Supplemental Information

June 30, 2011

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DISCLAIMER

This Supplemental Information and other materials we have filed or may file with the Securities and Exchange Commission, as well as information included in oral statements made, or to be made, by our senior management contain certain “forward-looking” statements as that term is defined by the Private Securities Litigation Reform Act of 1995. All statements regarding our expected future financial position, results of operations, cash flows, funds from operations, continued performance improvements, ability to service and refinance our debt obligations, ability to finance growth opportunities, and similar statements including, without limitations, those containing words such as “may”, “will”, “believes”, anticipates”, “expects”, “intends”, “estimates”, “plans”, and other similar expressions are forward-looking statements.

Forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results in future periods to differ materially from those projected or contemplated in the forward-looking. Such risks and uncertainties include, among other things, the following risks, which are described in more detail under the heading “Risk Factors” in Item 1A in our Form 10-K for the year ended December 31, 2011:

- We depend on the operating success of our customers (facility operators) for collection of our revenues during this time of uncertain economic conditions in the U.S.;
- We are exposed to the risk that our tenants and borrowers may become subject to bankruptcy or insolvency proceedings;
- We are exposed to risks related to governmental payors and regulations and the effect they have on our tenants’ and borrowers’ business;
- We are exposed to the risk that the cash flows of our tenants and borrowers will be adversely affected by increased liability claims and general and professional liability insurance costs;
- We are exposed to risks related to environmental laws and the costs associated with the liability related to hazardous substances;
- We are exposed to the risk that we may not be indemnified by our lessees and borrowers against future litigation;
- We depend on the success of future acquisitions and investments;
- We depend on the ability to reinvest cash in real estate investments in a timely manner and on acceptable terms;
- We may need to incur more debt in the future, which may not be available on terms acceptable to the Company;
- We are exposed to the risk that the illiquidity of real estate investments could impede our ability to respond to adverse changes in the performance of our properties;
- We are exposed to the risk that our assets may be subject to impairment charges;
- We depend on the ability to continue to qualify as a real estate investment trust;
- We have ownership limits in our charter with respect to our common stock and other classes of capital stock;
- We are subject to certain provisions of Maryland law and our charter and bylaws that could hinder, delay or prevent a change in control transaction, even if the transaction involves a premium price for our common stock or our stockholders believe such transaction to be otherwise in their best interests.

In this Supplemental Information, we refer to non-GAAP financial measures. These non-GAAP measures are not prepared in accordance with generally accepted accounting principles. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is included in this presentation.

Throughout this presentation, certain abbreviations and acronyms are used to simplify the format. A list of definitions is provided at the end of this presentation to clarify the meaning of any reference that may be ambiguous.

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ANALYST COVERAGE

Stifel Nicolaus & Company, Inc.
J.J.B. Hilliard, W.L. Lyons, LLC
JMP Securities, LLC
Wells Fargo Securities, LLC
Morgan Keegan & Co., Inc.

INVESTOR RELATIONS CONTACT

Roger R. Hopkins, CPA
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(615) 890-9100 ext. 108

SENIOR MANAGEMENT

J. Justin Hutchens
President and Chief Executive Officer

Roger R. Hopkins, CPA
Chief Accounting Officer

Kristin S. Gaines
Chief Credit Officer

BOARD OF DIRECTORS

W. Andrew Adams
Chairman
National Health Investors, Inc.

J. Justin Hutchens
President and Chief Executive Officer
National Health Investors, Inc.

Robert A. McCabe, Jr.
Chairman
Pinnacle Financial Partners

Robert T. Webb
President (Retired) and Founder
Webb's Refreshments, Inc.

