

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 FFO

	<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>
Net income	\$ 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
Depreciation in income from unconsolidated joint ventures	1,272	1,301	5,209	4,768
Gains on sale of facilities, net	<u>(2,756)</u>	<u>(1,552)</u>	<u>(23,908)</u>	<u>(154,995)</u>
FFO available to NHP common stockholders	<u>60,826</u>	<u>62,550</u>	<u>248,007</u>	<u>228,877</u>
Series B preferred dividend add-back	<u>995</u>	<u>1,452</u>	<u>5,350</u>	<u>7,637</u>
Diluted FFO	<u>61,821</u>	<u>64,002</u>	<u>253,357</u>	<u>236,514</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)	-
Adjusted diluted FFO	<u>\$ 62,651</u>	<u>\$ 59,361</u>	<u>\$ 249,291</u>	<u>\$ 231,873</u>
Weighted average shares outstanding for diluted FFO:				
Diluted weighted average shares outstanding (1)	115,116	102,455	108,621	98,855
Series B preferred stock conversion add-back if not already converted	<u>2,517</u>	<u>3,896</u>	<u>3,154</u>	<u>4,526</u>
Fully diluted weighted average shares outstanding	<u>117,633</u>	<u>106,351</u>	<u>111,775</u>	<u>103,381</u>
Diluted FFO per share	<u>\$ 0.53</u>	<u>\$ 0.60</u>	<u>\$ 2.27</u>	<u>\$ 2.29</u>
Adjusted diluted FFO per share	<u>\$ 0.53</u>	<u>\$ 0.56</u>	<u>\$ 2.23</u>	<u>\$ 2.24</u>
Dividends declared per common share	<u>\$ 0.44</u>	<u>\$ 0.44</u>	<u>\$ 1.76</u>	<u>\$ 1.76</u>
Adjusted diluted FFO payout ratio	<u>83%</u>	<u>79%</u>	<u>79%</u>	<u>79%</u>
Adjusted diluted FFO coverage	<u>1.20</u>	<u>1.27</u>	<u>1.27</u>	<u>1.27</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.