without limitation, by the use of forward-looking terminology such as “may,” “will,” “anticipates,” “expects,” “believes,” “intends,” “should” or comparable terms or the negative thereof.

These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those described in the statements. Risks and uncertainties associated with our business include (without limitation) the following: deterioration in the operating results or financial condition, including bankruptcies, of our tenants; non-payment or late payment of rent, interest or loan principal amounts by our tenants; our reliance on two tenants for a significant percentage of our revenue; occupancy levels at certain facilities; our level of indebtedness; changes in the ratings of our debt securities; maintaining compliance with our debt covenants; access to the capital markets and the cost and availability of capital; government regulations, including changes in the reimbursement levels under the Medicare and Medicaid programs; the general distress of the healthcare industry; increasing competition in our business sector; the effect of economic and market conditions and changes in interest rates; the amount and yield of any additional investments; risks associated with acquisitions, including our ability to identify and complete favorable transactions, delays or failures in obtaining third party consents or approvals, the failure to achieve perceived benefits, unexpected costs or liabilities and potential litigation; the ability of our tenants to pay contractual rent and/or interest escalations in future periods; the ability of our tenants to obtain and maintain adequate liability and other insurance; our ability to attract new tenants for certain facilities; our ability to sell certain

facilities for their book value; our ability to retain key personnel; potential liability under environmental laws; the possibility that we could be required to repurchase some of our senior notes; the rights and influence of holders of our outstanding preferred stock; changes in or inadvertent violations of tax laws and regulations and other factors that can affect our status as a real estate investment trust; and other factors discussed from time to time in our news releases, public statements and/or filings with the Securities and Exchange Commission, especially the risk factors set forth in our most recent annual report on Form 10-K and any subsequent quarterly reports on Form 10-Q.

Forward-looking information is provided by us pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these factors. We disclaim any intent or obligation to update these forward-looking statements.

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Company Profile

Nationwide Health Properties, Inc. (NHP), incorporated in October 1985, is a publicly traded real estate investment trust (REIT) that invests in senior housing facilities, long-term care facilities and medical office buildings throughout the United States. NHP generally acquires real estate and then leases the assets under long-term triple-net master leases to senior housing and long-term care operators and various types of leases to multiple tenants in the case of medical office buildings.

As a REIT specializing in healthcare real estate, NHP provides a focused investment strategy with a well diversified portfolio. NHP employs a conservative, long-term approach to real estate investments with an experienced professional management team having extensive operating, real estate and finance backgrounds.

Market Facts as of December 31, 2009

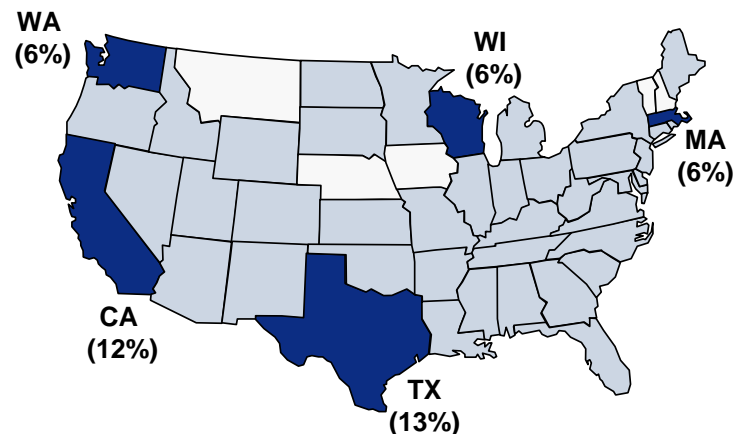
Closing Price	Market Capitalization	Enterprise Value
\$35.18	\$4.2 billion	\$5.3 billion
Dividend & Yield	52 week range	Shares & OP Units
\$1.76 (5.0%)	\$18.16 – \$35.92	116.0 million

Credit Ratings

Fitch BBB	(stable)
Moody's Baa2	(stable)
S&P BBB-	(positive outlook)

Our Portfolio as of December 31, 2009

- \$4.3 billion in healthcare real estate
- 576 properties in 43 states
 - 260 Assisted and Independent Living
 - 183 Skilled Nursing
 - 80 Medical Office Buildings
 - 17 Other
 - 36 Unconsolidated JV Facilities
- Over 78 multi-facility tenants



Investor Highlights

- REIT structure provides opportunity to invest directly in real estate and indirectly in healthcare industry
- Quality healthcare real estate portfolio
- Long-term triple-net master leases with quality operators
- Strong affiliations with premiere hospital systems in growing medical office building markets
- Senior housing care a vital component of U.S. economy
- High dividend yield and high dividend coverage
- Financial stability
- Well positioned to take advantage of investment opportunities and to conservatively grow earnings and dividends
- NHP is one of the few healthcare REITs with investment grade ratings by Fitch, Moody's, and Standard & Pools.

Nationwide Health Properties



FINANCIAL RESULTS

Consolidated Income Statements

In thousands, except per share data

	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Revenue:				
Triple-net lease rent	\$ 74,427	\$ 72,115	\$ 295,757	\$ 283,052
Medical office building operating rent	17,510	17,229	68,319	60,287
	91,937	89,344	364,076	343,339
Interest and other income	6,694	6,550	26,436	24,980
	<u>98,631</u>	<u>95,894</u>	<u>390,512</u>	<u>368,319</u>
Expenses:				
Interest and amortization of deferred financing costs	23,091	25,492	93,630	101,045
Depreciation and amortization	31,804	30,624	124,264	116,375
General and administrative	6,928	6,513	27,353	26,051
Acquisition Costs	830	-	830	-
Medical office building operating expenses	7,704	7,849	28,906	26,631
	<u>70,357</u>	<u>70,478</u>	<u>274,983</u>	<u>270,102</u>
Operating income	28,274	25,416	115,529	98,217
Income from unconsolidated joint ventures	1,401	1,079	5,101	3,903
Gain on debt extinguishment, net	-	4,641	4,564	4,641
Income from continuing operations	<u>29,675</u>	<u>31,136</u>	<u>125,194</u>	<u>106,761</u>
Discontinued operations:				
Gains on sale of facilities, net	2,756	1,552	23,908	154,995
(Loss) Income from discontinued operations	(57)	704	(44)	6,251
	<u>2,699</u>	<u>2,256</u>	<u>23,864</u>	<u>161,246</u>
Net income	32,374	33,392	149,058	268,007
Net (income) loss attributable to noncontrolling interests	(484)	24	(668)	131
Net income attributable to NHP	<u>31,890</u>	<u>33,416</u>	<u>148,390</u>	<u>268,138</u>
Preferred stock dividends	(995)	(1,452)	(5,350)	(7,637)
Net income attributable to NHP common stockholders	<u>\$ 30,895</u>	<u>\$ 31,964</u>	<u>\$ 143,040</u>	<u>\$ 260,501</u>
Basic earnings per share (EPS):				
Income from continuing operations attributable to NHP common stockholders	\$ 0.25	\$ 0.30	\$ 1.11	\$ 1.01
Discontinued operations attributable to NHP common stockholders	0.02	0.02	0.23	1.66
Net income attributable to NHP common stockholders	<u>\$ 0.27</u>	<u>\$ 0.32</u>	<u>\$ 1.34</u>	<u>\$ 2.67</u>
Diluted EPS:				
Income from continuing operations attributable to NHP common stockholders	\$ 0.25	\$ 0.29	\$ 1.09	\$ 1.00
Discontinued operations attributable to NHP common stockholders	0.02	0.02	0.22	1.63
Net income attributable to NHP common stockholders	<u>\$ 0.27</u>	<u>\$ 0.31</u>	<u>\$ 1.31</u>	<u>\$ 2.63</u>
Weighted average shares outstanding for EPS:				
Basic	112,575	100,353	106,329	97,246
Diluted	<u>115,009</u>	<u>102,404</u>	<u>108,547</u>	<u>98,763</u>

Reconciliation of Net Income to Funds From Operations (FFO)

In thousands, except per share data

	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Net income to FFO:				
Net income	\$ 32,374	\$ 33,392	\$ 149,058	\$ 268,007
Net (income) loss attributable to noncontrolling interests	(484)	24	(668)	131
Preferred stock dividends	(995)	(1,452)	(5,350)	(7,637)
Real estate related depreciation and amortization	31,415	30,837	123,666	118,603
Depreciation in income from unconsolidated joint ventures	1,272	1,301	5,209	4,768
Gains on sale of facilities, net	(2,756)	(1,552)	(23,908)	(154,995)
FFO available to NHP common stockholders	60,826	62,550	248,007	228,877
Series B preferred dividend add-back	995	1,452	5,350	7,637
Diluted FFO	61,821	64,002	253,357	236,514
Acquisition costs	830	-	830	-
Gain on debt extinguishment, net	-	(4,641)	(4,564)	(4,641)
Gain on debt extinguishment, net from unconsolidated joint ventures	-	-	(332)	-
Adjusted diluted FFO	\$ 62,651	\$ 59,361	\$ 249,291	\$ 231,873
Weighted average shares outstanding for FFO:				
Diluted weighted average shares outstanding (1)	115,116	102,455	108,621	98,855
Series B preferred stock add-back if not already converted	2,517	3,896	3,154	4,526
Fully diluted weighted average shares outstanding	117,633	106,351	111,775	103,381
Diluted per share amounts:				
FFO	\$ 0.53	\$ 0.60	\$ 2.27	\$ 2.29
Adjusted FFO	\$ 0.53	\$ 0.56	\$ 2.23	\$ 2.24
Dividends declared per common share	\$ 0.44	\$ 0.44	\$ 1.76	\$ 1.76
Adjusted diluted FFO payout ratio	83%	79%	79%	79%
Adjusted diluted FFO coverage	1.20	1.27	1.27	1.27

(1) Diluted weighted average shares outstanding includes the effect of all participating and non-participating share-based payment awards which for us consists of stock options and other share-based payment awards if the effect is dilutive. The dilutive effect of all share-based payment awards is calculated using the treasury stock method. Additionally, our redeemable OP units are included as if converted to common stock on a one-for-one basis.

Reconciliation of Net Income to Funds Available for Distribution (FAD)

In thousands, except per share data

	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Net income to FAD:				
Net income	\$ 32,374	\$ 33,392	\$ 149,058	\$ 268,007
Net (income) loss attributable to noncontrolling interests	(484)	24	(668)	131
Preferred stock dividends	(995)	(1,452)	(5,350)	(7,637)
Real estate related depreciation and amortization	31,415	30,837	123,666	118,603
Gains on sale of facilities, net	(2,756)	(1,552)	(23,908)	(154,995)
Straight-lined rent	(1,509)	(2,388)	(6,275)	(10,263)
Amortization of intangible assets and liabilities	(157)	(148)	(564)	(559)
Non-cash stock-based compensation expense	1,780	1,528	7,007	5,800
Deferred financing cost amortization	765	908	3,101	3,173
Lease commissions and tenant and capital improvements	(1,257)	(716)	(4,733)	(3,715)
NHP's share of FAD reconciling items from unconsolidated joint ventures:				
Real estate related depreciation and amortization	1,272	1,301	5,209	4,768
Straight-lined rent	17	(12)	(26)	(66)
Amortization of intangible assets and liabilities	-	-	5	-
Deferred financing cost amortization	21	21	84	84
FAD available to NHP common stockholders	<u>60,486</u>	<u>61,743</u>	<u>246,606</u>	<u>223,331</u>
Series B preferred dividend add-back	995	1,452	5,350	7,637
Diluted FAD	<u>61,481</u>	<u>63,195</u>	<u>251,956</u>	<u>230,968</u>
Acquisition costs	830	-	830	-
Gain on debt extinguishment, net	-	(4,641)	(4,564)	(4,641)
Gain on debt extinguishment, net from unconsolidated joint ventures	-	-	(332)	-
Adjusted diluted FAD	<u>\$ 62,311</u>	<u>\$ 58,554</u>	<u>\$ 247,890</u>	<u>\$ 226,327</u>
Weighted average shares outstanding for FAD:				
Diluted weighted average shares outstanding (1)	115,116	102,455	108,621	98,855
Series B preferred stock add-back if not already converted	2,517	3,896	3,154	4,526
Fully diluted weighted average shares outstanding	<u>117,633</u>	<u>106,351</u>	<u>111,775</u>	<u>103,381</u>
Diluted per share amounts:				
FAD	<u>\$ 0.52</u>	<u>\$ 0.59</u>	<u>\$ 2.25</u>	<u>\$ 2.23</u>
Adjusted FAD	<u>\$ 0.53</u>	<u>\$ 0.55</u>	<u>\$ 2.22</u>	<u>\$ 2.19</u>
Dividends declared per common share	<u>\$ 0.44</u>	<u>\$ 0.44</u>	<u>\$ 1.76</u>	<u>\$ 1.76</u>
Adjusted diluted FAD payout ratio	<u>83%</u>	<u>80%</u>	<u>79%</u>	<u>80%</u>
Adjusted diluted FAD coverage	<u>1.20</u>	<u>1.25</u>	<u>1.26</u>	<u>1.24</u>

(1) Diluted weighted average shares outstanding includes the effect of all participating and non-participating share-based payment awards which for us consists of stock options and other share-based payment awards if the effect is dilutive. The dilutive effect of all share-based payment awards is calculated using the treasury stock method. Additionally, our redeemable OP units are included as if converted to common stock on a one-for-one basis.

Reconciliation of 2010 Net Income Guidance to Adjusted Diluted FFO and FAD Guidance

In thousands, except per share data

	Year Ended December 31, 2010	
	Guidance	
	Low	High
Net income	\$ 152,007	\$ 157,007
Preferred stock dividends	(10)	(10)
Real estate related depreciation and amortization	116,652	116,652
Depreciation in income from unconsolidated joint ventures	4,692	4,692
Net income attributable to noncontrolling interests	(3,695)	(3,695)
Gains on sale of facilities, net	(22,268)	(22,268)
FFO available to common stockholders	247,378	252,378
Series B preferred dividend add-back	10	10
Diluted FFO	247,388	252,388
Acquisition costs	400	400
Adjusted diluted FFO	247,788	252,788
Straight-lined rent	(4,074)	(4,074)
Amortization of intangible assets and liabilities	(285)	(285)
Non-cash stock-based compensation expense	7,026	7,026
Deferred financing cost amortization	3,075	3,075
Lease commissions and tenant and capital improvements	(11,012)	(11,012)
Unconsolidated joint ventures:		
Straight-lined rent	(5)	(5)
Deferred financing cost amortization	84	84
Adjusted diluted FAD	\$ 242,597	\$ 247,597
Diluted FFO per share	\$ 2.04	\$ 2.09
Adjusted diluted FFO per share	\$ 2.05	\$ 2.09
Adjusted diluted FAD per share	\$ 2.01	\$ 2.05
Weighted average shares outstanding for recurring diluted FFO and FAD:		
Diluted weighted average shares outstanding (1)	120,976	120,976

- (1) Diluted weighted average shares outstanding includes the effect of all participating and non-participating share-based payment awards which for us consists of stock options and other share-based payment awards if the effect is dilutive. The dilutive effect of all share-based payment awards is calculated using the treasury stock method. Additionally, our redeemable OP units are included as if converted to common stock on a one-for-one basis.