Ted H. Welch
Ted Welch Investments

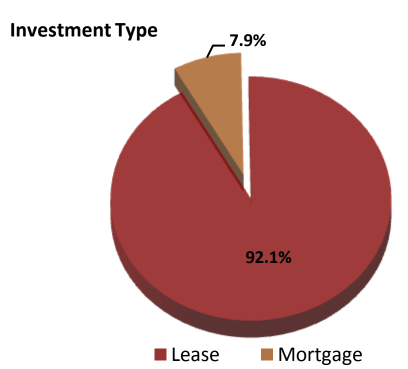
COMPANY PROFILE

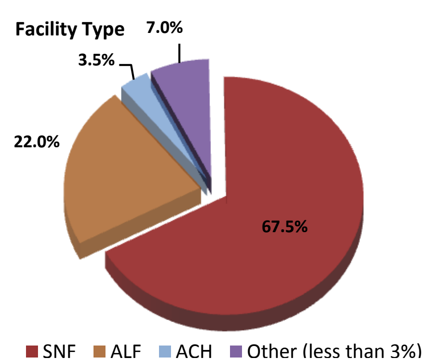
NATIONAL HEALTH INVESTORS, INC., a Maryland corporation incorporated in 1991, is a real estate investment trust ("REIT") which invests in income-producing health care properties primarily in the long-term care industry. Our mission is to invest in health care real estate assets which generate current income that will be distributed to stockholders. We have pursued this mission by acquiring properties to lease and making mortgage loans nationwide. These investments involve 122 health care properties in 24 states consisting of 78 skilled nursing facilities, 35 assisted living facilities, 2 medical office buildings, 4 independent living facilities, 1 acute psychiatric hospital, 1 acute care hospital and 1 transitional rehabilitation center. We have funded these investments in the past through three sources of capital: (1) current cash flow, (2) the sale of equity securities, and (3) debt offerings, including the issuance of convertible debt instruments, bank lines of credit, and ordinary term loans.

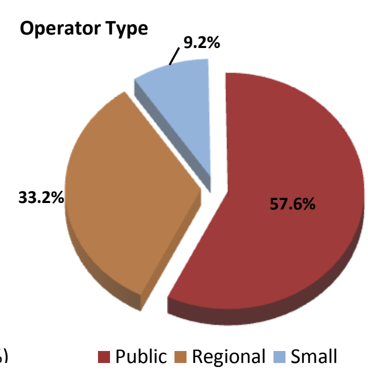
Investor Snapshot as of June 30, 2011

Exchange:	NYSE	**52 week Low/High:**	$36.66	$49.19	**Market Capitalization:**	$1.23 billion
Symbol:	NHI	**Dividend/Yield:**	$2.46	5.54%		
Closing Price:	$44.43	**Shares Outstanding:**	27,709,611			

Portfolio Revenue Snapshot as of June 30, 2011







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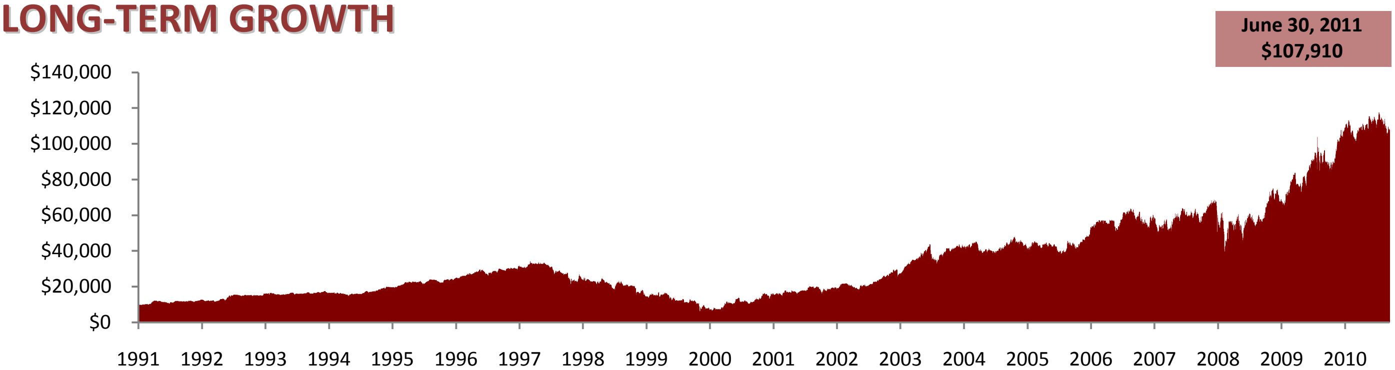
LONG-TERM GROWTH



Value of $10,000 invested at inception on October 17, 1991; assumes dividend reinvestment

