



Driving Shareholder Value Through Selective Growth

National Health Investors

NYSE: NHI



Highlights

- Strong diversified portfolio
- Focus on need driven senior housing properties
- Attractive investment opportunities in the marketplace

Highlights

- Low leverage balance sheet
- Growing dividends annually since 2001
- Increasing cash flow annually from lease escalators



Strategy

- Focus on senior housing real estate with top-tier operators
- Prioritize direct referrals and growth with existing tenants over brokered deals
- Diversify portfolio with private pay and priority given to AL and newer SNF with high Private and Medicare potential

Strategy

- Development of AL/ALZ and Specialty Hospitals
- Mezzanine Financing
- Stagger debt maturities by paying down revolver with term loans, HUD financing and other longer term financing (currently no debt maturities until 2017)

2009-2011 Investment Total

Investment Type	Asset Class	2009-2011 TOTAL		
		Investment	WAIY ¹	Avg Mat.
Lease-back	SNF	\$ 177,828,000	9.41%	2021
Lease-back	AL/ALZ	91,700,000	9.39%	2024
Lease-back	HOSP	12,500,000	12.00%	2025
Development Construction	HOSP	35,370,000	10.00%	2021
Construction Commitment	AL/ALZ	-		
Mezzanine / Subordinated Debt	SNF/AL/ALZ	9,050,000	13.51%	2014
Mortgage	AL/ALZ	3,900,000	9.64% ²	2018
		<u>\$ 330,348,000</u>	9.70%	2023

¹ Weighted Average Investment Yield (Cash Yield)

² \$5m mortgage purchased at a \$1.1m discount; stated borrower rate is 7.47%, initial cash yield is 9.64%, yield at maturity is 12.37%

2009-2011 Investment Average

Investment Type	Asset Class	2009-2011 AVERAGE	
		Annual Investment	WAIY ¹
Lease-back	SNF	\$ 59,276,000	9.41%
Lease-back	AL/ALZ	30,566,000	9.39%
Lease-back	HOSP	4,166,000	12.00%
Development Construction	HOSP	11,790,000	10.00%
Construction Commitment	AL/ALZ	-	
Mezzanine / Subordinated Debt	SNF/AL/ALZ	3,016,000	13.51%
Mortgage	AL/ALZ	1,300,000	9.64% ²
		\$110,114,000	9.70%

¹ Weighted Average Investment Yield (Cash Yield)