Consolidated Balance Sheets

In thousands

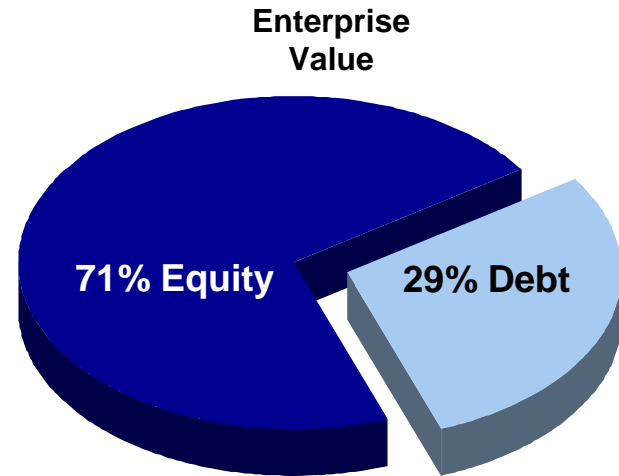
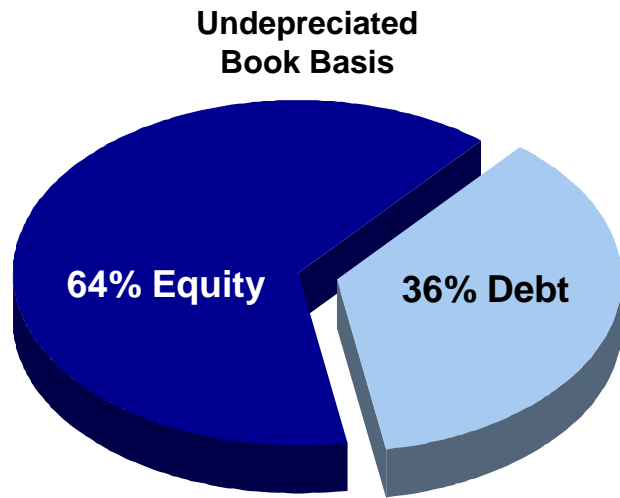
	December 31, 2009	December 31, 2008
Assets		
Investments in real estate:		
Land	\$ 318,457	\$ 320,394
Buildings and improvements	3,088,183	3,079,819
	3,406,640	3,400,213
Less accumulated depreciation	(585,294)	(490,112)
	2,821,346	2,910,101
Mortgage loans receivable, net	110,613	112,399
Mortgage loan receivable from related party	47,500	47,500
Investments in unconsolidated joint ventures	51,924	54,299
	3,031,383	3,124,299
Cash and cash equivalents	382,278	82,250
Receivables, net	6,605	6,066
Asset held for sale	-	4,542
Intangible assets	93,657	109,434
Other assets	133,152	131,534
	\$ 3,647,075	\$ 3,458,125
Liabilities and Equity		
Unsecured senior credit facility	\$ -	\$ -
Senior notes	991,633	1,056,233
Notes and bonds payable	431,456	435,199
Accounts payable and accrued liabilities	132,915	144,566
Total liabilities	1,556,004	1,635,998
Redeemable OP unitholder interests	57,335	56,778
Equity:		
NHP stockholders' equity:		
Series B convertible preferred stock	51,364	74,918
Common stock	11,432	10,228
Capital in excess of par value	2,128,843	1,786,193
Cumulative net income	1,705,279	1,556,889
Accumulated other comprehensive (loss) income	(823)	1,846
Cumulative dividends	(1,862,996)	(1,669,407)
Total NHP stockholders' equity	2,033,099	1,760,667
Noncontrolling interests	637	4,682
Total equity	2,033,736	1,765,349
	\$ 3,647,075	\$ 3,458,125

Other Assets

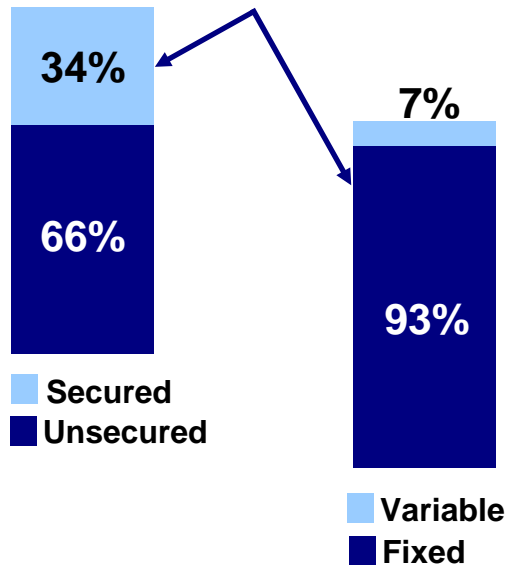
In thousands

	December 31, 2009	December 31, 2008
Other receivables, net	\$ 68,535	\$ 64,998
Straight-line rent receivables, net	27,450	21,224
Deferred financing costs	11,366	15,377
Capitalized lease and loan origination costs	2,418	2,631
Investments and restricted funds	9,545	13,257
Prepaid ground leases	10,051	10,241
Other	3,787	3,806
	<u>\$ 133,152</u>	<u>\$ 131,534</u>

Based on total debt including NHP's share of unconsolidated joint venture



Debt Composition



Debt Maturities and Debt Composition

Dollars in thousands

Debt Maturities

Period	Credit Facility		Senior Notes		Notes and Bonds		Consolidated Debt		NHP's Share of Unconsolidated Debt		Total Debt	
	Principal	Rate	Principal	Rate	Principal	Rate	Principal	Rate	Principal	Rate	Principal	Rate
2010	\$ -	-	\$ -	-	\$ 101,794	(3) 4.7%	\$ 101,794	4.7%	\$ 5,052	3.0%	\$ 106,846	4.6%
2011	-	-	339,040	6.5%	39,430	5.1%	378,470	6.4%	-	-	378,470	6.4%
2012	-	-	125,350	(1) 7.7%	51,402	6.5%	176,752	7.4%	14,000	6.0%	190,752	7.3%
2013	-	-	292,823	(2) 6.3%	39,287	6.0%	332,110	6.2%	-	-	332,110	6.2%
2014	-	-	-	-	22,277	6.0%	22,277	6.0%	25,616	5.8%	47,893	5.9%
2015	-	-	234,420	6.0%	59,805	5.7%	294,225	5.9%	34,028	5.9%	328,253	5.9%
2016	-	-	-	-	20,994	5.9%	20,994	5.9%	-	-	20,994	5.9%
2017	-	-	-	-	91	5.0%	91	5.0%	-	-	91	5.0%
2018	-	-	-	-	7,800	6.1%	7,800	6.1%	181	7.2%	7,981	6.1%
2019	-	-	-	-	-	-	-	-	-	-	-	0.0%
Thereafter	-	-	-	-	88,576	4.6%	88,576	4.6%	9,691	6.4%	98,267	4.8%
Total	\$ -	-	\$ 991,633	6.5%	\$ 431,456	5.3%	\$ 1,423,089	6.1%	\$ 88,568	5.8%	\$ 1,511,657	6.1%
Weighted average maturity in years	-		3.1		6.9		4.2		6.3		4.3	

Debt Composition

	December 31, 2009			December 31, 2008		
	Principal	Rate	% of Total	Principal	Rate	% of Total
Fixed rate debt						
Senior notes	\$ 991,633	6.5%	65.6%	\$ 1,056,233	6.5%	66.7%
Notes and bonds	323,025	6.1%	21.4%	339,110	6.1%	21.4%
NHP's share of unconsolidated debt	83,516	5.9%	5.5%	85,960	5.9%	5.4%
Total fixed rate debt	1,398,174	6.4%	92.5%	1,481,303	6.4%	93.6%
Variable rate debt						
Credit facility	-	-	-	-	-	-
Notes and bonds	108,431	3.2%	7.2%	96,089	5.6%	6.1%
NHP's share of unconsolidated debt	5,052	3.0%	0.3%	5,148	6.0%	0.3%
Total variable rate debt	113,483	3.2%	7.5%	101,237	5.6%	6.4%
Total debt	\$ 1,511,657	6.1%	100.0%	\$ 1,582,540	6.3%	100.0%

(1) Includes \$52 million of notes payable October of 2012, 2017 and 2027 with a final maturity in 2037

(2) Includes \$23 million of notes payable July of 2013, 2018, 2023 and 2028 with a final maturity in 2038

(3) Includes a \$32 million note for which a one-year extension option was exercised subsequent to year-end

Debt Covenants

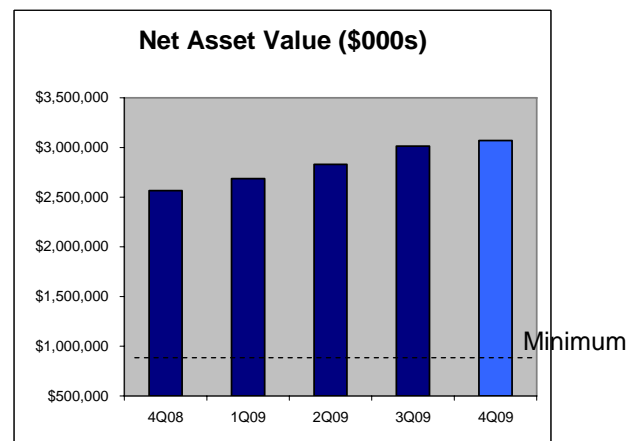
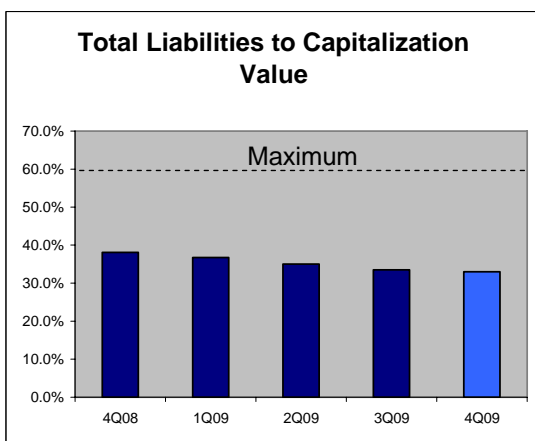
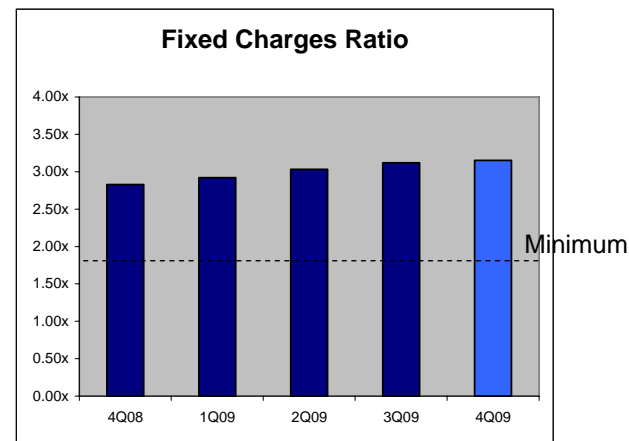
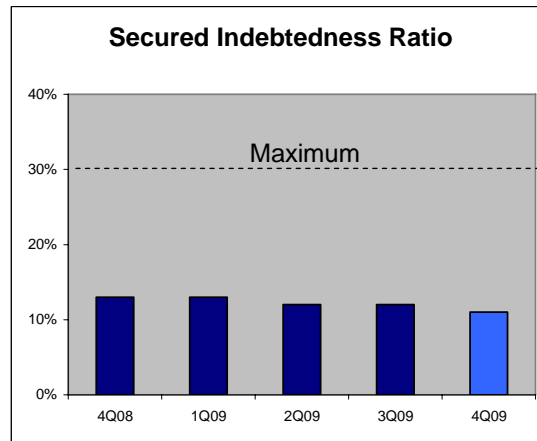
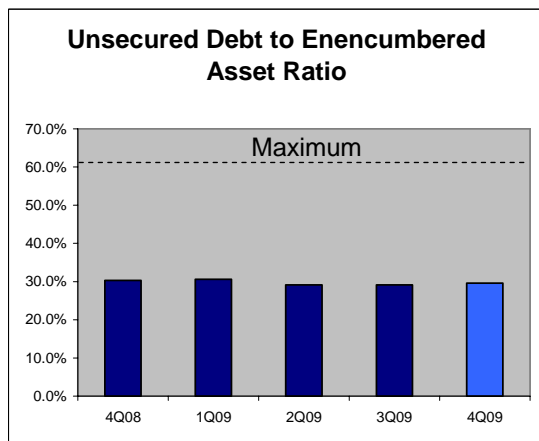
Covenant	Minimum Requirement	Maximum Requirement	Actual	Status	
Credit Facility Covenants					
Unsecured Debt to Unencumbered Asset Ratio		60%	29.6%	In Compliance	49% of the maximum
Secured Indebtedness Ratio		30%	11%	In Compliance	37% of the maximum
Fixed Charges Ratio	1.75x		3.15x	In Compliance	(A)
Total Liabilities to Capitalization Value		60%	33.0%	In Compliance	55% of the maximum
Net Asset Value	820,000,000		3,071,146,000	In Compliance	(B)
Bond Covenants					
Senior and Non-recourse Debt to Capital Base		225%	73.3%	In Compliance	33% of the maximum
Senior Debt to Tangible Net Worth		225%	51.1%	In Compliance	23% of the maximum
Senior Debt to Capital Base		150%	51.1%	In Compliance	34% of the maximum
Limitation on Secured Debt Under Bond Indenture		10%	0.8%	In Compliance	8% of the maximum
New Bond Covenants					
Limitation on Secured Debt		40%	10.2%	In Compliance	25% of the maximum
EBITDA to Interest Expense	1.50x		3.57x	In Compliance	(C)
Total Indebtedness		60%	33.6%	In Compliance	56% of the maximum
Unencumbered Assets to Unsecured Debt	150%		360.4%	In Compliance	(D)

(A) With our current EBITDA, we can increase total fixed charges (interest expense, debt service and preferred dividends) by up to \$90.0 million and stay in compliance.