VALUE CREATION

Total Return*

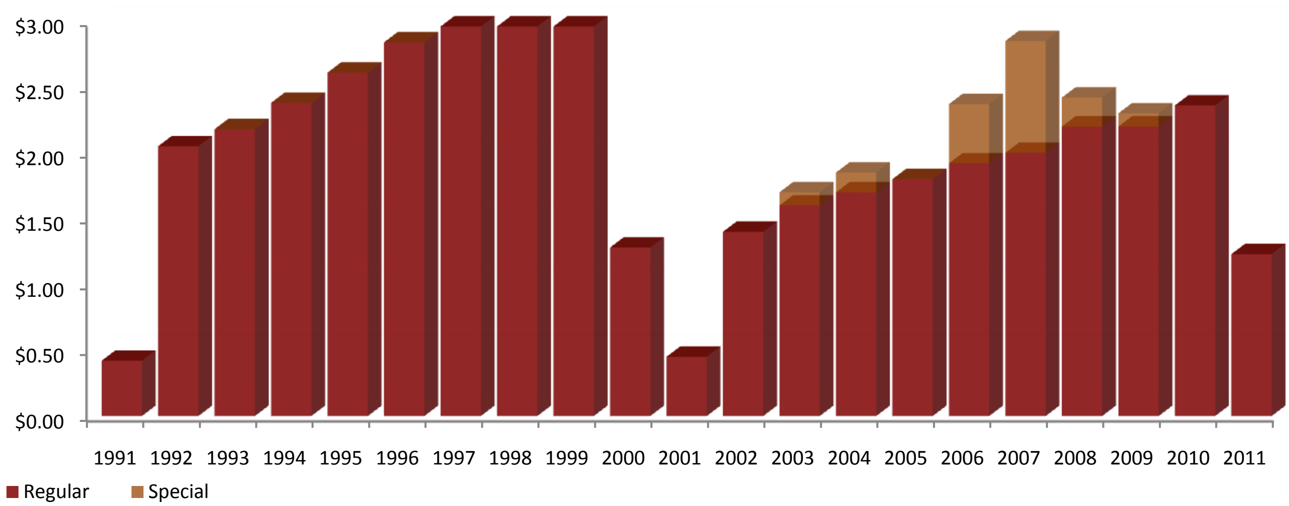
	NHI	S&P 500	NAREIT
1 year	20.09%	30.96%	32.88%
5 years	19.60%	2.99%	1.88%
10 years	24.05%	2.74%	10.07%
15 years	10.83%	6.51%	10.09%
Since inception**	12.98%	8.57%	10.72%

*assumes reinvestment of dividends
**since inception of NHI in Oct. '91

S&P 500 – Standard & Poor's index of 500 large-cap common stocks

NAREIT – FTSE NAREIT US Real Estate Index Series of all publicly traded REITs

DIVIDEND HISTORY



The Board of Directors approves a regular quarterly dividend which is reflective of expected taxable income on a recurring basis. Company transactions that are infrequent and non-recurring that generate additional taxable income have been distributed to shareholders in the form of special dividends. Taxable income is determined in accordance with the IRS Code and is different than net income for financial statement purposes determined in accordance with accounting principles generally accepted in the U.S.

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FINANCIAL

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

	June 30, 2011	December 31, 2010
Assets		
Real estate properties:		
Land	$ 44,368	$ 42,493
Buildings and improvements	434,309	420,704
	478,677	463,197
Less accumulated depreciation	(141,375)	(135,543)
Real estate properties, net	337,302	327,654
Mortgage notes receivable, net	76,516	75,465
Investment in preferred stock, at cost	38,132	38,132
Cash and cash equivalents	21,901	2,664
Marketable securities	10,372	22,476
Accounts receivable, net	323	471
Straight-line receivable	6,783	4,928
Assets held for sale, net	29,381	36,853
Deferred costs and other assets	1,249	698
Total Assets	$ 521,959	$ 509,341
Liabilities and Stockholders' Equity		
Debt	$ 48,750	$ 37,765
Real estate purchase liability	4,000	4,000
Accounts payable and accrued expenses	3,268	3,388
Dividends payable	17,041	16,752
Deferred income	1,480	1,461
Earnest money deposit	-	3,475
Total Liabilities	74,539	66,841
Commitments and Contingencies		
Stockholders' Equity		
Common stock, .01 par value; 40,000,000 shares authorized; 27,709,611 and 27,689,392 shares issued and outstanding, respectively	277	277
Capital in excess of par value	465,236	462,392
Cumulative dividends in excess of net income	(25,372)	(35,499)
Unrealized gains on marketable securities	7,279	15,330
Total Stockholders' Equity	447,420	442,500
Total Liabilities and Stockholders' Equity	$ 521,959	$ 509,341

