REGENERATION TECHNOLOGIES INC
Form 425
November 19, 2007
Filed by Tutogen Medical, Inc.
Pursuant to Rule 425 under the Securities
Act of 1933 and deemed filed pursuant to
Rule 14a-6 under the Securities Exchange
Act of 1934
Subject Company: Regeneration Technologies, Inc.
Commission File No.: 0-31271

Forward Looking Statements

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include but are not limited to statements about the expected benefits of the business combination involving Regeneration Technologies, Inc. and Tutogen Medical, Inc., including potential synergies and cost savings, future financial and operating results, and the combined company s plans and objectives. In addition, except for historical information, any statements made in this communication about Tutogen s anticipated financial results, growth rates, new product introductions, future operational improvements and results, regulatory approvals or changes to Tutogen s agreements with its distributors also are forward-looking statements. Forward-looking statements are subject to risks and uncertainties, including the ability of Regeneration Technologies and Tutogen to integrate their businesses successfully and to realize the expected synergies and cost savings from the merger and the risks described in Tutogen s public filings on file with the Securities and Exchange Commission. Actual results may differ materially from anticipated results reflected in these forward-looking statements. Copies of Tutogen s S.E.C. filings may be obtained by contacting the company or the S.E.C. or by visiting Tutogen s website at www.tutogen.com or the S.E.C. s website at www.sec.gov.

Important Additional Information and Where to Find It

The proposed merger will be submitted to the respective stockholders of Regeneration Technologies and Tutogen for their consideration, and Regeneration Technologies and Tutogen will file a registration statement, a joint proxy statement/prospectus and other relevant documents concerning the proposed transaction with the S.E.C. Shareholders are urged to read the registration statement and the joint proxy statement/prospectus regarding the proposed merger when it becomes available and any other relevant documents filed with the S.E.C., as well as any amendments or supplements to those documents, because they will contain important information. You will be able to obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about Regeneration Technologies and Tutogen, at the S.E.C. s Internet website (http://www.sec.gov). You will also be able to obtain these documents, free of charge, at Regeneration Technologies website (http://www.rtix.com) or Tutogen s website (http://www.tutogen.com). Copies of the joint proxy statement/prospectus and the S.E.C. filings that will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, without charge, by directing a request to Thomas F. Rose, Vice President and CFO, Regeneration Technologies Inc., PO Box 2650, Alachua, FL 32616 or to L. Robert Johnston, CFO, Tutogen Medical, Inc., 13709 Progress Blvd., Box 19, Alachua, FL 32615.

Regeneration Technologies and Tutogen, and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxies from the stockholders of Regeneration Technologies and Tutogen in connection with the proposed merger. Information about the directors and executive officers of Regeneration Technologies and their ownership of Regeneration Technologies common stock is set forth in the proxy statement, dated March 30, 2007, for Regeneration Technologies annual meeting of stockholders, as filed with the S.E.C. on a Schedule 14A. Information about the directors and executive officers of Tutogen and their ownership of Tutogen common stock is set forth in the proxy statement, dated February 5, 2007, for Tutogen s annual meeting of stockholders, as filed with the S.E.C. on a Schedule 14A. Additional information regarding the interests of those participants and other persons who may be deemed participants in the merger may be obtained by reading the joint proxy statement/prospectus regarding the proposed merger when it becomes available. You may obtain free copies of these documents as described in the preceding paragraph.

The following is the presentation for the Joint Analysts call by Regeneration Technologies, Inc. and Tutogen Medical, Inc. held November 14, 2007.

EXPLANATORY NOTE

This transcript was mistakenly identified on our prior 425 filing, SEC Accession No. 0001193125-07-248692, on November 15, 2007 as the transcript of the Stephens Inc. Fall Investment Conference held on November 14, 2007.

REGENERATION TECHNOLOGIES, INC.