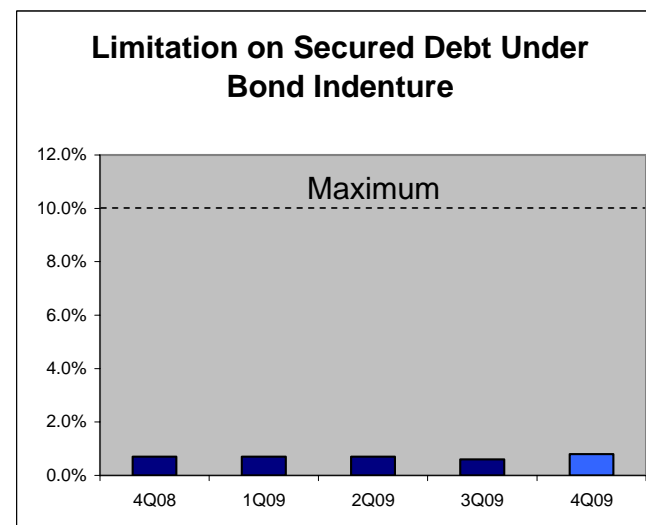
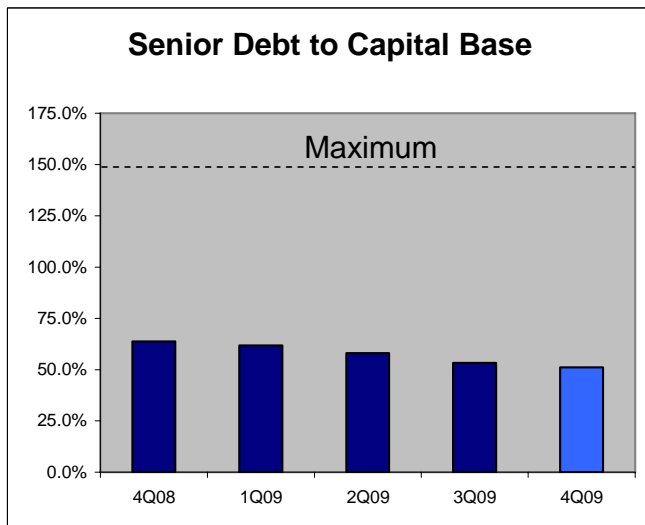
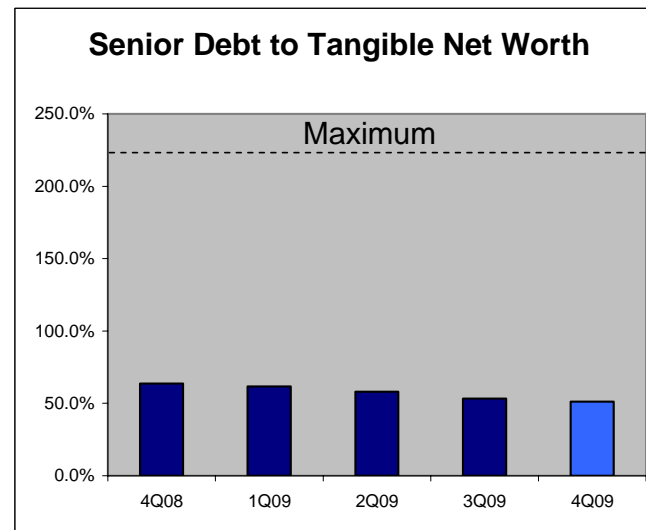
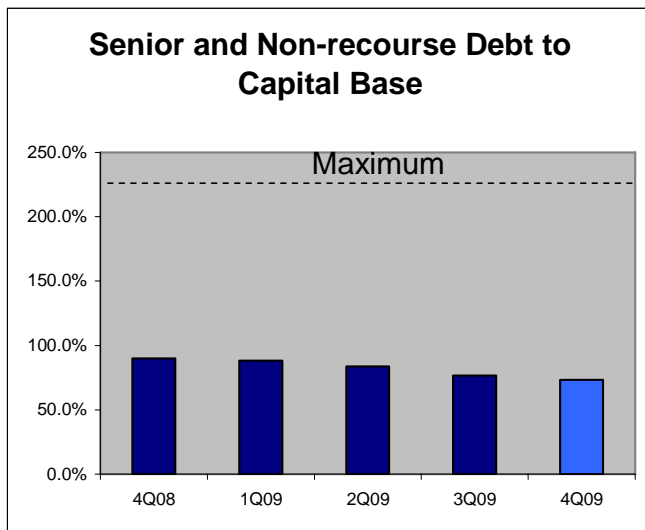
(B) With our current asset value, we can increase total debt by up to \$2.3 billion and stay in compliance.

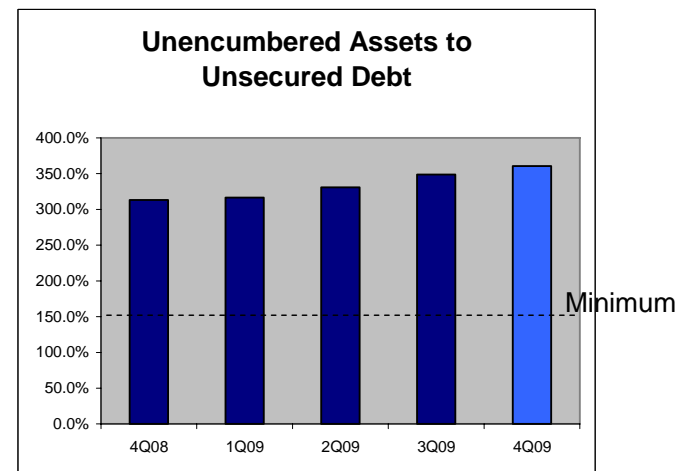
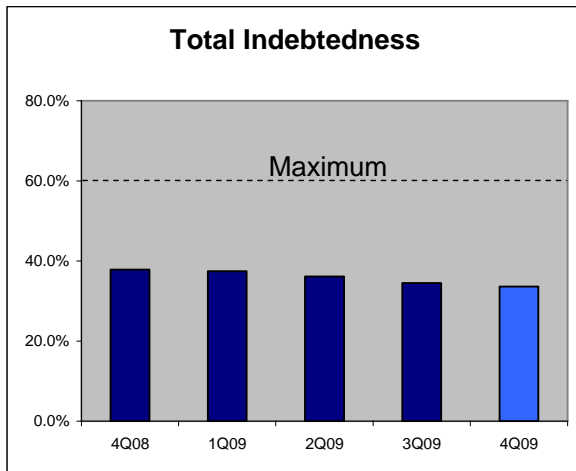
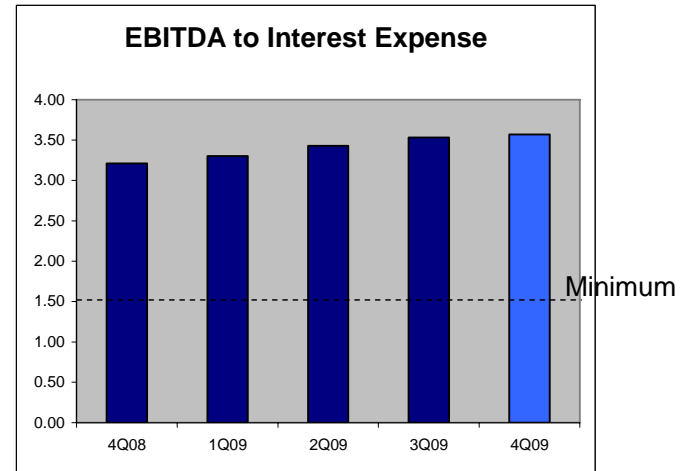
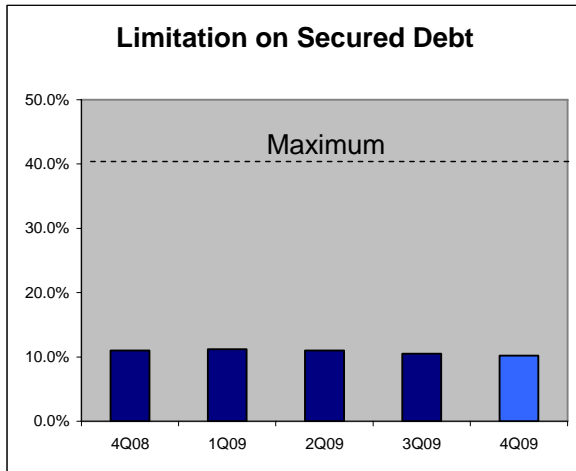
(C) With our current EBITDA, we can increase total interest expense by up to \$136.9 million and stay in compliance.

(D) With our current unencumbered assets, we can increase total unsecured debt by up to \$1.4 billion and stay in compliance.



1. With our current asset value, we can increase total debt by up to \$2.3 billion and remain in compliance.
2. With our current EBITDA, we can increase total fixed charges (interest expense, debt service and preferred dividends) by up to \$90.0 million and remain in compliance.





1. With our current unencumbered assets, we can increase total unsecured debt by up to \$1.4 billion and remain in compliance.
2. With our current EBITDA, we can increase total interest expense by up to \$136.9 million and remain in compliance.

Interest and Fixed Charge Coverage

Dollars in thousands

	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Reconciliation of Net Income to EBITDA:				
Net income	\$ 32,374	\$ 33,392	\$ 149,058	\$ 268,007
Net (income) loss attributable to noncontrolling interests	(484)	24	(668)	131
Interest and amortization of deferred financing costs in continuing operations	23,091	25,492	93,630	101,045
Interest and amortization of deferred financing costs in discontinued operations	-	-	-	1,004
Depreciation and amortization in continuing operations	31,804	30,624	124,264	116,375
Depreciation and amortization in discontinued operations	197	341	865	2,732
Consolidated EBITDA	<u>86,982</u>	<u>89,873</u>	<u>367,149</u>	<u>489,294</u>
NHP's share of EBITDA reconciling items from unconsolidated joint ventures:				
Interest and amortization of deferred financing costs	1,318	1,340	5,329	5,093
Depreciation and amortization	<u>1,272</u>	<u>1,301</u>	<u>5,209</u>	<u>4,768</u>
Total EBITDA	89,572	92,514	377,687	499,155
Gain on debt extinguishment, net	-	(4,641)	(4,564)	(4,641)
Gains on sale of facilities, net	<u>(2,756)</u>	<u>(1,552)</u>	<u>(23,908)</u>	<u>(154,995)</u>
Adjusted Total EBITDA	<u>\$ 86,816</u>	<u>\$ 86,321</u>	<u>\$ 349,215</u>	<u>\$ 339,519</u>
Adjusted Consolidated EBITDA	<u>\$ 84,226</u>	<u>\$ 83,680</u>	<u>\$ 338,677</u>	<u>\$ 329,658</u>
Interest Expense:				
Consolidated interest expense (including discontinued operations)	\$ 22,325	\$ 24,584	\$ 90,505	\$ 98,876
NHP's share of interest expense from unconsolidated joint ventures	<u>1,297</u>	<u>1,319</u>	<u>5,246</u>	<u>5,009</u>
Total interest expense	<u>\$ 23,622</u>	<u>\$ 25,903</u>	<u>\$ 95,751</u>	<u>\$ 103,885</u>
Fixed Charges:				
Consolidated interest expense (including discontinued operations)	\$ 22,325	\$ 24,584	\$ 90,505	\$ 98,876
Preferred stock dividends	<u>995</u>	<u>1,452</u>	<u>5,350</u>	<u>7,637</u>
Consolidated fixed charges	23,320	26,036	95,855	106,513
NHP's share of interest expense from unconsolidated joint ventures	<u>1,297</u>	<u>1,319</u>	<u>5,246</u>	<u>5,009</u>
Total fixed charges	<u>\$ 24,617</u>	<u>\$ 27,355</u>	<u>\$ 101,101</u>	<u>\$ 111,522</u>
Consolidated Adjusted Interest Coverage Ratio	<u>3.77</u>	<u>3.40</u>	<u>3.74</u>	<u>3.33</u>
Total Adjusted Interest Coverage Ratio	<u>3.68</u>	<u>3.33</u>	<u>3.65</u>	<u>3.27</u>
Consolidated Adjusted Fixed Charge Coverage Ratio	<u>3.61</u>	<u>3.21</u>	<u>3.53</u>	<u>3.10</u>
Total Adjusted Fixed Charge Coverage Ratio	<u>3.53</u>	<u>3.16</u>	<u>3.45</u>	<u>3.04</u>

Unconsolidated Joint Venture Financial Statements – Balance Sheet

	December 31, 2009	December 31, 2008
Assets		
Investments in real estate:		
Land	\$ 38,892	\$ 38,892
Buildings and improvements	532,470	525,214
	571,362	564,106
Less accumulated depreciation	(42,878)	(24,138)
	528,484	539,968
Cash and cash equivalents	3,689	3,216
Other assets	6,823	6,009
	\$ 538,996	\$ 549,193
Liabilities and Equity		
Notes payable	\$ 334,066	\$ 343,842
Accounts payable and accrued liabilities	13,524	19,623
Total liabilities	347,590	363,465
Equity	191,406	185,728
	\$ 538,996	\$ 549,193
NHP's investment in joint venture (1)	\$ 47,837	\$ 50,032

- (1) Reflects NHP's investment in a joint venture with a state pension fund investor in which NHP has a 25% interest. Excludes NHP's investment in PMB Real Estate Services LLC ("PMBRES") and PMB SB 399-401 East Highland LLC ("PMB SB"). NHP's investment in PMBRES was \$1,064,000 and \$967,000 at December 31, 2009 and 2008, respectively. NHP's investment in PMB SB was \$3,022,000 and \$3,300,000 at December 31, 2009 and 2008, respectively.

Unconsolidated Joint Venture Financial Statements – Income Statements

	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Revenue:				
Rent	\$ 11,617	\$ 11,511	\$ 46,502	\$ 45,541
Interest and other income	43	40	135	101
	<u>11,660</u>	<u>11,551</u>	<u>46,637</u>	<u>45,642</u>
Expenses:				
Interest and amortization of deferred finance costs	5,115	5,094	20,665	19,939
Depreciation and amortization	4,717	4,727	18,740	18,359
General and administrative*	1,163	1,538	4,667	6,345
Total expenses	<u>10,995</u>	<u>11,359</u>	<u>44,072</u>	<u>44,643</u>
Gain on debt extinguishment, net	-	-	1,327	-
Net income	665	192	3,892	999
Net income attributable to noncontrolling interests	(1)	-	(13)	-
Net income available to joint venture members	<u>\$ 664</u>	<u>\$ 192</u>	<u>\$ 3,879</u>	<u>\$ 999</u>
NHP Income and FFO from Joint Venture				
Share of net income	\$ 177	\$ 48	\$ 970	\$ 250
Management fee*	1,060	1,009	4,128	3,940
Income from joint venture (1)	1,237	1,057	5,098	4,190
Share of depreciation	1,179	1,182	4,685	4,590
FFO from joint venture	<u>\$ 2,416</u>	<u>\$ 2,239</u>	<u>\$ 9,783</u>	<u>\$ 8,780</u>

* NHP's management fee is included in the joint venture's general and administrative expense

(1) Reflects NHP's income from its joint venture with a state pension fund investor in which NHP has a 25% interest. Excludes NHP's income/loss from PMBRES and PMB SB. NHP's share of the income from PMBRES was \$72,000 and \$57,000 for the three months ended December 31, 2009 and 2008, respectively. NHP's share of the loss from PMBRES was \$13,000 and \$273,000 for the years ended December 31, 2009 and 2008, respectively. NHP's share of the income from PMB SB was \$92,000 and \$17,000 for the three months and year ended December 31, 2009, respectively. NHP's share of the loss from PMB SB was \$35,000 and \$14,000 for the three months and year ended December 31, 2008.

Adjusted EBITDA:

We believe that Adjusted EBITDA is an important supplemental operating and liquidity measure primarily because it is used in the calculation of the Adjusted Interest Coverage Ratio and the Adjusted Fixed Charge Coverage Ratio and we present it solely for the purpose of being used in those calculations. Adjusted EBITDA is calculated by adding back any gains and losses on the sale of real estate and any impairments to EBITDA for a given period. We believe Adjusted EBITDA is most useful as a liquidity measure in the ratio calculations noted above to enable investors to determine and compare a company's ability to meet its interest and Fixed Charges obligations. However, the methodology for calculating it makes net income the most directly comparable GAAP measure. As such, we believe investors should consider Adjusted EBITDA, cash flows from operating activities and net income when evaluating our ability to meet our interest and Fixed Charges obligations. The usefulness of Adjusted EBITDA is limited because it doesn't reflect, among other things, required principal payments, cash expenditures, capital expenditures or capital commitments. Adjusted EBITDA does not represent net income or cash flows from operations as defined by GAAP and should not be considered as an alternative to either of those measures. Our calculation of Adjusted EBITDA may not be comparable to similar measures reported by other companies.