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share and per share amounts)

	Three months ended June 30,		Six Months Ended June 30,	
	2011	2010	**2011**	2010
Revenues:				
Rental income	**$ 18,646**	$ 17,500	**$ 37,667**	$ 35,687
Mortgage interest income	**1,634**	1,602	**3,230**	3,597
	20,280	19,102	**40,897**	39,284
Expenses:				
Depreciation	**2,947**	2,786	**5,832**	5,309
Legal expense	**141**	174	**329**	455
Franchise, excise and other taxes	**198**	252	**556**	530
General and administrative	**1,289**	1,331	**5,063**	5,137
Loan and realty recoveries	**-**	(573)	**-**	(573)
	4,575	3,970	**11,780**	10,858
Income before non-operating items	**15,705**	15,132	**29,117**	28,426
Investment income and other	**9,790**	1,285	**11,202**	2,717
Interest expense and amortization of loan costs, net of change in fair value of interest rate swap agreement (Note 7)	**(1,589)**	(474)	**(848)**	(702)
Income from continuing operations	**23,906**	15,943	**39,471**	30,441
Discontinued operations				
Income from operations - discontinued	**1,211**	1,242	**2,440**	2,687
Gain on sale of real estate	**-**	2,004	**2,299**	2,004
Income from discontinued operations	**1,211**	3,246	**4,739**	4,691
Net income	**$ 25,117**	$ 19,189	**$ 44,210**	$ 35,132
Weighted average common shares outstanding:				
Basic	**27,708,136**	27,665,629	**27,702,432**	27,649,003
Diluted	**27,799,616**	27,729,034	**27,797,863**	27,705,257
Earnings per common share:				
Basic:				
Income from continuing operations	**$ .86**	$ .57	**$ 1.42**	$ 1.10
Discontinued operations	**.04**	.12	**.17**	.17
Net income per common share	**$ .90**	$ .69	**$ 1.59**	$ 1.27
Diluted:				
Income from continuing operations	**$ .86**	$ .57	**$ 1.42**	$ 1.10
Discontinued operations	**.04**	.12	**.17**	.17
Net income per common share	**$ .90**	$ .69	**$ 1.59**	$ 1.27
Dividends declared per common share	**$ 0.615**	$ 0.575	**$ 1.23**	$ 1.15

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FUNDS FROM OPERATIONS (FFO)

(in thousands, except share and per share amounts)

	Three months ended June 30,		Six Months Ended June 30,	
	2011	2010	**2011**	2010
Net income	**$ 25,117**	$ 19,189	**$ 44,210**	$ 35,132
Real estate depreciation in continuing operations	**2,730**	2,617	**5,421**	5,013
Real estate depreciation in discontinued operations	**-**	66	**-**	131
Gain on sale of real estate	**-**	(2,004)	**(2,299)**	(2,004)
Funds from operations	**$ 27,847**	$ 19,868	**$ 47,332**	$ 38,272
Collection and recognition of past due rent	**-**	-	**-**	(1,520)
Recoveries of previous write-downs	**-**	(573)	**-**	(573)
Gains on sales of marketable securities	**(8,655)**	-	**(8,809)**	-
Change in fair value of interest rate swap agreement[1]	**988**	-	**(266)**	-
Other items	**-**	(40)	**-**	250
Normalized FFO	**$ 20,180**	$ 19,255	**$ 38,257**	$ 36,429
Weighted average common shares outstanding:				
Basic	**27,708,136**	27,665,629	**27,702,432**	27,649,003
Diluted	**27,799,616**	27,729,034	**27,797,863**	27,705,257
FFO per share:				
Basic	**$ 1.00**	$ 0.72	**$ 1.71**	$ 1.38
Diluted	**$ 1.00**	$ 0.72	**$ 1.70**	$ 1.38
Normalized FFO per share:				
Basic	**$ 0.73**	$ 0.70	**$ 1.38**	$ 1.32
Diluted	**$ 0.73**	$ 0.70	**$ 1.38**	$ 1.32
FFO payout ratio:				
Dividends declared per common share	**$ 0.615**	$ 0.575	**$ 1.23**	$ 1.15
FFO per diluted share	**$ 1.00**	$ 0.72	**$ 1.70**	$ 1.38
FFO per diluted share payout ratio	**61.5%**	79.9%	**72.4%**	83.3%

[1] Beginning with the three months ended June 30, 2011, the Company has included in its definition of normalized FFO the change in the fair value of an interest rate swap agreement, a non-cash adjustment. Accordingly, the normalized FFO per basic and diluted common share for the three months ended March 31, 2011 is now $0.65 rather than $0.70 per basic and diluted common share, as previously reported.