Moderator: Brian Hutchison

November 14, 2007

11:00 am CT

Coordinator: Good morning and thank you for standing by. All participants will be in a listen-only mode for the duration of today s conference. This conference is being recorded. If you have any objections, you may disconnect at this time.

I would like to introduce your conference host, Mr. (Louie Cintrone). Sir, you may begin.

Man: Excuse me?

Brian Hutchison: (Unintelligible) describe what we think is a very, very exciting change in the business. So today I am - myself - Guy Mayer is here as well. I m Brian Hutchison. For those of you that don t me, I m the Chairman of RTI.

Guy Mayer is here, CEO and President from Tutogen. Tom Rose, our CFO from RTI is here as well. And then I m going to go - we re going to go through a presentation - myself and Guy and actually Tom as well.

Now there s only about 10 or 15 slides here. We ll go through those and then we re going to open up to Q&A. When we do, two people from our IR staff at RTI are here. Many of you talk to them anyway - Wendy Wacker and Courtney Holmes, are here and they ll walk around with a microphone.

This is being web cast, so we want you to use the microphones so that the people out - that are not here can hear it.

So there are two forward-looking statements. There s our normal one and then our - what I wanted to say during this period of time before we close this merger, there has to be a much longer one, which I m not intending to read but it essentially says there ll be a whole lot more materials coming your way by proxy and of course, you understand all the filing rules.

Anything we do publicly will be filed the day it happens. So you ll see lots of materials come up. So there s the really long one. Feel free to read that if you like and I ll step out of the way of that thing.

Okay. As many of you or all of you saw yesterday, we made an announcement that Regeneration Technologies and Tutogen Medical are going to merge and we made that agreement after careful consideration and lots of work involving lots of inside and outside folks.

But we really believe this is an extremely compelling story and I think you ll see that in what we say today, but I think you ll see it more as this comes together in the results of the combined company. It s very, very exciting.

So the terms of the deal, this is a tax free stock for stock exchange. Tutogen shareholders will receive 1.22 shares of newly issued RTI common stock in exchange for each share of Tutogen common stock that they own.

We expect the timing of this to be completed in Q1 of 2008, give you a frame of reference. The lawyers tell me as early as March 1, as late as April 15 - sort of out of our hands. We re really going through the process to try and get regulatory approvals, both US and in Europe, and then go through the normal SEC and Box D type things.

Pro forma ownership at the end of this is RTI shareholders will own 55% of the combined company - Tutogen shareholders 45%. And 56 million shares outstanding. I think I hear that - I hear frequently that both stocks were relatively thinly traded, so this should be good news.

So really the combined company will be the leading provider of sterile biologic solutions for patients around the world, reaching a very broad range of markets through a diversified mix of implants and distribution channels.

Really a great opportunity here for synergies, which myself and Guy spent a lot of time talking about. We will be headquartered in Alachua, which is near Gainesville and I would take this point in time to tell many of you both of us are there.

We welcome visitors. If you want to come down, you can orchestrate it through Wendy and Courtney. We would be very happy to host you and as the weather turns ugly up North, it feels really nice in Florida. So we welcome you.

Approximately 750 employees to begin with. Leadership, as was stated in the Press Release, I ll continue as Chairman and CEO. Guy will be President of the combined company. Primarily his focus is going to be on the sales marketing side and internationally - well I would say globally.

He s going to be leading where we go and driving our channel. Tom Rose will continue as CFO and Bob Johnston, many of you know is the CFO of Tutogen. He will continue in a VP level of finance section of the business.

The Board of Directors will be a total of 12. All seven RTI Directors will remain. I think Tutogen has a total of eight Directors today. Five of those will come into the new company, including Guy so the Board will have myself and Guy. So it ll be us plus ten other members.

The strengths really combined Tutogen s strengths in the tissue membrane market. We call it that and you may hear it dermis (mere), skin base. It s more than that so we call it tissue membrane.

And expertise in xenografts, which they ve got a long history with. And then it combines with RTI s strengths and leadership in orthopedics and sports. Really, one of the real key strengths not to miss is the company will own both BioCleanse and TutoPlast, which are the only two validated sterilization systems for tissue.