Adjusted Fixed Charge Coverage Ratio:

We believe that the Adjusted Fixed Charge Coverage Ratio is an important supplemental liquidity measure that reflects a company's ability to meet its interest and preferred dividend payment obligations and allows investors to compare interest and dividend paying capabilities among different companies. We calculate the Adjusted Fixed Charge Coverage Ratio by dividing Adjusted EBITDA by Fixed Charges. In addition, credit rating agencies utilize similar ratios in evaluating the credit ratings on our debt instruments. This ratio's usefulness is limited by the same factors that limit the usefulness of the components Adjusted EBITDA and Fixed Charges. Our calculation of the Adjusted Fixed Charge Coverage Ratio should not be considered an alternative to the ratio of earnings to fixed charges as defined by Item 503(d) of Regulation S-K and it may not be comparable to similar ratios reported by other companies.

Adjusted Interest Coverage Ratio:

We believe that the Adjusted Interest Coverage Ratio is an important supplemental liquidity measure that reflects a company's ability to meet its interest payment obligations and allows investors to compare interest paying capabilities among different companies. We calculate the Adjusted Interest Coverage Ratio by dividing Adjusted EBITDA by interest expense (including capitalized interest, if any). In addition, credit rating agencies utilize similar ratios in evaluating the credit ratings on our debt instruments. This ratio's usefulness is limited by the same factors that limit the usefulness of the component Adjusted EBITDA. Our calculations of the Adjusted Interest Coverage Ratio may not be comparable to similar ratios reported by other companies.

EBITDA:

We believe that EBITDA is an important supplemental operating and liquidity measure primarily because it is used in the calculation of Adjusted EBITDA which is in turn used in the calculation of the Adjusted Interest Coverage Ratio and the Adjusted Fixed Charge Coverage Ratio and we present it solely for the purpose of being used in those calculations. EBITDA is calculated by adding interest, taxes, depreciation and amortization to net income. The real estate industry uses EBITDA as a non-GAAP measure of both operating performance and liquidity. We believe it is most useful as a liquidity measure in the ratio calculations noted above to enable investors to determine and compare a company's ability to meet its interest and Fixed Charges obligations. However, the methodology for calculating it makes net income the most directly comparable GAAP measure. As such, we believe investors should consider EBITDA, cash flows from operating activities and net income when evaluating our ability to meet our interest and Fixed Charges obligations. The usefulness of EBITDA is limited because it doesn't reflect, among other things, required principal payments, cash expenditures, capital expenditures or capital commitments. EBITDA does not represent net income or cash flows from operations as defined by GAAP and should not be considered as an alternative to either of those measures. Our calculation of EBITDA may not be comparable to similar measures reported by other companies.

FAD Payout Ratio and FFO Coverage:

The FAD Payout Ratio is calculated by dividing the common dividend per share by diluted FAD per share for any given period. FAD Coverage is calculated by dividing diluted FAD per share by the common dividend per share for any given period. We believe that both of these amounts are important supplemental liquidity measures that enable investors to compare dividend security among REITs.

Fixed Charges:

Fixed Charges is a measure of the total interest and preferred stock dividend obligations of a company. It is calculated by adding interest expense (including capitalized interest, if any) and preferred stock dividends for any given period and is utilized in calculating the Adjusted Fixed Charge Coverage Ratio. Its usefulness is limited as, among other things, it does not include required principal payments or any other contractual obligations a company may have. Our calculation of Fixed Charges should not be considered an alternative to fixed charges as defined by Item 503(d) of Regulation S-K and it may not be comparable to Fixed Charges reported by other companies.

Funds Available for Distribution ("FAD"):

While net income and its related per share amounts as defined by generally accepted accounting principles ("GAAP") are the most appropriate earnings measures, we believe that FAD and its related per share amounts are important supplemental measures of operating performance. GAAP requires the use of straight-line depreciation of historical costs and implies that real estate values diminish predictably and ratably over time. However, real estate values have historically risen and fallen based on various market conditions and other factors. FFO was developed as a supplemental measure of operating performance primarily in order to exclude historical cost based depreciation and amortization and its effects as it does not generally reflect the actual change in value of real estate over time. FAD was developed as a supplemental measure of operating performance primarily to exclude non-cash revenues and expenses that are included in FFO. FAD is defined as net income (computed in accordance with GAAP) excluding gains and losses from the sale of real estate plus real estate related depreciation and amortization, plus or minus straight-lined rent (plus cash in excess of rent or minus rent in excess of cash), plus or minus amortization of above or

below market lease intangibles, plus non-cash stock based compensation, plus deferred finance cost amortization plus any impairments minus lease commissions, tenant improvements and capital improvements paid. The same adjustments are made to reflect our share of these same items from unconsolidated joint ventures. We believe that the use of FAD and its related per share amounts and FFO and its related per share amounts in conjunction with the required GAAP disclosures provides investors with a more comprehensive understanding of the operating results of a real estate investment trust ("REIT") and enables investors to compare the operating results between REITs without having to account for differences caused by different depreciation assumptions and different non-cash revenues and expenses. Additionally, FAD is widely used by industry analysts as a measure of operating performance for equity REITs. FAD does not represent cash flow from operating activities or net income as defined by GAAP and, therefore should not be considered as an alternative to cash flow as a measure of liquidity or net income as the primary indicator of operating performance. Our calculations of FAD may not be comparable to FAD reported by other REITs or analysts that define it differently than we do.

Funds from Operations ("FFO"):

While net income and its related per share amounts as defined by generally accepted accounting principles ("GAAP") are the most appropriate earnings measures, we believe that FFO and its related per share amounts are important supplemental measures of operating performance. GAAP requires the use of straight-line depreciation of historical costs and implies that real estate values diminish predictably and ratably over time. However, real estate values have historically risen and fallen based on various market conditions and other factors. FFO was developed as a supplemental measure of operating performance primarily in order to exclude historical cost based depreciation and amortization and its effects as it does not generally reflect the actual change in value of real estate over time. We calculate FFO in accordance with the National Association of Real Estate Investment Trusts' definition. FFO is defined as net income (computed in accordance with GAAP) excluding gains and losses from the sale of real estate plus real estate related depreciation and amortization. The same adjustments are made to reflect our share of gains and losses from the sale of real estate and real estate related depreciation and amortization from unconsolidated joint ventures. We believe that the use of FFO and its related per share amounts in conjunction with the required GAAP disclosures provides investors with a

more comprehensive understanding of the operating results of a real estate investment trust ("REIT") and enables investors to compare the operating results between REITs without having to account for differences caused by different depreciation assumptions. Additionally, FFO is widely used by industry analysts as a measure of operating performance for equity REITs. FFO does not represent cash flow from operating activities or net income as defined by GAAP and, therefore should not be considered as an alternative to cash flow as a measure of liquidity or net income as the primary indicator of operating performance. Our calculations of FFO may not be comparable to FFO reported by other REITs that do not define the term in accordance with the NAREIT definition or interpret that definition differently than we do.

Enterprise Value:

Enterprise Value is a measure of a company's value. We calculate Enterprise Value as market equity capitalization plus debt. Market equity capitalization is calculated as the sum of (1) the number of shares of common stock and limited partnership units multiplied by the closing price of our common stock on the last day of the period presented and (2) the number of shares of Series B preferred stock multiplied by the closing price of our Series B preferred stock on the last day of the period presented. Consolidated Enterprise Value includes our market equity capitalization, noncontrolling interests and consolidated debt, less cash and cash equivalents. Total Enterprise Value includes our market equity capitalization, noncontrolling interests, and consolidated debt, less cash and cash equivalents and our share of the debt of our unconsolidated joint ventures, less our share of the cash and cash equivalents of our unconsolidated joint ventures.

Gross Investment:

We define Gross Investment as our total investment in a property which includes land, building, improvements, equipment as well as any other identifiable assets such as lease-up intangible assets, above market tenant and ground lease intangible assets (collectively "intangible assets") included on our balance sheets and/or below market tenant and ground lease intangible liabilities included in the caption "Accounts Payable and Accrued Liabilities" on our balance sheets.

Adjusted FAD:

Adjusted FAD excludes from FAD any material one-time items reflected in the financial statements for a given period.

Adjusted FFO:

The NAREIT definition of FFO doesn't exclude impairments of assets. We believe that impairments are equivalent to losses on sale that are taken early due to the current requirements of GAAP, therefore we generally present Adjusted FFO, which excludes impairments, for any period where our net income includes an impairment. We also exclude any material one-time items reflected in the financial statements for a given period.

Nationwide Health Properties



INVESTMENTS & DISPOSITIONS

4th Quarter 2009 Investments

Gross investment in thousands

	Facilities	Number of Beds/Units	Square Feet	Average Age	Gross Investment	Investment Per Bed/Unit Square Foot	Initial Yield
Owned Facilities							
Capital expenditures	-	-	-		\$ 17,000		(1)
Total investments	-	-	-		17,000		
Total Consolidated							
Capital expenditures	-	-	-		17,000		
Total investments	-	-	-		17,000		
Unconsolidated Joint Venture							
Capital expenditures	-	-	-		2,000		(2)
Total investments	-	-	-		2,000		
Total Investments							
Capital expenditures	-	-	-		19,000		
Total investments	-	-	-		\$ 19,000		

(1) Includes \$16 million of revenue producing capital expenditures on our existing triple net portfolio at a blended yield of 8.2%.

(2) Represents revenue producing capital expenditures on our existing triple net portfolio at a blended yield of 8.0%.

Year to Date December 31, 2009 Investments

Gross investment in thousands

	Facilities	Number of Beds/Units	Building Square Feet	Average Age	Gross Investment	Investment Per Bed/Unit Square Foot	Initial Yield
Owned Facilities							
Capital expenditures	-	-	-	-	\$ 38,000	(1)	
Total investments	-	-	-	-	38,000		
Loans							
Assisted and independent living facilities	-	-	-	-	7,000	(2)	10.0%
Other loans	-	-	-	-	2,000		8.8%
Total loans	-	-	-	-	9,000		9.7%
Total Consolidated							
Assisted and independent living facilities	-	-	-	-	7,000		10.0%
Other loans	-	-	-	-	2,000		8.8%
Subtotal	-	-	-	-	9,000		9.7%
Capital expenditures	-	-	-	-	38,000		
Total investments	-	-	-	-	47,000		
Unconsolidated Joint Venture							
Capital expenditures	-	-	-	-	8,000	(3)	
Total investments	-	-	-	-	8,000		
Total Investments							
Total loans	-	-	-	-	9,000		9.7%
Subtotal	-	-	-	-	9,000		9.7%
Capital expenditures	-	-	-	-	46,000		
Total investments	-	-	-	-	\$ 55,000		

(1) Includes \$35 million of revenue producing capital expenditures on our existing triple net portfolio at a blended yield of 8.5%.

(2) Represents initial investment under NHP's agreement with Brookdale Senior Living, Inc. ("Brookdale") under which NHP is a lender with an original commitment of \$8.8 million (\$2.9 million at December 31, 2009) under their \$230.0 million (\$75.0 million at December 31, 2009) revolving loan facility which is secured by, among other things, certain real property owned by Brookdale, an operator of assisted and independent living facilities. As of December 31, 2009, there was no outstanding balance on the revolving loan facility.

(3) Represents revenue producing capital expenditures on our existing triple net portfolio at a blended yield of 8.0%.

Expected Dispositions

	Actual Revenue	Full Year Revenue	Gross Proceeds	Gain	Investment Required at 9.5% Assumed Yield	% Financing From Proceeds
For the Year Ended 2009						
Purchase options	\$ 2,628,000	\$ 3,808,000	\$ 42,250,000	\$ 23,831,000	\$ 40,084,000	105%
Loan payoffs	303,000	379,000	3,731,000	19,000	3,989,000	94%
	<u>\$ 2,931,000</u>	<u>\$ 4,187,000</u>	<u>\$ 45,981,000</u>	<u>\$ 23,850,000</u>	<u>\$ 44,073,000</u>	<u>104%</u>
Projected for 2010						
Certain [A]						
Purchase options	\$ 628,000	\$ 1,242,000	\$ 10,067,000	\$ 4,947,000	\$ 13,074,000	77%
Sub-Total Certain	<u>\$ 628,000</u>	<u>\$ 1,242,000</u>	<u>\$ 10,067,000</u>	<u>\$ 4,947,000</u>	<u>\$ 13,074,000</u>	<u>77%</u>
High [B]						
Purchase options	\$ 1,297,000	\$ 2,742,000	\$ 24,157,000	\$ 4,328,000	28,863,000	84%
Loan payoffs*	1,733,000	3,447,000	25,433,000	9,902,000	36,284,000	70%
Lease renewals	555,000	1,685,000	-	-	17,737,000	
Sub-Total High	<u>\$ 3,585,000</u>	<u>\$ 7,874,000</u>	<u>\$ 49,590,000</u>	<u>\$ 14,230,000</u>	<u>\$ 82,884,000</u>	<u>60%</u>
Certain	\$ 628,000	\$ 1,242,000	\$ 10,067,000	\$ 4,947,000	\$ 13,074,000	77%
High	3,585,000	7,874,000	49,590,000	14,230,000	82,884,000	60%
Total Projected 2010	<u>\$ 4,213,000</u>	<u>\$ 9,116,000</u>	<u>\$ 59,657,000</u>	<u>\$ 19,177,000</u>	<u>\$ 95,958,000</u>	<u>62%</u>

*The gain on loan payoffs represents the gain deferred at the time we financed the sale of the facilities.

[A] Projected dispositions categorized as "Certain" represent items where NHP received written notice from the tenant or entered into agreements related to the facilities.

[B] Projected dispositions categorized as "High" represent items where NHP estimates a high probability of disposition, payoff, restructuring, or renewal based on an analysis of facility performance, the tenant's financial condition and current financing options available.

Projected Funding Obligations through 2012 (as of December 31, 2009)

NHP Consolidated Acquisition Obligations	Est. Closing Date	Amount (\$000s)	Initial Yield	Cash Required (\$000s)			
				2010	2011	2012	Total [A]
PMB - Poway, CA	February 2010	\$ 74,019	7.6%	\$ 74,019			\$ 74,019
PMB - Gilbert, AZ Joint Venture	February 2010	15,100	N/A	15,100			15,100
PMB - California 4-Building Portfolio [E]	March 2010	162,643	7.6%	162,643			162,643
PMB - Pasadena, CA Joint Venture	March 2010	73,000	N/A	73,000			73,000
PMB - Pomona, CA	April 2010	37,500	7.0%	37,500			37,500
NHP Consolidated Total Acquisition Obligations				\$ 362,262	\$ -	\$ -	\$ 362,262

Expansion, Renovation & Capital Expenditures							
				2010	2011	2012	Total [B]
NHP Consolidated				\$ 41,111	\$ 69,389	\$ 325	\$ 110,825
Unconsolidated Joint Venture				585	442	442	1,469
Total Expansion, Renovation & Capital Expenditures				\$ 41,696	\$ 69,831	\$ 767	\$ 112,294

Debt Maturities & Principal Amortization							
Amount	Rate			2010 [C]	2011 [D]	2012	Total
				\$ 108,000	\$ 384,000	\$ 121,000	\$ 613,000
				4.7%	6.4%	7.2%	6.3%

Total Forward Capital Commitments	\$ 511,958	\$ 453,831	\$ 121,767	\$ 1,087,556
Estimated Proceeds from Purchase Options and Asset Sales	\$ 59,657			
Cash Balance as of December 31, 2009	382,278			
Remaining Availability on Credit Facility	700,000			
Total Funding Availability as of December 31, 2009	\$ 1,141,935			

[A] The total reflects an estimate through December 2012 only, and does not include a June 2014 obligation for \$59 million (Willowcreek Senior Living - Hillsboro, OR). However, if certain operating covenants are not achieved, the construction lender has the right to put the obligation to NHP.