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FUNDS AVAILABLE FOR DISTRIBUTION (FAD)

(in thousands, except share and per share amounts)

	Three months ended June 30,		Six Months Ended June 30,	
	2011	2010	**2011**	2010
Net income	**$ 25,117**	$ 19,189	**$ 44,210**	$ 35,132
Depreciation in continuing operations[1]	**2,947**	2,786	**5,832**	5,309
Depreciation in discontinued operations[1]	**-**	72	**-**	143
Gain on sale of real estate	**-**	(2,004)	**(2,299)**	(2,004)
Straight-line lease revenue, net	**(945)**	(767)	**(1,855)**	(1,429)
Non-cash stock based compensation	**274**	217	**2,645**	2,038
Change in fair value of interest rate swap agreement	**988**	-	**(266)**	-
Funds available for distribution	**28,381**	19,493	**48,267**	39,189
Collection and recognition of past due rent	**-**	-	**-**	(1,520)
Recoveries of previous write-downs	**-**	(573)	**-**	(573)
Gains on sales of marketable securities	**(8,655)**	-	**(8,809)**	-
Other items	**-**	(40)	**-**	250
Normalized FAD	**$ 19,726**	$ 18,880	**$ 39,458**	$ 37,346
Weighted average common shares outstanding:				
Basic	**27,708,136**	27,665,629	**27,702,432**	27,649,003
Diluted	**27,799,616**	27,729,034	**27,797,863**	27,705,257
FAD per share:				
Basic	**$ 1.02**	$ 0.70	**$ 1.74**	$ 1.42
Diluted	**$ 1.02**	$ 0.70	**$ 1.74**	$ 1.41
Normalized FAD per share:				
Basic	**$ 0.71**	$ 0.68	**$ 1.42**	$ 1.35
Diluted	**$ 0.71**	$ 0.68	**$ 1.42**	$ 1.35
FAD payout ratio:				
Dividends declared per common share	**$ 0.615**	$ 0.575	**$ 1.23**	$ 1.15
FAD per diluted share	**$ 1.02**	$ 0.70	**$ 1.74**	$ 1.41
FAD per diluted share payout ratio	**60.3%**	81.8%	**70.7%**	81.3%

[1] The 2010 calculation of FAD has been adjusted to include non-real estate depreciation to conform to the 2011 presentation. The impact to FAD was $0.01 and $0.02 for the three months and six months ended June 30, 2010.

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EBITDA RECONCILIATION AND INTEREST COVERAGE RATIO

(in thousands)

	Three months ended June 30,		Six Months Ended June 30,	
	2011	2010	**2011**	2010
Net income	**$ 25,117**	$ 19,189	**$ 44,210**	$ 35,132
Interest expense and amortization of loan costs[1]	**601**	474	**1,114**	702
Franchise, excise and other taxes	**198**	252	**556**	530
Depreciation	**2,947**	2,858	**5,832**	5,452
EBITDA	**$ 28,863**	$ 22,773	**$ 51,712**	$ 41,816
Interest expense and amortization of loan costs	**$ 601**	$ 474	**$ 1,114**	$ 702
Interest Coverage Ratio	**48:1**	48:1	**46:1**	60:1

[1] Does not include change in fair value of interest rate swap agreement, a non-cash adjustment, as required by US GAAP.

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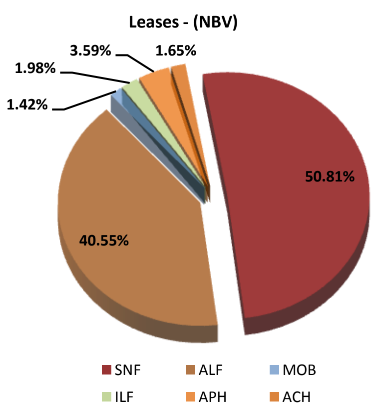
PORTFOLIO