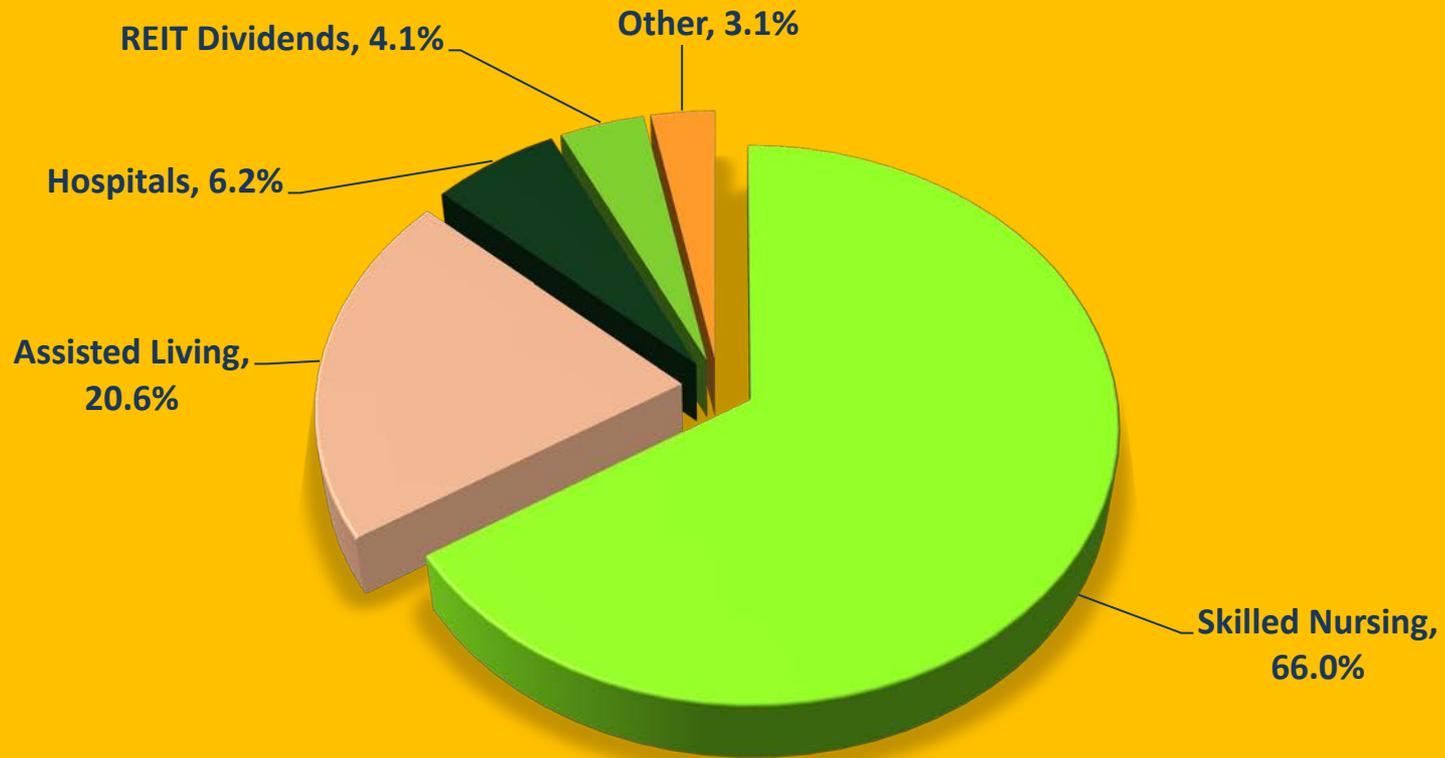
2012 Investments

Investment Type	Asset Class	2012	
		Investment	WAIY ¹
Lease-back	SNF	\$ 13,400,000	9.00%
Lease-back	AL/ALZ	-	
Lease-back	HOSP	-	
Development Construction	HOSP	-	
Construction Commitment	AL/ALZ	27,000,000	9.00%
Mezzanine / Subordinated Debt	SNF/AL/ALZ	18,000,000 ²	12.75%
Mortgage	AL/ALZ	-	
		<u>\$ 58,400,000</u>	<u>10.16%</u>

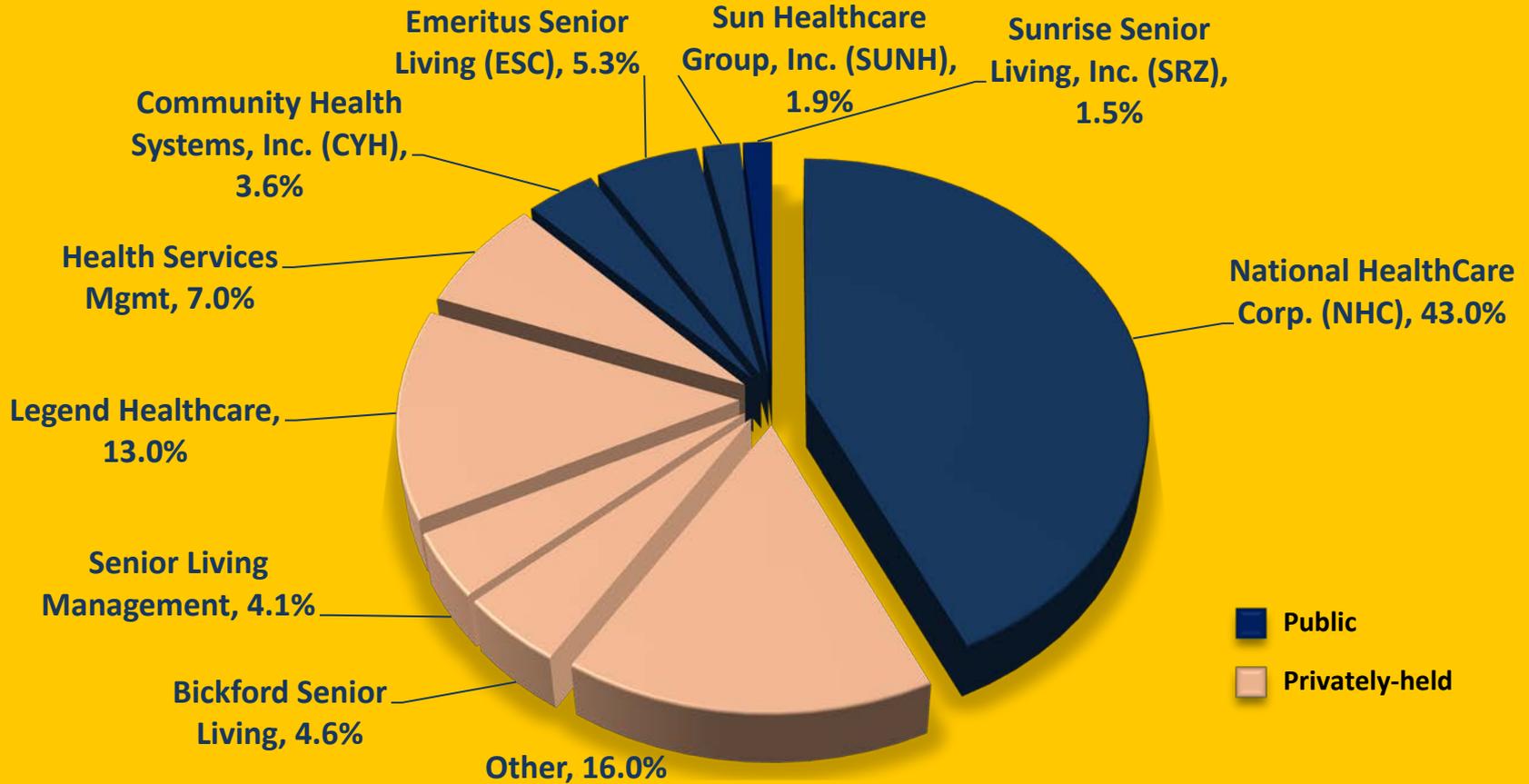
¹ Weighted Average Investment Yield (Cash Yield)