Benefits of the merger continued its diversification of markets for both of us. If you know both companies, you know the markets we play in. If you add them together, there s a lot more balance in the company and it s a lot stronger company.

It will allow us to accelerate growth in the xenograft product, which are going into several marketplaces. And it really combines two extremely strong tissue recovery networks.

RTI has been very strong in the United States. Tutogen has been building in the United States. They are very strong outside the United States. They are the strongest in the world outside of the US.

And it brings together two very good management teams. The two years Guy has done a fantastic job building a management team which he can tell you a lot more about.

With this, I ll turn it over to Guy and he can talk about a little bit of where we re at.

Guy Mayer: Thank you, Brian. I have to start by saying I m excited about this opportunity of seeing a merger of two companies come together. It s coming together, I believe, at the right time.

A lot of changes have taken place at both companies, you know, over the last three or four years to position, you know, the companies for what I think will be a very successful merger.

It is amazing when you look at these two companies how much synergy there is and little overlap in terms of market. But, you know, it s also amazing that, you know, the two companies strategy to the market is very similar.

So it s not bringing two organizations and needing to undo what one has done. It s really building, you know, on the success of both. So when you look at the implant segment that we re in, you know, you can see RTI s strength is fine, and sports medicine, with little business going through the international business.

And they also have, you know, demineralized bone matrix products that we don t have at Tutogen. Tutogen has really focused on the dental side, very little in spine through Zimmer.

We - it s less than 10% of our business and then we re in urology, ophthalmology, very importantly in hernia repair which is a large market opportunity for us, and in breast reconstruction.

And we have a very large international component. And no secret, you know, Tutogen started as an international based business, but we have 130 some people outside the US brand new manufacturing facility in Germany.

More importantly, we have ten years of building licenses and regulatory approvals outside the US. We have the channels in place so that we can now start looking at the product portfolio, you know, that RTI has and putting that through existing channels.

So the international opportunity, I think, is very real. So the combined company is, you know, as Brian was showing much more balanced in terms of now 32% in spine, 16% in sports med, dental, you know, at 17%.

And then we ll start seeing the surgical specialty businesses being broken out when we start looking at growth rates, you know, that we re currently seeing in hernia repair and breast reconstruction. That, I think, will be very good for the company.

So again when you look at the market segments, you know, it is astonishing, you know, how little, you know, duplication there is. You know, one could say, you know, we compete in spine and one could say that with the sales that we have in spine, we don t compete in spine.

But I think it s a real opportunity for the companies to leverage. Brian talked about tissue sourcing. When you think of tissue sourcing, you source different tissues for these different opportunities.

So when you look at the tissue sourcing organizations that we both have, our focus has been on our own businesses. Now we can turn those tissue sourcing organizations and sourcing, you know, for the entire business.

So I, you know, I want to emphasize this as a, you know, this is a significant opportunity for the combined business to really take advantage of the infrastructure and investments that have been made in tissue sourcing organizations, you know, to support a broader, faster growing business.

Key distributors - again, we ve had a lot of concentration in our past history, you know, with RTI having soft (mordanic) at 60% of the total sales. Important changes have happened in the last six months in clearing the way, you know, for growth of the spine and other businesses.

You know, a strong business as well in sports medicine with the direct franchise. Outside of the direct franchise of sports medicine, our marketing, you know, philosophy has been the same. So there s no you know, there s no overlap in philosophy.

And on the Tutogen side, 58% going through Zimmer with dental and spine, with a 28% international piece. If you look at the combined company, again, you know, much broader, less concentration, soft (mordanic) being (37%) of the new business, Zimmer at 22%.

The international component becomes 14%. And then this other is a big number, this 27% and I know we ve been asked a lot of questions from, you know, investors and analysts that eventually we ll start breaking that down, this 27% and make more sense out of it so that people can see what is going on especially in the hernia repair segment, in the sports medicine segment, and the breast reconstruction side.