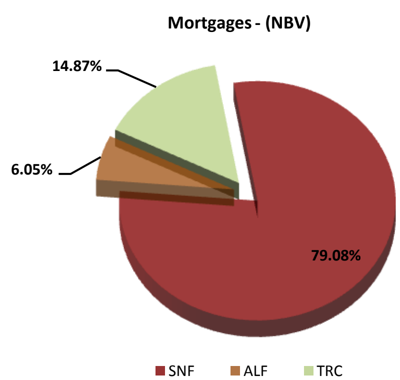
PORTFOLIO SUMMARY as of June 30, 2011

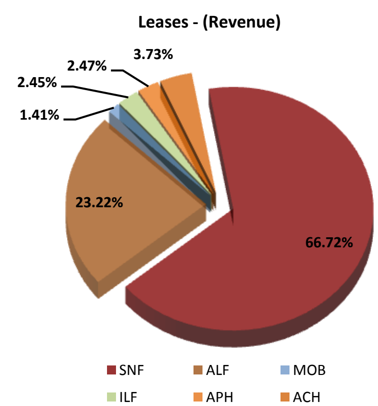
	Properties	Beds/Units/ Sq. Ft.	Investment (NBV)	YTD Revenue	% of segment
Leases					
Skilled Nursing[1]	51	6,863	$ 170,998,000	$ 25,130,000	66.72%
Assisted Living	33	1,858	136,472,000	8,747,000	23.22%
Medical Office Buildings	2	88,517	4,787,000	533,000	1.42%
Independent Living	4	456	6,655,000	922,000	2.45%
Acute Psychiatric Hospitals	1	66	12,091,000	930,000	2.47%
Acute Care Hospitals	1	55	5,560,000	1,405,000	3.73%
Total Leases	**92**		**$ 336,563,000**	**$ 37,667,000**	**100.00%**
(1) Skilled Nursing					
NHC facilities*	38	5,274	$ 44,093,000	$ 17,723,000	47.05%
All other facilities	13	1,589	126,905,000	7,407,000	19.66%
	51	6,863	$ 170,998,000	$ 25,130,000	66.72%

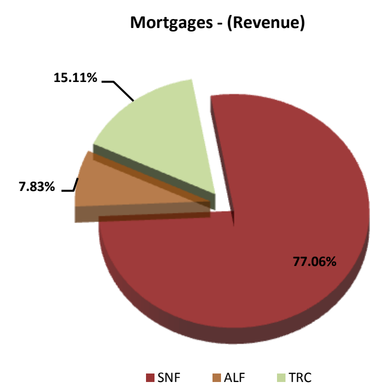
* On October 17, 1991, the NHC facilities were transferred to NHI at their then current book value in a non-taxable exchange.

	Properties	Beds/Units/ Sq. Ft.	Investment (NBV)	YTD Revenue	% of segment
Mortgages					
Skilled Nursing	27	2,730	$ 60,511,000	$ 2,489,000	77.06%
Assisted Living	2	146	4,629,000	253,000	7.83%
Transitional Rehabilitation	1	70	11,376,000	488,000	15.11%
Total Mortgages	**30**	**2,946**	**$ 76,516,000**	**$ 3,230,000**	**100.00%**