[B] The total reflects an estimate of commitments through December 2012 only; the total remaining commitment after 2012 equals \$0.5 million.

[C] Includes a \$32 million note for which a one-year extension option was exercised subsequent to year-end.

[D] Does not include \$52 million of notes putable in October of 2012.

[E] Includes assets in Mission, Orange, and two buildings in San Bernardino, CA and assumes we acquire the remaining interest of each building.

General Notes:

- The \$700 million credit facility matures in December 2010, but can be extended at NHP's option to December 2011.
- The above analysis does not include future potential additional capital sources such as retained operating cash flows, formation of joint ventures or capital transactions.

Conditional Pacific Medical Buildings Acquisition Obligations through 2012 (as of December 31, 2009)

NHP Consolidated Conditional Obligations [A]	Est. Closing Date	Amount (\$000s)	Initial Yield	Purchase Price Per Contribution Agreement (\$000s)			
				2010	2011	2012	Total
PMB - Burbank, CA	April 2010	\$ 58,231	5.8%	\$ 58,231	-	-	\$ 58,231
PMB - Pasadena, CA	April 2012	\$104,500	5.8%	-	-	104,500	104,500
NHP Consolidated Total Conditional Obligations			5.8%	\$ 58,231	\$ -	\$ 104,500	\$ 162,731

[A] If all closing conditions are met causing us to be obligated to purchase the remaining buildings, we could choose to not complete the purchase by paying liquidated damages equal to 5% of the total property value.

Triple-Net Lease Expirations and Mortgage Loans Receivable Principal Payments

Dollars in thousands

Year	Consolidated Lease Expirations										
	Assisted and Independent		Skilled Nursing		Continuing Care		Other Triple-Net		Consolidated Triple-Net		
	Total Rent	Number of Facilities	Total Rent	Number of Facilities	Total Rent	Number of Facilities	Total Rent	Number of Facilities	Total Rent	Percent of Total	Number of Facilities
2010	\$ 2,814	6	\$ 2,986	11	\$ 698	1	\$ -	-	\$ 6,498	2%	18
2011	147	1	7,819	21	-	-	-	-	7,966	3%	22
2012	8,518	8	5,232	8	1,602	1	1,845	1	17,197	6%	18
2013	12,112	11	6,383	13	411	1	-	-	18,906	6%	25
2014	10,003	16	4,576	6	5,868	3	-	-	20,447	7%	25
2015	1,936	4	5,708	8	-	-	3,311	1	10,955	4%	13
2016	12,013	10	14,615	26	-	-	5,156	6	31,784	11%	42
2017	2,580	9	5,356	15	-	-	1,976	1	9,912	3%	25
2018	1,510	2	3,085	8	-	-	-	-	4,595	2%	10
2019	551	1	-	-	-	-	1,133	1	1,684	0%	2
Thereafter	116,323	183	36,836	51	4,266	4	4,643	16	162,068	56%	254
	<u>\$ 168,507</u>	<u>251</u>	<u>\$ 92,596</u>	<u>167</u>	<u>\$ 12,845</u>	<u>10</u>	<u>\$ 18,064</u>	<u>26</u>	<u>\$ 292,012</u>	<u>100%</u>	<u>454</u>

Year	Unconsolidated JV Lease Expirations (1)							Mortgage Loans Receivable				
	Assisted and Independent		Skilled Nursing		Continuing Care		Total Rent	Total JV Percent of Total	Number of Facilities	Consolidated		
	Total Rent	Number of Facilities	Total Rent	Number of Facilities	Total Rent	Number of Facilities				Principal Payments	Percent of Total	Number of Facilities
2010	-	-	-	-	-	-	-	-	-	88,261	50%	12
2011	-	-	-	-	-	-	-	-	-	33,549	19%	5
2012	6,645	6	-	-	-	-	6,645	14%	6	606	0%	-
2013	-	-	-	-	-	-	-	-	-	17,166	10%	3
2014	-	-	-	-	-	-	-	-	-	668	0%	-
2015	-	-	-	-	-	-	-	-	-	2,997	2%	1
2016	1,299	1	-	-	-	-	1,299	3%	1	595	0%	-
2017	-	-	-	-	-	-	-	-	-	15,482	9%	2
2018	-	-	-	-	-	-	-	-	-	5,914	3%	1
2019	-	-	-	-	-	-	-	-	-	608	0%	-
Thereafter	13,677	12	22,732	14	2,480	1	38,889	83%	27	11,606	7%	2
	<u>\$ 21,621</u>	<u>19</u>	<u>\$ 22,732</u>	<u>14</u>	<u>\$ 2,480</u>	<u>1</u>	<u>\$ 46,833</u>	<u>100%</u>	<u>34</u>	<u>\$ 177,452</u>	<u>100%</u>	<u>26</u>

(1) Reflects lease expirations for NHP's joint venture with a state pension fund investor in which NHP has a 25% interest. Excludes PMBRES and PMB SB.

Nationwide Health Properties



PORTFOLIO OVERVIEW

Portfolio Summary

Gross investment, NOI and security deposits in thousands

	Number of Facilities	Number of Beds/Units	Building Square Feet	Gross Investment	Investment Per Bed/Unit/ Square Foot	Percentage of Investment by Category	NOI	Percentage of NOI by Category
Owned Facilities								
Assisted and independent living facilities	251	18,935		\$ 1,743,669	\$ 92,000	47%	\$ 172,090	48%
Skilled nursing facilities	167	18,274		898,007	\$ 49,000	24%	94,757	26%
Continuing care retirement communities	10	1,924		124,808	\$ 65,000	4%	12,493	3%
Specialty hospitals	7	304		76,198	\$ 251,000	3%	8,649	2%
Total senior housing and long-term care	435	39,437		2,842,682	\$ 72,000	78%	287,989	79%
Triple-net medical office buildings	19		437,013	121,794	\$ 279	3%	7,768	2%
Total triple-net	454	39,437	437,013	2,964,476		81%	295,757	81%
Multi-tenant medical office buildings	60		2,734,054	561,759	\$ 205	15%	39,413	11%
Total owned	514	39,437	3,171,067	3,526,235		96%	335,170	92%
Mortgage Loans Receivable								
Assisted and independent living facilities	9	664		47,555	\$ 72,000	1%	5,508	2%
Skilled nursing facilities	16	2,336		54,051	\$ 23,000	2%	7,451	2%
Continuing care retirement communities	-	180		9,007	\$ 50,000	0%	721	0%
Total senior housing and long-term care	25	3,180		110,613	\$ 35,000	3%	13,680	4%
Multi-tenant medical office buildings	1		172,000	47,500	\$ 276	1%	3,357	1%
Total mortgage loans receivable	26	3,180	172,000	158,113		4%	17,037	5%
Other Income							9,399	3%
Total Consolidated Portfolio	540	42,617	3,343,067	\$ 3,684,348		100%	\$ 361,606	100%
Consolidated Portfolio by Type								
Assisted and independent living facilities	260	19,599		\$ 1,791,224	\$ 91,000	48%	\$ 177,598	49%
Skilled nursing facilities	183	20,610		952,058	\$ 46,000	26%	102,208	28%
Continuing care retirement communities	10	2,104		133,815	\$ 64,000	4%	13,214	4%
Specialty hospitals	7	304		76,198	\$ 251,000	2%	8,649	2%
Total senior housing and long-term care	460	42,617		2,953,295	\$ 69,000	80%	301,669	83%
Medical office buildings	80		3,343,067	731,053	\$ 219	20%	50,538	14%
Total owned and mortgage loans receivable	540	42,617	3,343,067	3,684,348		100%	352,207	97%
Other income							9,399	3%
Total consolidated	540	42,617	3,343,067	3,684,348		100%	361,606	100%
Unconsolidated JV Ownership								
Assisted and independent living facilities	19	1,887		261,258	\$ 138,000	44%	21,737	45%
Skilled nursing facilities	14	1,832		280,434	\$ 153,000	48%	22,285	46%
Continuing care retirement communities	1	148		29,670	\$ 200,000	5%	2,480	5%
Total senior housing and long-term care	34	3,867		571,362	\$ 148,000	97%	46,502	96%
Medical office buildings	2		133,001	19,400	\$ 146	3%	1,594	4%
Total JV owned	36	3,867	133,001	590,762		100%	48,096	100%
Other income							135	0%
Total JV	36	3,867	133,001	590,762		100%	48,231	100%
Total Portfolio	576	46,484	3,476,068	\$ 4,275,110			\$ 409,837	

* Consolidated medical office building gross investment includes \$119,595 of amounts classified as intangible assets and liabilities
 Unconsolidated medical office building gross investment includes \$1,630 of amounts classified as intangible assets and liabilities

Triple-Net Leased Security Information

	Security Deposits					Percentages - Master Leases and Impounds			
	Consolidated			JV		Consolidated			JV
	Owned	Mortgages	Total	Owned		Owned	Mortgages	Total	Owned
Bank letters of credit	\$ 52,914	\$ 2,277	\$ 55,191	\$ 9,938	Master leases	84%			100%
Cash deposits	18,351	1,293	19,644	81	Property tax	75%	46%	73%	74%
	\$ 71,265	\$ 3,570	\$ 74,835	\$ 10,019	Cap ex	46%	8%	42%	59%

Portfolio Performance Summary

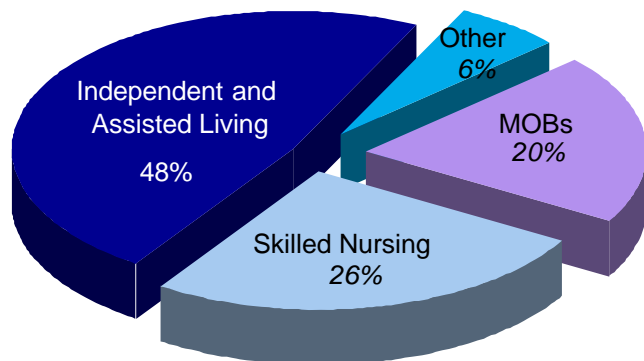
Gross investment and annualized cash rent in thousands

	Number of Facilities	Average Age	Gross Investment	Annualized Cash Rent/NOI	Current Yield	Occupancy	EBITDARM Coverage
Owned Facilities							
Assisted and independent living facilities	251	14	\$ 1,743,669	\$ 168,201	9.6%	83.0%	1.29x
Skilled nursing facilities	167	27	898,007	94,511	10.5%	81.0%	2.18x
Continuing care retirement communities	10	25	124,808	12,809	10.3%	89.0%	1.78x
Specialty hospitals	7	16	76,198	8,600	11.3%	69.7%	3.15x
Total senior housing and long-term care	435	19	2,842,682	284,121	10.0%	82.2%	1.66x
Triple-net medical office buildings	19	12	121,794	9,118	7.5%	100.0%	
Total triple-net	454		2,964,476	293,239	9.9%		
Multi-tenant medical office buildings	60	13	561,759	36,671	6.5%	88.8%	
Total owned	514	18	3,526,235	329,910	9.4%		
Mortgage Loans Receivable							
Assisted and independent living facilities	9	13	47,555	5,505	11.6%	85.3%	1.71x
Skilled nursing facilities	16	33	54,051	7,914	14.6%	80.6%	3.11x
Continuing care retirement communities	-	37	9,007	657	7.3%	90.4%	4.16x
Total senior housing and long-term care	25	25	110,613	14,076	12.7%	82.1%	2.61x
Multi-tenant medical office buildings	1	2	47,500	3,357	7.1%		
Total mortgage loans receivable	26	18	158,113	17,433	11.0%		
Total NHP Consolidated Portfolio	540	18	\$ 3,684,348	\$ 347,343	9.4%		1.71x
Consolidated Portfolio by Type							
Assisted and independent living facilities	260	14	\$ 1,791,224	\$ 173,706	9.7%	83.0%	1.30x
Skilled nursing facilities	183	28	952,058	102,425	10.8%	80.9%	2.25x
Continuing care retirement communities	10	26	133,815	13,466	10.1%	89.1%	1.90x
Specialty hospitals	7	16	76,198	8,600	11.3%	69.7%	3.15x
Total senior housing and long-term care	460	19	2,953,295	298,197	10.1%	82.2%	1.71x
Medical Office Buildings	80	12	731,053	49,146	6.7%	90.8%	
Total consolidated	540	18	3,684,348	347,343	9.4%		
Unconsolidated JV Ownership							
Assisted and independent living facilities	19	13	261,258	21,619	8.3%	87.6%	1.17x
Skilled nursing facilities	14	22	280,434	22,268	7.9%	88.7%	1.82x
Continuing care retirement communities	1	12	29,670	2,480	8.4%	75.8%	1.21x
Total senior housing and long-term care	34	17	571,362	46,367	8.1%	87.7%	1.48x
Medical office buildings	2	27	19,400	1,617	8.3%	81.6%	
Total unconsolidated JV	36	17	590,762	47,984	8.1%		
Total Portfolio	576	18	\$ 4,275,110	\$ 395,326	9.2%		1.68x

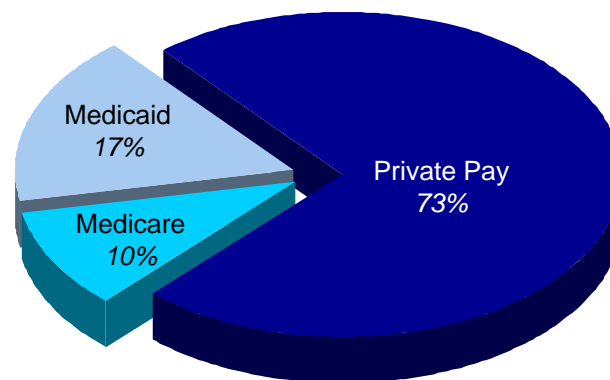
General Notes:

- Medical office building cost per square foot and gross investment reflects total purchase price including amounts classified as intangible assets and liabilities.