²\$10m is a funding commitment

Revenue By Investment Type



Tenant Concentration



Largest Tenant - NHC

- Strongest Balance Sheet in the Senior-Housing public company operating space
- National HealthCare Corporation (“NHC”), a publicly-held company, founded in 1971, provides services to 75 long-term health care centers with 9,456 beds. NHC's affiliates also operate 36 homecare programs, six independent living centers and 17 assisted living communities. NHC's other services include Alzheimer's units, long-term care pharmacies, hospice, a rehabilitation services company, and providing management and accounting services to third parties.

NHI Capitalization & Liquidity

	Q1 2012	2011	2010	2009
Debt and Equity				
Debt	\$ 95.3	\$ 97.3	\$ 37.8	\$ -
Equity	445.6	443.5	442.5	434.6
Total Book Capitalization	\$ 540.9	\$ 540.8	\$ 480.3	\$ 434.6
Debt/Total Book Capitalization	17.6%	18.0%	7.9%	0.0%
Cash and Securities				
Cash and cash equivalents	\$ 6.9	\$ 15.9	\$ 2.7	\$ 45.7
Marketable securities	11.8	11.4	22.5	21.3
LTC preferred stock, at cost	38.1	38.1	38.1	38.1
Total cash and securities	\$ 56.8	\$ 65.4	\$ 63.3	\$ 105.1

Financial Highlights

	Q1 2012	2011	2010	2009
Revenues	\$ 24.1	\$ 97.4	\$ 83.2	\$ 72.4
Expenses	(6.9)	(24.6)	(21.3)	(16.4)
Other Income and Expenses ¹	1.2	8.3	7.5	8.2
Net Income	\$ 18.4	\$ 81.1	\$ 69.4	\$ 64.2
Normalized FFO per diluted share	\$0.77	\$2.88	\$2.76	\$2.33
Regular dividend per share	\$0.65	\$2.495	\$2.36	\$2.20
Special dividend per share		\$0.22		\$0.10
Dividend payout ratio ²	84.4%	86.6%	85.5%	94.4%

¹ Includes discontinued operations, loan and realty losses and recoveries of previous writedowns

² Regular dividend per share divided by Normalized FFO per diluted share

Summary

- NHI's goal is to selectively invest in income producing healthcare real estate investments to support rising income to the NHI shareholder through dividend growth.