

**NATIONWIDE HEALTH PROPERTIES, INC.**  
**RECONCILIATIONS OF NET INCOME TO NON-GAAP FINANCIAL MEASURES**  
(In thousands, except per share data)  
(Unaudited)

**Reconciliation of Net Income to Adjusted Diluted FAD**

	<u>Three Months Ended December 31,</u>		<u>Year Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Net income</b>	\$ 32,374	\$ 33,392	\$ 149,058	\$ 268,007
Preferred stock dividends	(995)	(1,452)	(5,350)	(7,637)
Net (income) loss attributable to noncontrolling interests	(484)	24	(668)	131
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-line 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 finance cost amortization	765	908	3,101	3,173
Lease commissions and tenant and capital improvements	(1,257)	(716)	(4,733)	(3,715)
<b>Unconsolidated joint ventures:</b>				
Real estate related depreciation and amortization	1,272	1,301	5,209	4,768
Straight-line rent	17	(12)	(26)	(66)
Amortization of intangible assets and liabilities	-	-	5	-
Deferred finance cost amortization	21	21	84	84
<b>FAD available to NHP common stockholders</b>	<u>60,486</u>	<u>61,743</u>	<u>246,606</u>	<u>223,331</u>
Series B preferred dividends	995	1,452	5,350	7,637
<b>Diluted FAD</b>	<u>61,481</u>	<u>63,195</u>	<u>251,956</u>	<u>230,968</u>
Acquisition costs	830	-	830	-
Gain on extinguishment of debt, net	-	(4,641)	(4,564)	(4,641)
Gain on extinguishment of debt, net from unconsolidated joint venture	-	-	(332)	-
<b>Adjusted diluted FAD</b>	<u>\$ 62,311</u>	<u>\$ 58,554</u>	<u>\$ 247,890</u>	<u>\$ 226,327</u>
<b>Weighted average shares outstanding for diluted FAD:</b>				
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>
<b>Diluted FAD per share</b>	<u>\$ 0.52</u>	<u>\$ 0.59</u>	<u>\$ 2.25</u>	<u>\$ 2.23</u>
<b>Adjusted diluted FAD per share</b>	<u>\$ 0.53</u>	<u>\$ 0.55</u>	<u>\$ 2.22</u>	<u>\$ 2.19</u>
<b>Dividends declared per common share</b>	<u>\$ 0.44</u>	<u>\$ 0.44</u>	<u>\$ 1.76</u>	<u>\$ 1.76</u>
<b>Adjusted diluted FAD payout ratio</b>	<u>83%</u>	<u>80%</u>	<u>79%</u>	<u>80%</u>
<b>Adjusted diluted FAD coverage</b>	<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.