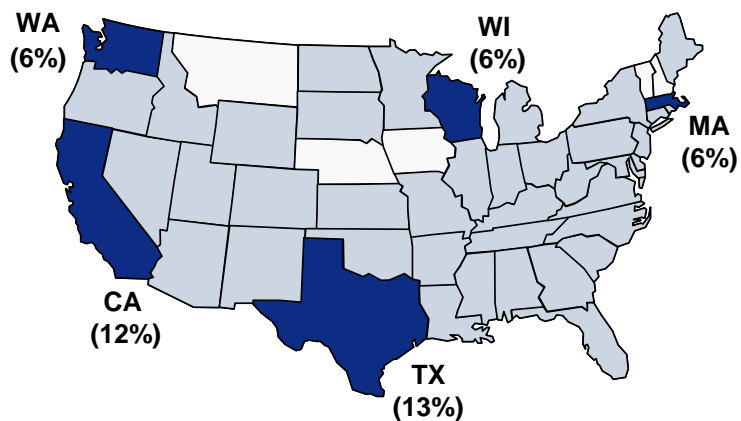
Asset Type
(based on investment)



Pay Source



Locations
(based on investment*)



*Investment includes all asset types

Tenant/Operator
(based on revenue)

Top 5 = 40%
Top 10 = 55%
Top 15 = 62%



Consolidated Portfolio Performance by Asset Type

	SAME PROPERTY (PERFORMANCE)					TOTAL		
	DEC 2009	SEP 2009	Q/Q Chg	DEC 2008	Y/Y Chg	DEC 2009	SEP 2009	DEC 2008
Assisted and independent living*								
Annualized Facility Revenue (\$000s)	\$ 596,795	\$ 595,941	0.1%	\$ 593,135	0.6%	\$ 596,996	\$ 596,173	\$ 595,807
Occupancy	83.4%	83.4%	0.0%	83.8%	-0.4%	83.4%	83.4%	84.3%
Monthly revenue per occupied bed/unit	\$ 3,108	\$ 3,103	0.1%	\$ 3,068	1.3%	\$ 3,106	\$ 3,101	\$ 3,063
Annualized Facility EBITDARM (\$000s)	\$ 224,636	\$ 223,932	0.3%	\$ 215,502	4.2%	\$ 224,637	\$ 223,373	\$ 215,921
Facility EBITDARM %	37.6%	37.6%	0.1%	36.3%	1.3%	37.6%	37.5%	36.2%
NHP Annualized Cash Rent (\$000s)	\$ 169,810	\$ 169,108	0.4%	\$ 165,698	2.5%	\$ 169,844	\$ 169,117	\$ 168,646
Facility EBITDARM coverage	1.32x	1.32x	0.0%	1.30x	1.7%	1.32x	1.32x	1.28x
Facility EBITDAR coverage	1.15x	1.15x	0.0%	1.12x	2.3%	1.15x	1.14x	1.10x
Facility EBITDAR - Capex coverage	1.06x	1.06x	0.0%	1.04x	1.9%	1.06x	1.06x	1.04x
Skilled nursing facilities								
Annualized Facility Revenues (\$000s)	\$ 1,288,737	\$ 1,275,695	1.0%	\$ 1,238,699	4.0%	\$ 1,296,332	\$ 1,292,780	\$ 1,291,281
Occupancy	80.8%	80.8%	0.0%	81.5%	-0.7%	80.9%	80.2%	82.4%
Monthly revenue per occupied bed/unit	\$ 6,567	\$ 6,499	1.0%	\$ 6,432	2.1%	\$ 6,512	\$ 6,424	\$ 6,387
Q-Mix (Private + Medicare)	44.4%	44.8%	-0.4%	45.0%	-0.6%	44.4%	44.8%	45.0%
Annualized Facility EBITDARM (\$000s)	\$ 228,838	\$ 219,160	4.4%	\$ 198,363	15.4%	\$ 230,325	\$ 222,038	\$ 206,716
Facility EBITDARM %	17.8%	17.2%	0.6%	16.0%	1.7%	17.8%	17.2%	16.0%
NHP Annualized Cash Rent (\$000s)	\$ 101,502	\$ 100,736	0.8%	\$ 99,138	2.4%	\$ 102,424	\$ 102,227	\$ 101,621
Facility EBITDARM coverage	2.25x	2.18x	3.6%	2.00x	12.7%	2.25x	2.17x	2.03x
Facility EBITDAR coverage	1.62x	1.54x	5.0%	1.38x	17.7%	1.62x	1.54x	1.40x
Facility EBITDAR - Capex coverage	1.51x	1.43x	5.5%	1.26x	19.1%	1.50x	1.42x	1.31x

*Excludes 6 AL facilities which have not yet reached stabilization due to ongoing or recently completed construction / renovation (facilities comprise a total of 517 units, 314 of which are currently in service with an aggregate occupancy of 65.0%).

Consolidated Portfolio Performance

	SAME PROPERTY (PERFORMANCE)					TOTAL		
	DEC 2009	SEP 2009	Q/Q Chg	DEC 2008	Y/Y Chg	DEC 2009	SEP 2009	DEC 2008
NHP Consolidated Portfolio (excluding MOBs)*								
Annualized Facility Revenue (\$000s)	\$ 2,086,740	\$ 2,071,785	0.7%	\$ 2,022,535	3.2%	\$ 2,094,535	\$ 2,089,122	\$ 2,077,020
Occupancy	82.3%	82.3%	0.0%	82.8%	-0.5%	82.3%	82.0%	83.3%
Monthly revenue per occupied bed/unit	\$ 5,046	\$ 5,009	0.7%	\$ 4,922	2.5%	\$ 5,029	\$ 4,988	\$ 4,927
Annualized Facility EBITDARM (\$000s)	\$ 506,140	\$ 494,735	2.3%	\$ 460,450	9.9%	\$ 507,628	\$ 496,696	\$ 468,107
Facility EBITDARM %	24.3%	23.9%	0.4%	22.8%	1.5%	24.2%	23.8%	22.5%
Total NHP Annualized Cash Rent (\$000s)	\$ 293,380	\$ 291,821	0.5%	\$ 286,147	2.5%	\$ 294,336	\$ 293,294	\$ 291,530
NHP Rent (Payor Mix)								
Private	68.5%	68.5%	0.0%	68.5%	0.0%	68.3%	68.3%	69.1%
Medicare	11.4%	11.6%	-0.2%	11.5%	-0.1%	11.5%	11.6%	11.1%
Medicaid	20.0%	19.9%	0.2%	19.9%	0.2%	20.1%	20.0%	19.6%
Other	0.1%	0.1%	0.0%	0.2%	-0.1%	0.1%	0.1%	0.2%
Total NHP Annualized Cash Rent	100.0%	100.0%		100.0%		100.0%	100.0%	100.0%
Facility EBITDARM coverage	1.73x	1.70x	1.8%	1.61x	7.2%	1.72x	1.70x	1.61x
Facility EBITDAR coverage	1.37x	1.34x	2.2%	1.26x	9.1%	1.37x	1.35x	1.26x
Facility EBITDAR - Capex coverage	1.28x	1.25x	2.4%	1.17x	9.4%	1.27x	1.25x	1.18x

	ALF/ILF			SNF			Total		
	DEC 2009	SEP 2009	DEC 2008	DEC 2009	SEP 2009	DEC 2008	DEC 2009	SEP 2009	DEC 2008
Total Portfolio Facility Payor Mix									
Private	99.9%	99.9%	99.9%	16.2%	16.2%	16.9%	45.0%	45.0%	45.1%
Medicare	0.0%	0.0%	0.0%	28.2%	28.6%	27.7%	20.0%	19.8%	19.5%
Medicaid	0.1%	0.1%	0.1%	55.4%	55.0%	54.8%	35.0%	35.1%	35.1%
Other	0.0%	0.0%	0.0%	0.2%	0.2%	0.6%	0.0%	0.1%	0.3%
Total Tenant Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Q-Mix (Private + Medicare)	99.9%	99.9%	99.9%	44.4%	44.8%	44.6%	65.0%	64.8%	64.6%

*Excludes assets held for sale, medical office buildings, JV assets and 6 AL facilities which have not yet reached stabilization due to ongoing or recently completed construction / renovation (facilities comprise a total of 517 units, 314 of which are currently in service with an aggregate occupancy of 65.0%).

	SAME PROPERTY (PERFORMANCE)					TOTAL		
	DEC 2009	SEP 2009	Q/Q Chg	DEC 2008	Y/Y Chg	DEC 2009	SEP 2009	DEC 2008
Medical Office Building								
Revenue (\$000s)*	\$ 80,313	\$ 79,489	1.0%	\$ 78,218	2.7%	\$ 80,313	\$ 79,489	\$ 78,218
Occupancy	90.7%	90.7%	0.0%	91.8%	-1.3%	90.7%	90.7%	91.8%
Annual Revenue per occupied sq ft	\$ 25.49	\$ 25.21	1.1%	\$ 24.51	4.0%	\$ 25.49	\$ 25.21	\$ 24.51
Operating Expenses (\$000s)*	\$ 29,551	\$ 28,767	2.7%	\$ 28,901	2.2%	\$ 29,551	\$ 28,767	\$ 28,901
Annual Operating Expense per occupied sq ft	\$ 9.38	\$ 9.12	2.8%	\$ 9.06	3.5%	\$ 9.38	\$ 9.12	\$ 9.06
Net Operating Income (\$000s)*	\$ 50,763	\$ 50,722	0.1%	\$ 49,316	2.9%	\$ 50,763	\$ 50,722	\$ 49,316
NOI per occupied sq ft	\$ 16.11	\$ 16.09	0.1%	\$ 15.45	4.2%	\$ 16.11	\$ 16.09	\$ 15.45
Margin %	63.2%	63.8%	-0.9%	63.1%	0.2%	63.2%	63.8%	63.1%

*Trailing 12 months as of the periods presented.

	TOTAL		
	DEC 2009	SEP 2009	DEC 2008
Assisted and independent living			
Annualized Facility Revenue (\$000s)	\$ 8,457	\$ 8,492	\$ 8,647
Occupancy	65.0%	58.8%	60.6%
Monthly revenue per occupied bed/unit	\$ 3,870	\$ 3,946	\$ 3,880
Annualized Facility EBITDARM (\$000s)	\$ 1,546	\$ 1,722	\$ 2,960
Facility EBITDARM %	18.3%	20.3%	34.2%
NHP Annualized Cash Rent (\$000s)	\$ 3,863	\$ 3,809	\$ 2,168
Facility EBITDARM coverage	0.40x	0.45x	1.36x
Facility EBITDAR coverage	0.29x	0.34x	1.17x
Facility EBITDAR - Capex coverage	0.22x	0.28x	1.05x

General Notes:

- Non Stabilized facilities include six assisted living facilities comprised of 517 units, 314 of which are currently in service, with a total investment value of \$67.2M.
- Rent coverage decline mainly attributed to Capital Improvement Rent on renovation and improvement costs financed by NHP.

Tenant Concentration

Gross investment and annualized cash rent in thousands

Tenant Concentration		Number of Facilities	Number of Beds/Units In Service	Gross Investment	Percent by Investment	Annualized Cash Rent/NOI	Percent by Cash Rent	Average Age	Remaining Term	EBITDARM Coverage
1 Brookdale Senior Living	[A]	96	5,976	\$ 468,072	12.7%	\$ 52,943	15.2%	14	7.7	1.55x
2 Hearthstone Senior Services		32	3,794	431,297	11.7%	37,400	10.8%	10	11.5	1.19x
3 Wingate Healthcare		18	2,458	250,656	6.8%	21,195	6.1%	20	10.2	1.77x
4 Beverly Enterprises		28	3,183	108,822	3.0%	15,105	4.3%	33	4.7	2.28x
5 Atria Senior Living		9	1,314	88,885	2.4%	12,690	3.7%	28	10.0	1.16x
Top 5		183	16,725	1,347,732	36.6%	139,333	40.1%	17	9.0	1.53x
6 Senior Services of America		18	1,517	129,361	3.5%	12,476	3.6%	16	12.1	1.08x
7 Laureate Group		9	1,526	118,946	3.2%	10,923	3.1%	16	3.1	1.62x
8 Magnolia Health Systems		24	2,072	111,825	3.0%	10,312	3.0%	29	16.8	1.78x
9 Carillon Assisted Living		9	928	105,847	2.9%	8,979	2.6%	8	12.0	1.28x
10 Nexion Health Management		20	2,177	70,393	1.9%	8,914	2.6%	23	4.7	2.14x
Top 10		263	24,945	1,884,104	51.1%	190,937	55.0%	17	9.2	1.54x
11 Emeritus Corporation	[A]	6	533	70,177	1.9%	6,373	1.8%	11	6.8	1.18x
12 HEALTHSOUTH	[A]	2	108	45,602	1.2%	5,096	1.5%	18	4.6	2.37x
13 Primrose Retirement Associates		8	427	55,016	1.5%	4,558	1.3%	9	12.1	1.25x
14 Epic Group		7	892	52,682	1.4%	4,517	1.3%	36	8.3	2.11x
15 Hearth Management		3	363	43,930	1.2%	4,167	1.2%	10	6.4	1.59x
Top 15		289	27,268	2,151,511	58.4%	215,648	62.1%	17	9.0	1.55x
Other - Senior Housing and Long-Term Care Tenants		171	15,349	801,784	21.8%	82,549	23.8%	23	6.9	2.22x
Medical Office Buildings		80		731,053	19.8%	49,146	14.2%	12		
Total NHP Consolidated Portfolio		540	42,617	\$ 3,684,348	100.0%	\$ 347,343	100.0%	18	8.4	1.71x

[A] Public company tenant

General Notes:

- Performance metrics exclude assets held for sale and JV assets.
- Ranked by Annualized Cash Rent/NOI.
- Totals subject to rounding.

Geographic Performance Metrics

Gross investment and annualized cash rent in thousands

	Number of Facilities	Number of Beds/Units In Service	Gross Investment	Percent by Investment	Annualized Cash Rent	Percent by Cash Rent	Medicaid as Percent of Cash Rent [A]
1 Texas	61	6,338	\$ 449,887	15.2%	\$ 45,581	15.3%	2.1%
2 Massachusetts	18	2,474	224,142	7.6%	19,352	6.5%	3.1%
3 Wisconsin	49	2,839	210,652	7.1%	20,114	6.7%	0.6%
4 California	26	2,850	198,976	6.7%	28,914	9.7%	0.8%
5 Tennessee	22	2,002	189,528	6.4%	12,257	4.1%	0.5%
Top 5	176	16,503	1,273,185	43.1%	126,218	42.3%	7.0%
6 Florida	26	2,543	151,023	5.1%	14,272	4.8%	0.8%
7 Indiana	29	2,408	129,613	4.4%	12,504	4.2%	2.0%
8 Ohio	18	1,685	117,757	4.0%	12,142	4.1%	0.6%
9 Washington	17	1,607	115,646	3.9%	12,297	4.1%	0.6%
10 North Carolina	11	1,120	111,135	3.8%	9,849	3.3%	0.1%
Top 10	277	25,866	1,898,359	64.2%	187,282	62.8%	11.2%
11 New York	6	846	102,737	3.5%	9,983	3.3%	0.8%
12 Michigan	17	1,357	90,980	3.1%	9,289	3.1%	0.2%
13 Minnesota	13	853	66,546	2.3%	5,828	2.0%	0.5%
14 Arizona	6	615	58,130	2.0%	6,978	2.3%	0.1%
15 Missouri	16	1,165	53,142	1.8%	5,587	1.9%	0.9%
Top 15	335	30,702	2,269,894	76.9%	224,947	75.4%	13.6%
Other States	125	11,915	683,401	23.1%	73,250	24.6%	5.8%
Total	460	42,617	\$ 2,953,295	100.0%	\$ 298,197	100.0%	19.5%
Medical Office Buildings	80		731,053		49,146		
Total NHP Consolidated Portfolio	540		\$ 3,684,348		\$ 347,343		

[A] Medicaid as a Percent of Cash Rent represents an estimate of the portion of NHP's senior housing and long-term care portfolio total rental income derived from the underlying Medicaid reimbursement of our tenants and borrowers (for each asset class, Medicaid income divided by the total revenue multiplied by the rent or interest paid to NHP).

General Notes:

- Performance metrics exclude assets held for sale and JV assets.
- Ranked by Gross Investment.
- Totals subject to rounding.