So a combined - and I was just talking to Tom. Tom gave me permission to talk about financial highlights before I go to the next slide. But strong Balance Sheet - $30 million plus in cash, very little debt accretive to GAAP earnings.

We ve identified $5 million to $6 million in cost savings, so we think these cost savings, you know, are frankly readily, you know, available. We have a lot of duplicative costs in being two public companies.

And we have, you know, the wonderful opportunity of being in the same parking lot. So bringing the companies together is, you know, is not a physical challenge in any way.

So the other thing we haven t talked about, we re not going to quantify it at this point in time, but there is significant revenue enhancement opportunities especially when you go back to the comment I made earlier that you take both recovery agencies and have them focus on the entire business rather than just our own segment.

Xenograft growth is important. We sell - Tutogen sells $6 million in xenograft outside the US. We have good experience in xenograft. RTI has been building xenograft business in the US - facility (closed heard).

Now we can now take our combined, you know, experience and, you know, really drive our xenograft strategy both in the US and outside the US throughout our portfolio.

We have - we both have five 10-Ks that are filed in different areas - in spine, in hernia repair, in dental. These are products that are going to hit in 2008 and we ll have more information on that as we move forward.

So again, you know, expanding internationally we have - you know, we have the facility in place. We have the people in place. We have the infrastructure from a distribution channel in place with over 40 distributors.

I think a great opportunity for us as well as with our tissue sourcing, which is well-established outside the US.

So the investment highlights - I think we re bringing together two very experienced management teams. I can tell you that there is not a single person in either management team that is not excited and involved in this transition.

So I think we will have, you know, frankly a very, very strong management team going forward.

Large growing markets, superior products, proprietary validated sterilization processes that we will use, you know, for our products based on cost effectiveness and suitability of the process to the product.

Broad distribution opportunities, improved tissue sourcing which is always important and the strong Balance Sheet.

With that, let me turn it back over to Brian.

Brian Hutchison: You can see Guy fits in already with us. You know, he kind of knows just to keep going so it works out really well. We re putting up the company information. That s posted on almost every public document we have so you can get a hold of both people, both companies to try to find out what s going on.

And I will tell you, you can link to a lot of this information through our Web site as well. There ll be a portal that s opened up so you can get their from either company s Web site.

That, I think, is it. So we ll open up for questions. Yes, sir. Could you ask that through that microphone, please?

Man: Can you give us example in terms of the distributors? For instance, the - in spine, you have the initiative with Zimmer there that you started, but obviously you re much stronger in spine on the RTI side.

So how does that work out, that you - the Zimmer initiative is just lessened or dropped and do those things (unintelligible)

Brian Hutchison: I ll start and then Guy can add on. They re - we re not dropping anything. Tom always talked to (Robbie Lane), who leads the spine effort of RTI about getting more partners and then Guy talked about the enhancements in bringing tissue together.

We ll look at Zimmer spine as just another partner and we have the capabilities to make more implants for them, drive more to them. Both companies have a good relationship with Zimmer.

We expect to exploit that and continue to build. Guy will lead all of those relationships. I m sure he hasn t figured out exactly how he s going to do that yet because we ve got people to put together from both companies.

But we ll continue to build relationships. Do you want to add to that, Guy?

Guy Mayer: Let me just add that, you know, if you look at RTI as well, they ve just gone into a relationship with Zimmer on the bone (pace) side, which is a product that we just didn t have.

So the relationship is already established there as well. We ve talked about, you know, all of our product pipeline in spine that we are developing. Well some are products that we may not have to put resources in developing, but they will already exist in the new portfolio.

So we ll be able to take really advantage, you know, of Zimmer as a distribution channel as well.

Man: No exclusivity conflict that you see in - across the portfolio with distributors?

Brian Hutchison: We don t see any. As Guy said and I ve probably indicated over time today, this wasn t possible until we changed our Medtronic relationship. That was the only agreement that was in the way of anything.