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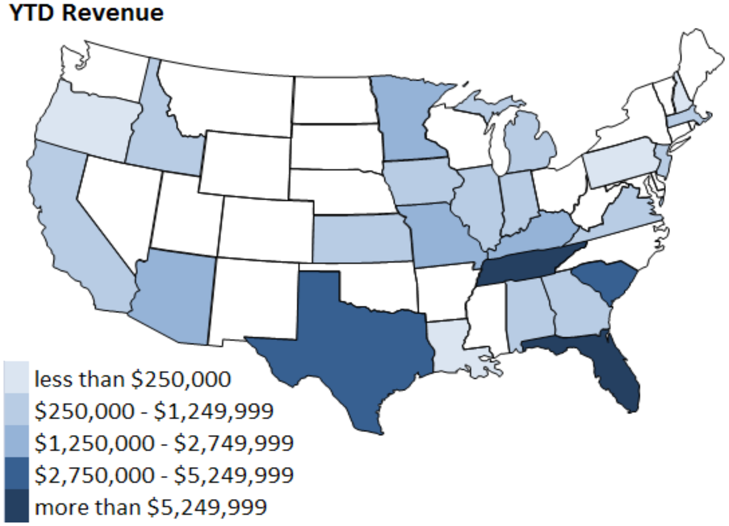
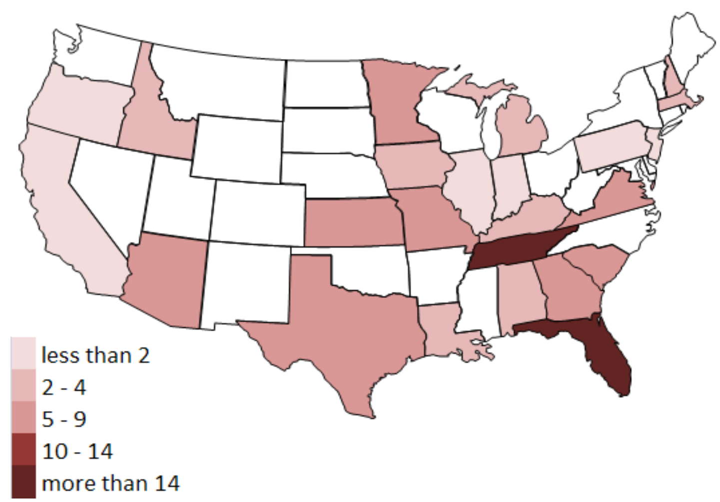
GEOGRAPHIC DISTRIBUTION as of June 30, 2011

	SNF	ALF	ILF	MOB	ACH	APH	TRC	TOTAL	YTD Revenue
Tennessee	20	3	2	-	-	-	-	25	$ 9,197,000
Florida	10	7	-	1	-	-	-	18	8,185,000
Texas	6	-	-	1	-	-	-	7	3,794,000
South Carolina	4	1	-	-	-	-	-	5	3,306,000
Arizona	1	4	-	-	-	-	1	6	2,434,000
Kentucky	2	-	-	-	1	-	-	3	2,223,000
Missouri	8	-	1	-	-	-	-	9	1,533,000
Minnesota	-	5	-	-	-	-	-	5	1,531,000
Michigan	-	4	-	-	-	-	-	4	1,218,000
Alabama	2	-	-	-	-	-	-	2	1,123,000
Virginia	7	-	-	-	-	-	-	7	1,049,000
California	-	-	-	-	-	1	-	1	930,000
Georgia	5	-	-	-	-	-	-	5	862,000
New Jersey	-	1	-	-	-	-	-	1	686,000
Idaho	1	-	1	-	-	-	-	2	474,000
Massachusetts	4	-	-	-	-	-	-	4	397,000
Iowa	-	2	-	-	-	-	-	2	355,000
Kansas	5	-	-	-	-	-	-	5	303,000
Indiana	-	1	-	-	-	-	-	1	286,000
Louisiana	-	4	-	-	-	-	-	4	263,000
Illinois	-	1	-	-	-	-	-	1	258,000
New Hampshire	3	-	-	-	-	-	-	3	241,000
Pennsylvania	-	1	-	-	-	-	-	1	201,000
Oregon	-	1	-	-	-	-	-	1	48,000
	78	35	4	2	1	1	1	122	$ 40,897,000

YTD Revenue



Number of Facilities



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LEASE RENEWAL YEARS AND MORTGAGE MATURITIES as of June 30, 2011

	2011	2012	2013	2014	2015	2016 - 2019	2020-2023	Thereafter	TOTALS
Leases									
Skilled Nursing									
Annualized Revenue	$ 145,000	$ -	$ -	$ 3,222,000	$ -	$ 208,000	$ 18,234,000	$ 3,321,000	$ 25,130,000
Properties	1	-	-	6	-	1	39	4	51
Assisted Living									
Annualized Revenue	172,000	-	686,000	-	-	1,499,000	581,000	6,340,000	9,278,000
Properties	1	-	1	-	-	4	3	24	33
Medical Office Buildings									
Annualized Revenue	-	-	201,000	-	-	332,000	-	-	533,000
Properties	-	-	1	-	-	1	-	-	2
Independent Living									
Annualized Revenue	-	-	-	-	-	-	922,000	-	922,000
Properties	-	-	-	-	-	-	4	-	4
Acute Care Hospitals									
Annualized Revenue	-	1,405,000	-	-	-	-	-	-	1,405,000
Properties	-	1	-	-	-	-	-	-	1
Acute Psychiatric Hospitals									
Annualized Revenue	-	-	-	-	-	-	-	930,000	930,000
Properties	-	-	-	-	-	-	-	1	1
Total Annualized Revenues	**$ 317,000**	**$ 1,405,000**	**$ 887,000**	**$ 3,222,000**	**$ -**	**$ 2,039,000**	**$ 19,737,000**	**$ 10,591,000**	**$ 38,198,000**
Mortgages									
Skilled Nursing									
Annualized Revenue	$ 638,000	$ 457,000	$ 89,000	$ 489,000	$ 141,000	$ -	$ -	$ 669,000	$ 2,483,000
Properties	7	3	1	8	2	-	-	6	27
Assisted Living									
Annualized Revenue	-	-	-	48,000	-	205,000	-	-	253,000
Properties	-	-	-	1	-	1	-	-	2
Transitional Rehabilitation									
Annualized Revenue	-	-	-	-	488,000	-	-	-	488,000
Properties	-	-	-	-	1	-	-	-	1
Total Annualized Revenues	**$ 638,000**	**$ 457,000**	**$ 89,000**	**$ 537,000**	**$ 629,000**	**$ 205,000**	**$ -**	**$ 669,000**	**$ 3,224,000**