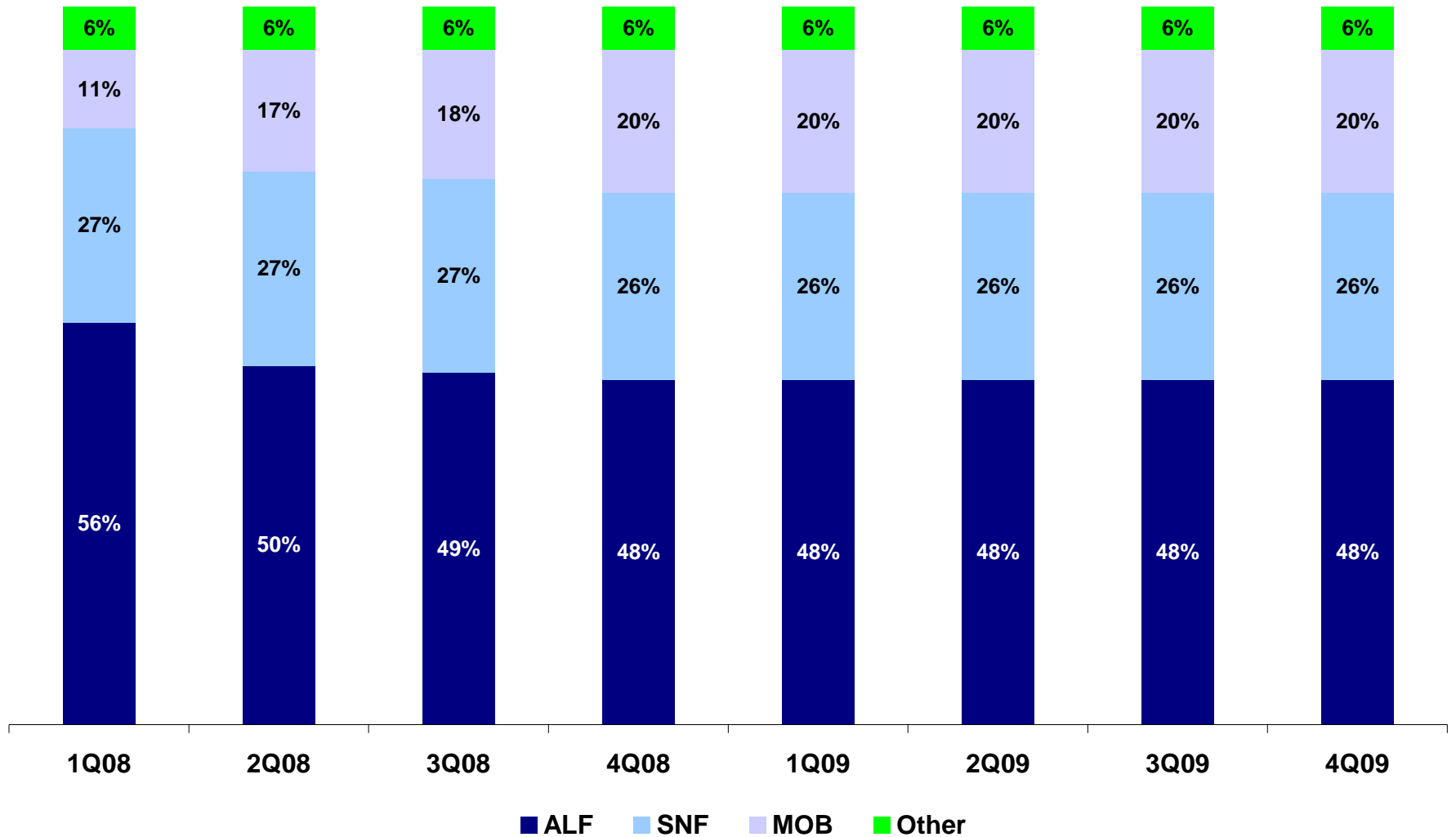
Geographic Performance Metrics

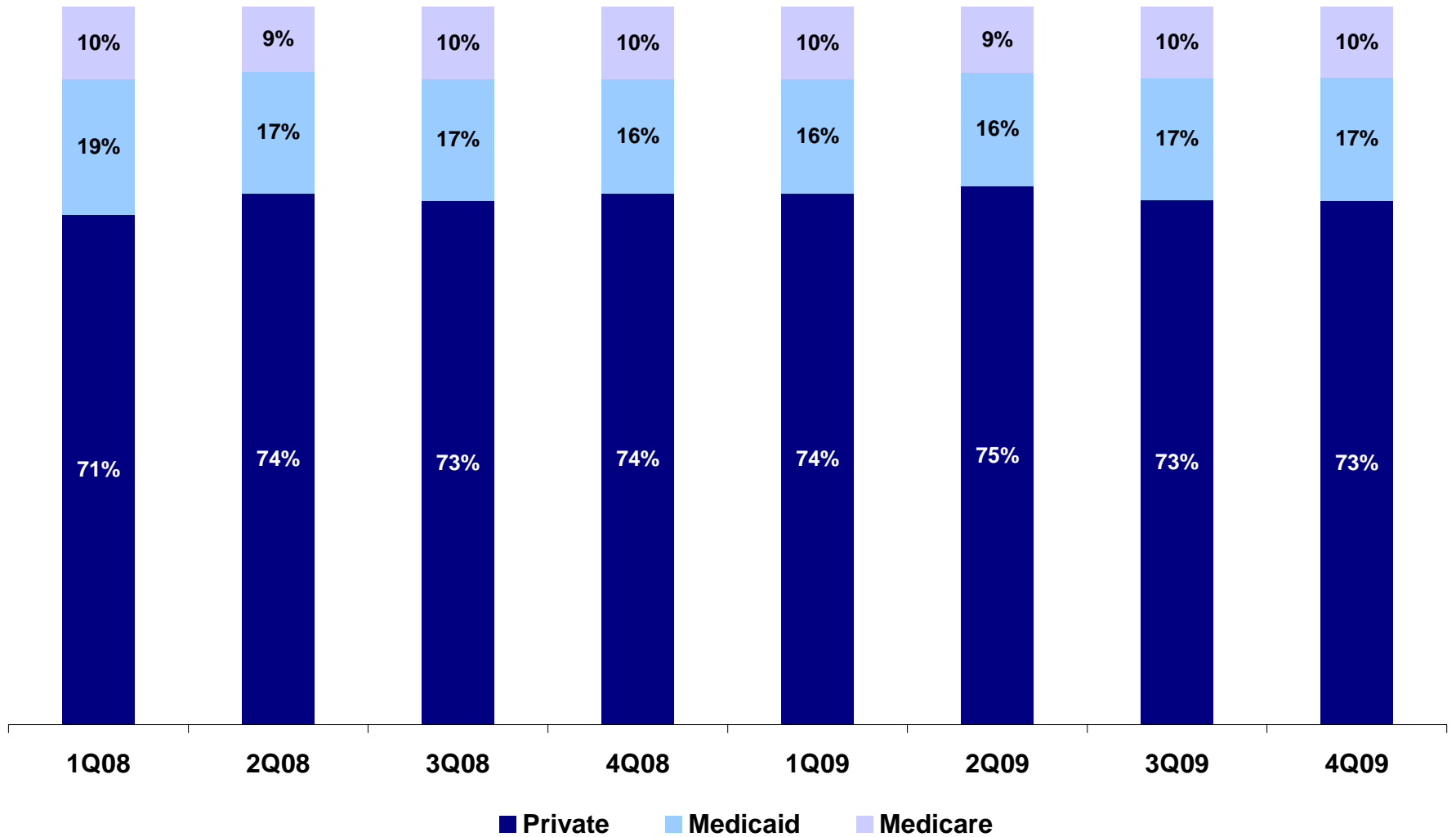
Gross investment and annualized cash rent in thousands

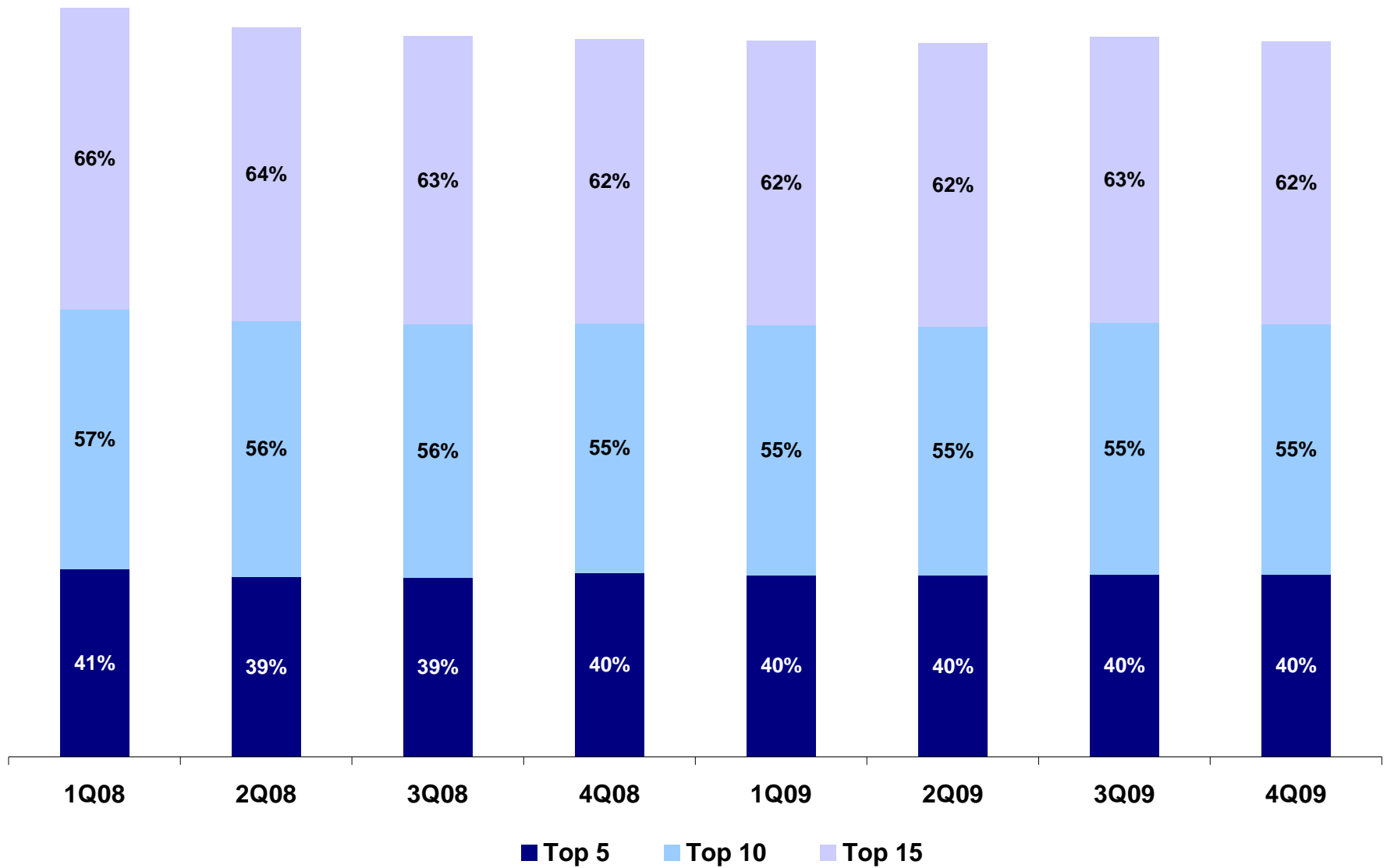
	Number of Facilities	Number of Beds/Units In Service	Gross Investment	Annualized Cash Rent	EBITDARM Coverage	Revenue per occupied bed/unit	Average Age	Remaining Term	% SNF by Cash Rent
1 Texas	61	6,338	\$ 449,887	\$ 45,581	1.73x	\$ 4,589	14	8.2	28.6%
2 Massachusetts	18	2,474	224,142	19,352	1.81x	7,480	24	9.6	81.9%
3 Wisconsin	49	2,839	210,652	20,114	1.71x	3,503	18	5.8	16.7%
4 California	26	2,850	198,976	28,914	1.57x	5,974	21	9.1	16.1%
5 Tennessee	22	2,002	189,528	12,257	1.48x	3,677	20	6.9	20.8%
Top 5	176	16,503	1,273,185	126,218	1.68x	5,007	18	7.9	31.2%
6 Florida	26	2,543	151,023	14,272	2.04x	5,076	20	9.0	20.5%
7 Indiana	29	2,408	129,613	12,504	1.71x	5,585	27	15.2	69.8%
8 Ohio	18	1,685	117,757	12,142	1.22x	4,642	17	6.9	25.2%
9 Washington	17	1,607	115,646	12,297	1.86x	5,110	19	9.6	42.1%
10 North Carolina	11	1,120	111,135	9,849	1.42x	3,638	8	11.8	3.7%
Top 10	277	25,866	1,898,359	187,282	1.68x	4,990	19	9.2	31.9%
11 New York	6	846	102,737	9,983	1.30x	6,827	17	7.8	50.0%
12 Michigan	17	1,357	90,980	9,289	1.64x	4,689	10	10.1	10.7%
13 Minnesota	13	853	66,546	5,828	1.85x	4,659	26	8.4	41.2%
14 Arizona	6	615	58,130	6,978	1.84x	8,121	14	6.8	0.0%
15 Missouri	16	1,165	53,142	5,587	2.07x	4,959	24	6.5	97.1%
Top 15	335	30,702	2,269,894	224,947	1.68x	5,090	18	8.8	32.7%
Other States	125	11,915	683,401	73,250	1.80x	4,936	20	7.4	23.7%
Total	460	42,617	\$ 2,953,295	\$ 298,197	1.71x	\$ 5,023	19	8.4	30.5%
Medical Office Buildings	80		731,053	49,146			12		
Total NHP Consolidated Portfolio	540		\$ 3,684,348	\$ 347,343			18		

General Notes:

- Performance metrics exclude assets held for sale, medical office buildings, and JV assets.
 - Ranked by Gross Investment.
 - Totals subject to rounding.
 - Lease terms are generally between ten and fifteen years with renewal options of an additional ten to fifteen years.
- In general, NHP receives contractual rent escalators in the range of 1.5% to 2.5% for skilled nursing facilities and 2.0% to 3.0% for assisted living facilities.







Unconsolidated JV Portfolio Performance Metrics

	<u>Assisted and Independent Living</u>		<u>Skilled Nursing</u>		<u>CCRC</u>		<u>Total Portfolio</u>	
	DEC 2009		DEC 2009		DEC 2009		DEC 2009	
Unconsolidated JV Portfolio								
Annualized Facility Revenue (\$000s)	\$	74,147	\$	158,275	\$	12,387	\$	244,809
Occupancy		87.6%		88.7%		75.8%		87.7%
Monthly revenue per occupied bed/unit	\$	3,779	\$	8,042	\$	9,022	\$	6,019
Q-Mix (Private + Medicare)		96.5%		60.7%		100.0%		73.5%
Annualized Facility EBITDARM (\$000s)	\$	25,209	\$	40,569	\$	2,998	\$	68,777
Facility EBITDARM %		34.0%		25.6%		24.2%		28.1%
Total JV Annualized Cash Rent (\$000s)	\$	21,619	\$	22,268	\$	2,480	\$	46,367
JV Rent (Payor Mix)								
Private		96.5%		33.7%		69.7%		64.9%
Medicare		0.0%		26.9%		30.3%		14.6%
Medicaid		3.5%		39.3%		0.0%		20.5%
Other		0.0%		0.0%		0.0%		0.0%
Total JV Annualized Cash Rent		100.0%		100.0%		100.0%		100.0%
Facility EBITDARM coverage		1.17x		1.82x		1.21x		1.48x
Facility EBITDAR coverage		0.99x		1.47x		0.96x		1.22x
Facility EBITDAR - Capex coverage		0.93x		1.43x		0.93x		1.17x

General Note:

- Totals subject to rounding.