We have the capabilities of servicing all of the relationships we have as a combined company. So I don t see any issues at all.

Man: What will you do with some of the, you know, overlapping products? So for instance, I know that (unintelligible) working on a number of (unintelligible) bone products that compete directly with what you have. Will you just essentially wipe them out or how are you going to deal with that?

Guy Mayer: The question is for new product development for any machine bone grafts, or for instance any patches that we re working on, those will - those product ideas won t be dropped.

They ll be given to the proper team, whichever team it might be, and that team will have to integrate it into their portfolio plan. So if it s sports medicine, that s quite easy. They know their customers and they ll select a product and move on.

If it is a spinal customer, we have to determine in there - we have a matrix of products, cervical grafts, lumbar grafts, those kinds of things - and then a matrix of customers where they can go.

So - and then it would - then you would go to, is it the customer s design or is it Tutogen s design? So there are a lot of decisions that will have to made, but I don t intend to drop anything.

We are going to try to continue to grow and accelerate.

Man: (Unintelligible).

Man: You mentioned on the call yesterday in terms of plant capacity between the two companies and you mentioned that Tutogen was facing a, you know, busting at the seams, I think was the term that was used.

And your capacity is running at about - the RTI is about 50% or something like that. I was just a little confused because Guy, you did a big build out for capacity and I was just surprised to hear that that was kind of built at certain segments that are filled - or is there additional capacity at your plant that s still there to be used?

Guy Mayer: In the US we built a new plant within the infrastructure that we have. So we built new clean rooms. And we have clean room capacity to process our products.

But as we ve been growing, we ve gone from 37 to 105 people in the span of about 18 months, so we ve been busting at the seams trying to find lab space, office space.

And frankly, the question - you know, the discussion yesterday was, you know, with 50% capacity, you know, utilization, you know, within RTI right now, with an older plant that we re in that all our leases expire in January of 2009 - there is just great opportunity and synergy, and utilization of capacity that exists within the combined organization.

Brian Hutchison: I would add if you ve not been down to see our two facilities, come on down and you ll see. When RTI went public, they used the funds - this was right before I got there - they used the funds to build a campus of buildings that s about 165,000 square feet of world class bio pharma type equipment.

It s a beautiful plant and we just have never gone into it. So - and Guy s actually in the same building where RTI started. Their leased multi-purpose buildings - I m sure you can imagine what they look like.

And they ve done a good job building out what they have, but in leased facilities you keep - you re in that same sink all the time.

Tom Rose: Brian?

Brian Hutchison: Actually we re - one of the funny things is we re actually in that same building. He calls all the time - hey can you - are you guys done here? Tutogen needs more space. And you want to add something, Tom?

Tom Rose: Yeah, let me just add to that. When RTI talks about 50% of our capacity in our plant in Florida, for those of you who don t know RTI well, we ve always estimated that our plant has the ability to produce product to be equivalent of 200 million plus in revenue.

And as currently we re - the analysts have us pegged for about 93 million this year. So again, significant room to bring in the majority of Tutogen s processing into our facility and still have room to grow in the next few years.

Man: Brian, I just wanted to ask about - on the revenue side, you ve talked about sourcing, you know, better realizing the sourcing opportunities in the (unintelligible) organizations separate procurement - issue procurement networks being an opportunity.

And that takes time to turn on and ultimately, the process to turn into revenue. And so I m wondering if the work out there with your procurement organizations can only begin after the merger is completed, say in March or April?

Or do you expect that you can begin to do some of that work ahead of time?

Brian Hutchison: Conference - I will tell you conference calls started yesterday. So

Man: With suppliers. So for instance to get more dermis out of your

Brian Hutchison: You re right. It s a long process to change. So the calls began yesterday. I know Tom got a couple of calls back from people he knows in the industry. (Roger Rose), who runs the donor organization for RTI has been in contact with his entire organization.