DEFINITIONS

Annualized Revenue

The term *Annualized Revenue* refers to the amount of revenue that our portfolio would generate if all leases and mortgages were in effect for the twelve-month calendar year, regardless of the commencement date, maturity date, or renewals. Therefore, annualized revenue is used for financial analysis purposes, and is not indicative of actual or expected results.

EBITDA

Earnings before interest, taxes, depreciation and amortization

Facility Types

ACH – Acute-care hospital
APH – Acute psychiatric hospital
MOB – Medical office building
TRC – Transitional rehabilitation center
ALF – Assisted living facility
ILF – Independent living facility
SNF –Skilled nursing facility

Funds available for distribution - FAD

FAD is usually calculated by subtracting from Funds from Operations (FFO) both normalized recurring expenditures that are capitalized by the REIT and then amortized, but which are necessary to maintain a REIT's properties and its revenue stream (e.g., new carpeting and drapes in apartment units, leasing expenses and tenant improvement allowances) and "straight-lining" of rents. This calculation is sometimes referred to as Cash Available for Distribution (CAD) or Funds Available for Distribution (FAD). Our measure may not be comparable to similarly titled measures used by other REITs. Consequently, our FAD may not provide a meaningful measure of our performance as compared to that of other REITs. Since other REITs may not use our definition of FAD, caution should be exercised when comparing our Company's FAD to that of other REITs. FAD in and of itself does not represent cash generated from operating activities in accordance with GAAP (FAD does not include changes in operating assets and liabilities) and therefore should not be considered an alternative to net earnings as an indication of operating performance, or to net cash flow from operating activities as determined by GAAP as a measure of liquidity, and is not necessarily indicative of cash available to fund cash needs.

Funds from operations - FFO

FFO is an important supplemental measure of operating performance for a REIT. Because the historical cost accounting convention used for real estate assets requires straight-line depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen and fallen with market conditions, presentations of operating results for a REIT that uses historical cost accounting for depreciation could be less informative, and should be supplemented with a measure such as FFO. FFO is defined as net income, computed in accordance with GAAP, excluding gains or losses from sales of property, and adding back real estate depreciation. The term FFO was designed by the REIT industry to address this issue. Our measure may not be comparable to similarly titled measures used by other REITs. Consequently, our FFO may not provide a meaningful measure of our performance as compared to that of other REITs. Since other REITs may not use our definition of FFO, caution should be exercised when comparing our Company's FFO to that of other REITs. FFO in and of itself does not represent cash generated from operating activities in accordance with GAAP (FFO does not include changes in operating assets and liabilities) and therefore should not be considered an alternative to net earnings as an indication of operating performance, or to net cash flow from operating activities as determined by GAAP as a measure of liquidity, and is not necessarily indicative of cash available to fund cash needs.

Normalized FFO & Normalized FAD

Normalized FFO and Normalized FAD excludes from FFO and FAD, respectively, any material one-time items reflected in GAAP net income. Excluded items may include, but are not limited to, impairments of assets, gains and losses attributable to the acquisition and disposition of assets and liabilities, asset write-downs and recoveries of previous write-downs.

Investment (NBV)

The term *Investment (NBV)* refers to the net carrying value of our real estate and mortgage investments.