Medical Office Building Portfolio Performance Metrics

Gross investment dollars in thousands

MOBs by Region	Number of Facilities	Gross Investment	Gross Investment per SQFT	Percent On Campus	Average Age	Rentable SQFT	Occupancy		
							Current Year	Prior Year	Change
Midwest	13	\$ 80,469	\$ 179	64.5%	15	449,834	86.3%	89.8%	-3.6%
Northeast/Atlantic	3	7,158	110	53.3%	29	65,315	80.4%	71.7%	8.7%
Southcentral	21	91,169	98	69.1%	18	933,517	87.1%	87.9%	-0.8%
Southeast	7	38,104	116	52.4%	16	327,544	81.6%	86.4%	-4.8%
West	18	364,260	334	71.3%	12	1,090,845	93.7%	94.2%	-0.6%
NHP Triple-Net & Mortgage	20	169,294	278	38.3%	9	609,013	100.0%	100.0%	0.0%
Total MOB Portfolio	82	\$ 750,453	\$ 216	73.4%	12	3,476,068	90.7%	91.8%	-1.2%

MOBs by Region	Annualized Revenue			Annualized Cash Rent/NOI			Operating Margin		
	Current Year	Prior Year	% Change	Current Year	Prior Year	% Change	Current Year	Prior Year	Change
Midwest	\$ 9,859	\$ 9,838	0.2%	\$ 5,048	\$ 5,652	-10.7%	51.2%	57.4%	-6.2%
Northeast/Atlantic	1,010	835	20.9%	492	435	13.1%	48.7%	52.0%	-3.4%
Southcentral	15,580	14,888	4.6%	7,560	6,585	14.8%	48.5%	44.2%	4.3%
Southeast	5,520	5,841	-5.5%	2,763	3,235	-14.6%	50.1%	55.4%	-5.3%
West	35,795	34,700	3.2%	22,426	21,297	5.3%	62.6%	61.4%	1.3%
NHP Triple-Net & Mortgage	12,549	12,115	3.6%	12,475	12,113	3.0%	99.4%	100.0%	-0.6%
Total MOB Portfolio	\$ 80,313	\$ 78,218	2.7%	\$ 50,763	\$ 49,316	2.9%	63.2%	63.1%	0.2%

MOBs by State	Region	Number of Facilities	Gross Investment	Percent by Investment	Gross Investment per SQFT	Building Square Feet	Occupancy	Revenue*		NOI*	
								per SQFT	per SQFT	per SQFT	per SQFT
1 California	West	8	\$ 165,738	22.1%	\$ 350	473,869	93.8%	\$ 38.25	\$ 22.79		
2 Washington	West	7	118,351	15.8%	323	366,483	99.2%	31.46	20.54		
3 Illinois	Midwest	12	67,200	9.0%	175	383,058	86.8%	25.69	13.18		
4 Missouri	Southcentral	7	49,373	6.6%	122	404,227	93.9%	20.37	11.19		
5 Nevada	West	2	44,846	6.0%	308	145,637	84.0%	38.73	24.16		
Top 5		36	445,508	59.4%	251	1,773,274	92.6%	30.11	17.77		
6 Oregon	West	1	35,324	4.7%	337	104,856	87.3%	28.66	20.49		
7 Louisiana	Southcentral	8	31,846	4.2%	83	384,588	87.8%	17.48	8.40		
8 South Carolina	Southeast	2	16,336	2.2%	149	109,704	76.7%	25.26	13.23		
9 Ohio	Midwest	1	13,269	1.8%	199	66,776	83.2%	23.67	11.98		
10 Georgia	Southeast	3	10,622	1.4%	86	123,294	88.9%	17.18	7.68		
Top 10		51	552,906	73.7%	216	2,562,492	90.6%	27.27	15.73		
11 Texas	Southcentral	6	9,950	1.3%	69	144,702	66.0%	20.38	4.97		
12 Virginia	Northeast	3	7,158	1.0%	110	65,315	80.4%	19.22	9.36		
13 Florida	Southeast	1	6,602	0.9%	177	37,266	61.7%	25.09	6.89		
14 Tennessee	Southeast	1	4,543	0.6%	79	57,280	88.1%	18.53	12.88		
Top 14		62	581,159	77.4%	203	2,867,055	88.7%	26.65	15.06		
NHP Triple-Net & Mortgage		20	169,294	22.6%	278	609,013	100.0%	20.60	20.48		
Medical Office Buildings		82	\$ 750,453	100.0%	\$ 216	3,476,068	90.7%	\$ 25.48	\$ 16.11		

*Annualized; per occupied SQFT.

General Note:

• Totals subject to rounding.

Medical Office Building Lease Expirations and Mortgage Loan Receivable Principal Payments

Dollars in thousands, except per square foot data

Year	Consolidated Medical Office Building Lease Expirations											
	Consolidated Multi-Tenant				Consolidated Triple-Net (1)				Consolidated Medical Office Building			
	Square Feet	% of Total	Annualized Rent	Annualized Rent PSF	Square Feet	% of Total	Annualized Rent	Annualized Rent PSF	Square Feet	% of Total	Annualized Rent	Annualized Rent PSF
2010	463,422	19%	\$ 9,551	\$ 20.61	-	0%	\$ -	\$ -	463,422	16%	\$ 9,551	\$ 20.61
2011	281,798	12%	5,679	20.15	-	0%	-	-	281,798	10%	5,679	20.15
2012	265,064	11%	5,580	21.05	-	0%	-	-	265,064	9%	5,580	21.05
2013	135,090	5%	2,905	21.50	-	0%	-	-	135,090	5%	2,905	21.50
2014	179,546	7%	4,440	24.73	-	0%	-	-	179,546	6%	4,440	24.73
2015	113,993	5%	2,442	21.42	-	0%	-	-	113,993	4%	2,442	21.42
2016	115,624	5%	2,542	21.99	67,000	15%	1,624	24.24	182,624	6%	4,166	22.81
2017	378,710	16%	7,345	19.39	149,450	34%	1,862	12.46	528,160	19%	9,207	17.43
2018	57,207	2%	1,549	27.08	-	0%	-	-	57,207	2%	1,549	27.08
2019	140,185	6%	3,527	25.16	61,219	14%	1,133	18.51	201,404	7%	4,660	23.14
Thereafter	296,613	12%	6,864	23.14	159,344	37%	4,407	27.66	455,957	16%	11,271	24.72
	<u>2,427,252</u>	<u>100%</u>	<u>\$ 52,424</u>	<u>\$ 21.60</u>	<u>437,013</u>	<u>100%</u>	<u>\$ 9,026</u>	<u>\$ 20.65</u>	<u>2,864,265</u>	<u>100%</u>	<u>\$ 61,450</u>	<u>\$ 21.45</u>

Year	Unconsolidated JV MOB Lease Expirations				Mortgage Loan Receivable (2)		
	Square Feet	% of Total	Annualized Rent	Annualized Rent PSF	Principal Payments	% of Total	Number of Facilities
2010	41,076	36%	\$ 816	\$ 19.87	\$ 47,500	100%	1
2011	17,959	16%	304	16.93	-	0%	-
2012	32,395	28%	478	14.76	-	0%	-
2013	17,613	15%	278	15.78	-	0%	-
2014	4,061	3%	59	14.53	-	0%	-
2015	-	0%	-	-	-	0%	-
2016	2,003	2%	29	14.48	-	0%	-
2017	-	0%	-	-	-	0%	-
2018	-	0%	-	-	-	0%	-
2019	-	0%	-	-	-	0%	-
Thereafter	-	0%	-	-	-	0%	-
	<u>115,107</u>	<u>100%</u>	<u>\$ 1,964</u>	<u>\$ 17.06</u>	<u>\$ 47,500</u>	<u>100%</u>	<u>1</u>

(1) Also included in Other Triple-Net lease expirations on page 30.

(2) Also included in Mortgage Loans Receivable Principal Payments on page 30.

Annualized Cash Rent/NOI:

The total cash rent due from our tenants is based on the trailing twelve-month period one month in arrears from the period presented. For our medical office building portfolio, NOI is equal to the actual year to date NOI for the period presented plus the forecasted NOI for the remainder of the calendar year. We use Annualized Cash Rent to calculate our EBITDARM, EBITDAR and EBITDAR – Capex coverages.

Facility EBITDAR:

Earnings before interest, taxes, depreciation, amortization and rent on an annualized basis. We believe EBITDAR is a good estimate of facility cash flows after payment of management fees. We use a standardized imputed management fee equal to 5% of the revenues our tenants or borrowers generate at each individual facility (Facility Revenues) which we believe represents typical management fees for our senior housing and long-term care portfolios. We receive periodic facility financial information from our tenants that we utilize to calculate EBITDAR. EBITDAR figures are based on the trailing twelve-month period one month in arrears from the period presented. All facility financial information was derived solely from information provided by our tenants and borrowers and we have not verified such information. We use EBITDAR to calculate the EBITDAR (cash flow) coverage for our portfolio.

Facility EBITDAR Coverage:

Annualized EBITDAR divided by Annualized Cash Rent. This ratio is a measure of a facility's ability to cover its cash rent obligations. EBITDAR Coverage of 1.0X would indicate the EBITDAR is just sufficient to pay the cash rent. The higher the coverage, the better able a facility is to meet its rent obligations. This is the mid-range coverage calculation we utilize.

Facility EBITDARM:

Earnings before interest, taxes, depreciation, amortization, rent and management fees based on the trailing twelve-month period one month in arrears from the period presented. We believe EBITDARM is a good estimate of facility cash flows before payment of management fees. We use a standardized imputed management fee equal to 5% of the revenues our tenants or borrowers generate at each individual facility (Facility Revenues) which we believe represents typical management fees for our senior housing and long-term care portfolios. We receive periodic facility financial information from our tenants that we utilize to calculate EBITDARM. All facility financial information was derived solely from information provided by our tenants and

borrowers and we have not verified such information. We use EBITDARM to calculate the EBITDARM (cash flow before management fee) coverage for our portfolio.

Facility EBITDARM Coverage:

Annualized EBITDARM divided by Annualized Cash Rent. This ratio is a measure of a facility's ability to cover its cash rent obligations assuming it doesn't have to pay its management fee. EBITDARM Coverage of 1.0X would indicate the EBITDARM is just sufficient to pay the cash rent. The higher the coverage, the better able a facility is to meet its rent obligations. This is the least restrictive coverage measure we utilize.

Facility EBITDAR - Capex:

Earnings before interest, taxes, depreciation, amortization and rent less minimum capital expenditures (capex) based on the trailing twelve-month period one month in arrears from the period presented. We believe EBITDAR is a good estimate of facility cash flows after a reserve for minimum capital expenditures required to maintain a facility. We use a standardized imputed capital expenditure schedule in our calculations based on the type, size and age of each facility which we believe represents typical minimum capital expenditures for our senior housing and long-term care portfolios. We receive periodic facility financial information from our tenants that we utilize to calculate EBITDAR - Capex. All facility financial information was derived solely from information provided by our tenants and borrowers and we have not verified such information. We use EBITDAR - Capex to calculate the EBITDAR – Capex (cash flow after reserves for minimum capex requirements) coverage for our portfolio.

Facility EBITDAR - Capex Coverage:

Annualized EBITDAR - Capex divided by Annualized Cash Rent. This ratio is a measure of a facility's ability to cover its cash rent obligations after it makes the minimum capital expenditures required to maintain the facility. EBITDAR - Capex Coverage of 1.0X would indicate the EBITDAR - Capex is just sufficient to pay the cash rent. The higher the coverage, the better able a facility is to meet its rent obligations. This is the most restrictive coverage measure we utilize.

Facility Revenues:

Except for medical office buildings, the revenues generated by each individual facility are based on the trailing twelve-month period one month in

arrears from the period presented. We receive periodic facility financial information from our tenants that we utilize to calculate Facility Revenues. All facility financial information was derived solely from information provided by our tenants and borrowers and we have not verified such information.

Annualized Revenue:

For medical office buildings, the revenue is equal to the actual year to date revenue for the period presented plus the forecasted revenue for the remainder of the calendar year.

Gross Investment:

We define Gross Investment as our total investment in a property which includes land, building, improvements, equipment as well as any other identifiable assets included in the caption Other Assets on our balance sheets. Items classified in Other Assets generally pertain to our medical office buildings and may include such things as tenant improvements, leasing commissions, above/(below) market lease value, lease in place value and other items.

Monthly Revenue per Occupied Bed/Unit:

For our senior housing and long-term care portfolio, monthly revenue per occupied bed or unit is derived by determining the revenue generated by each individual facility divided by the total number of actual resident days, each of which is based on the trailing twelve-month period one month in arrears from the period presented, with the resulting quotient multiplied by 30.41667. All facility performance data were derived solely from information provided by our tenants and borrowers and we have not verified such information.

Occupancy:

For our senior housing and long-term care portfolio, the occupancy reported is one month in arrears from the period presented and represents a facility's actual resident days (total number of beds or units occupied multiplied by the number of days in the period) divided by the total resident capacity (total number of beds or units in service for the period multiplied by the number of days in the period). For medical office buildings, facility occupancy reported is as of the period presented and represents the leased square feet divided by the total rentable square feet. All facility performance data were derived solely from information provided by our tenants, borrowers, and property managers and we have not verified such information.

NOI:

Net operating income ("NOI") is a non-GAAP supplemental financial measure used to evaluate the operating performance of our facilities. We define NOI for our triple-net leases segment as rent revenues. For our medical office building segment, we define NOI as revenues minus medical office building operating expenses. In some cases, revenue for medical office buildings includes expense reimbursements for common area maintenance charges. NOI excludes interest expense, non-operating expenses, amortization of deferred financing costs, depreciation and amortization expense, and discontinued operations. We present NOI as it effectively presents our portfolio on a "net" rent basis and provides relevant and useful information as it measures the operating performance at the facility level on an unleveraged basis. We use NOI to make decisions about resource allocations and to assess the property level performance of our properties. Furthermore, we believe that NOI provides investors relevant and useful information because it measures the operating performance of our real estate at the property level on an unleveraged basis. We believe that net income is the GAAP measure that is most directly comparable to NOI. However, NOI should not be considered as an alternative to net income as the primary indicator of operating performance as it excludes the items described above. Additionally, NOI as presented above may not be comparable to other REITs or companies as their definitions of NOI may differ from ours.

Q-Mix:

For our long-term care portfolio, Q-Mix (abbreviation for Quality-Mix) refers to the combination of a Tenant's private and medicare revenues as a percentage of total revenues. As private and medicare rates are generally higher at long-term care facilities, Tenants can oftentimes improve margins by selectively targeting medicare and private-pay residents. As such, an increase in the Q-Mix generally results in a corresponding increase in a Tenant's total revenues.

Rentable Square Feet:

For our medical office building portfolio, rentable square feet represents the area measured to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. An add-on or load factor is used to charge the tenant for a percentage of the common areas, so that the total rentable square footage for the building is equal to sum of each floor's rentable area.

Same Property (Performance):

Results shown under the Same Property caption present the financial or other performance measures for only those facilities that were in our portfolio for more than twelve month at the end of all periods presented.