As you know, we have hundreds of relationships in the US. He s been in contact with all of them. Really at this stage, it s just setting up the process that ll take months.

You re exactly right. It takes time, which is why Guy and Tom, and I have all said we can t talk about what the upside revenue synergies are today. Just understand we believe them to be very large.

And what we ve said earlier today is we believe that through all of what s going on, we can actually enhance the growth rate of both companies product lines by coming together.

So at the end result, the revenue growth will be higher than either of standalone.

Man: So you re beginning to meet with people and talk about it? When it comes to decisions that require you to spend money, put capital out there like for instance fighting (dermatomes) over - that haven t been harvesting before - again, is that the kind of activity that can happen before the merger is formally consummated or does that need to wait?

Brian Hutchison: It - I mean, it s hard to say. We ll pace it and we ll take each decision independently. If we get an opportunity to increase dermis coming in, we ll do that.

We re not going to forcibly wait until the merger is complete if we can do it. Certainly a lot of factors that weigh into that every time you do it. And every time we do that, these folks need to be involved because they go out and train.

A lot of the dermis that they would like to see comes in freehand, which is a technique his people train on.

Man: All right, I guess this is a question for Z - for Guy. How long is Zimmer contractually obligated across the different segments? Do you have any idea if they re going to - if they re staked longer?

Guy Mayer: The agreements that we have with Zimmer were ten year agreements that were struck with (Sulsar Medico) before they acquired (Sulsar). All those agreements expire in 2010.

In terms of Zimmer s stake and I m assuming you re talking about their stake in the company, I have no idea what their long term plans are. I did say yesterday that I ve had discussions with executive management at Zimmer and that, you know, I m led to believe that they will - that they are very supportive and will be supportive of the transaction.

Brian Hutchison: And I would add to that for those of you that don t know Guy, Guy - many of you know from me - my experience. I grew up in (Stryker Corporation) over a long period of time. I ve been in this industry now six years.

Guy, for a long period of time, grew up in the Zimmer organization. So we have deep ties into both companies and we certainly try to use those to the best of our ability when we can.

But I will tell you early feedback from my folks talking with Zimmer is they re very excited. They see this as only upside and they re very excited. So I don t see it as a downside for them either.

Man: Could you speak to the competitive landscape in terms of these combined companies? It seems that you re going to have the broadest product portfolio and the broadest distribution partners versus your competitors.

You re probably going to be next to life sell, I guess the second biggest as far as that goes. So what are the advantages and disadvantages to a very broad portfolio like this?

Brian Hutchison: Okay. Number one I wish I had one of the slides the bankers gave us because it showed exactly that from a market cap basis and a revenue basis. You are exactly right. We will be the number two player behind life sell.

And based on 2007 revenue, we - I don t know exactly where they re pegged - 180, 190, something like that. I think our combined companies are pegged at 150 maybe, something like that.

We certainly expect to see rapid growth and I can t predict what they re going to do, although they ve been on a hell of a terror so I wouldn t assume it s going to stop.

We ll continue to be a strong number two, trying to build our position as we go. Personally I like the balance of the portfolio. I really do because you re not dependent on one customer. You re not dependent on one segment.

We need to have resources to develop products for all the segments, but I m quite happy with that. We can set them up as business units and they will perform and they ll be measured. And they ll be growth targets.

And it gives us a way to develop young talent. And I m very excited about that. I think it s going to be great. I m not afraid of it at all.

Guy Mayer: Yeah. I would just add that, you know, if you look at, you know, the broad base of competition that - or the fields that we re going to be in, you know, we re sourcing a lot of different tissues.

So we are not concentrated on one tissue, you know, going forward. I think that mitigates a lot of risk in the organization. The other thing is because we source a lot, you know, a broad range of tissue, that ll be attractive to the tissue processors in dealing with one company, you know, that can really, you know, take, you know, a broad range of tissue from them, and help them in their mission of getting these tissues to medical devices.

So I think there s a benefit, you know, on that side as well. Being broad and being large, to me, is also absorption. And it s just going to be, you know, on the financial side something that should be very positive to the new call.

Man: Speaking with that, as you combine these companies on the financial side, obviously the hopes are growth, but also margin expansion. Is there any guidance you can given on an inflection plan?

Like life sell after a certain point just got thrown off - credible profitability in cashes. What do you guys envision in that type of scenario going forward?

Tom Rose: Well from the RTI perspective, we re going through a period as our revenues grow where we re seeing the significant leverage of our fixed costs. So we ve talked publicly that our incremental gross margins right now are in the 65, 70, 75% range.

And that s going to continue. As we bring in and merge with Tutogen, I mean, their margins currently are in the 60% range and we believe that through the integration many of the synergies are going to help improve those margins - not quantifying that at this point in time.

But there s no reason why the Tutogen revenues won t benefit in the future from some of our fixed cost leverage as well.

Man: Could you compare the xenograft strategies of the two companies and how it changes, if at all, under a combined company?

Brian Hutchison: Sure. I ll give it to you from my perspective and I m sure Guy will - unless, Guy, do you want go first on that one? Yours is bigger than mine.

Guy Mayer: Just, you know, our xenograft strategy has been an international strategy until now. So our experience has been international sales and mostly across, you know, mostly across soft tissue.

And, you know, our strategy in the US was that 2008 strategy just starting. And, you know, and I think that folks at RTI have actually, you know, started implementing a strategy in 2007.

And, you know, and stronger on the bone side of the strategy. So I think the strategies may be very complimentary as we execute them.

Brian Hutchison: I would agree. It s a real tremendous opportunity for us to lever ahead and go stronger forward. It really rounds out the strategy. It lets us really push further, create data.

We have some approvals of products that can be pushed right to - right through the distribution network they have. We have (CE mark) on 12 implants.

Little known secret we found out during due diligence, they re implanting bone in the spine in Europe and have been - and have great data. So that s good.

We have implants that we have approved in Europe. We can get there soon and get going. So lots of opportunity. We think that the xenograft opportunity is very, very compelling.

We do expect to run production, both in the US and in Europe. And we do expect - they already have TutoPlast in Europe which works great on certain tissues. We expect to bring BioCleanse there as well, so we ll do both.

Man: Just applying a little bit of Murphy s Law as far as the transition and integration are concerned. What are the issues that you see are possible as stumbling blocks and the timeframe of what s involved in an integration despite the advantages physically and otherwise?

Brian Hutchison: Well first of all we have to go through the hurdles and you can never predict what hurdles you re going to run into at the regulatories as far as getting this approved.

So that s where our focus is today. Once we get closer to this, we ll start forming an integration team and really get working on it. We certainly have ideas about how this goes.

But in terms of hurdles, I really don t - at this time I don t see any significant hurdles in front of us that are going to get in the way of us doing this. I ve got lots of experience in my old (Stryker) days of doing this exact kind of work and I know what to look for.

And we re already starting to look. So I don t see any significant issues that are going to jump at us. Certainly on the marketing and sales side, Guy has got his hands full really getting out there and getting the message out, and making sure everybody s not just comfortable but directed for growth because when you re trying to grow as fast as we are, that creates a lot of opportunities and friction, and things like that.

Man: Guy, could you just describe your role in a little more detail in terms of your head of sales on the international division? Where are you based? What are you doing?

And, you know, you do have your background with Zimmer. You were (head) of the sales force there and what is - how are you involved in also in terms of strategic directions for the company?

Guy Mayer: Yeah. Actually somebody asked me the question earlier saying so are you retiring, you know? Well the answer is no and to give comfort I said I just bought a house in Florida, in Gainesville this summer, while we were talking.

So I m - you know, I m absolutely committed to, you know, this new company going forward. You know, we ve got a lot of things to talk about as - Brian and I as we go forward.

The discussion to date, you know, have been, you know, let s look at each other s, you know, strength and background. And certainly I grew up on the sales and marketing side and the sales and marketing strategy side.

So we started talking about, you know, I ll head up, you know, sales and marketing on a worldwide basis. The direct sales force, you know, in the US in sports medicine is under (Roger Rose).

And they have tremendous momentum and I don t think they need any distraction from me. So that will not report to me as we go forward. You know, so that s a good business.

But the sales and marketing worldwide - so I ll be working, you know, with Brian on that, on the strategy of the sales and marketing side, as well as the international operation will report to me.

Brian Hutchison: And he does have tremendous experience there. He lived overseas for quite a bit of his career. So that combination really does work and works well. And it ll work fine.

He s also on the Board of Directors. I wouldn t lose focus on that. Our Boards are active. Pretty good.

Man: (Unintelligible) know (unintelligible) thing that you coverage?

Guy Mayer: Well, you know, I think that, you know, the biggest cross-selling opportunity is probably on the spine side. You know, and we were talking about earlier - we were, you know, developing products for the next two or three years and some of these products may already exist, you know.

So we can do that. Internationally, you know, taking the existing, you know, portfolio and putting that through our international market. That s obvious opportunity.

We have great partners, you know, on all fronts and it s really leveraging those partners now with better tissue sourcing. You know, I imagine that, you know, my conversations with our distribution partners, you know, that we have today is going to be nothing but positive as I think that, you know, it s good for them that we all win with this combination.

Brian Hutchison: Any other questions? If not, we ll let everybody get back to the conference. Once again, (Shawn), thanks a lot for letting us interrupt your conference. And great. Take care, thank you.

END

TR> *Ownership Limitations*. In order to protect us against the risk of losing our REIT status for federal income tax purposes, our charter prohibits the ownership by any single person of more than 9.9% of the issued and outstanding shares of our voting stock. We can redeem shares acquired or held in excess of the ownership limit. In addition, any acquisition of our common stock or preferred stock that would result in our disqualification as a REIT is null and void. The ownership limit may have the effect of delaying, deferring or preventing a change in control and, therefore, could adversely affect our stockholders ability to realize a premium over the then-prevailing market price for the shares of our common stock in connection with a stock transaction. The Board of Directors has increased the ownership limit applicable to our voting stock to 20% with respect to Cohen & Steers Capital Management, Inc. As of May 2, 2003, Cohen & Steers Capital Management, Inc. owned 3,900,700 of our shares, which is approximately 6.63% of our common stock.

Preferred Stock. Our charter authorizes us to issue additional shares of common stock and one or more series of preferred stock and to establish the preferences, rights and other terms of any series of preferred stock that we issue. Although our Board of Directors has no intention to do so at the present time, it could establish a series of preferred stock that could delay, defer or prevent a transaction or a change in control that might involve a premium price for our common stock or otherwise be in the best interests of our stockholders.

Other. Our charter also contains other provisions that may impede various actions by stockholders without approval of our Board of Directors or preferred stockholders entitled to vote, which in turn may delay, defer or prevent a transaction, including a change in control, that might involve payment of a premium price for our common stock or otherwise be in the best interests of our stockholders. Those provisions include the following:

in certain circumstances, a proposed consolidation, merger, share exchange or transfer must be approved by two-thirds of the votes of our preferred stockholders entitled to be cast on the matter;

the requirement that any business combination be approved by 90% of the outstanding shares unless the transaction receives a unanimous vote or a consent of the Board of Directors or is a combination solely with a wholly-owned subsidiary; and

the Board of Directors is classified into three groups whereby each group of Directors is elected for successive terms ending at the annual meeting of stockholders the third year after election.

Table of Contents

STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Certain information contained in this prospectus and any accompanying prospectus supplement 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 other than 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 , shoul comparable terms or the negative thereof. All forward-looking statements included in this prospectus and any prospectus supplement are based on information available to us on the date of the applicable document. These statements speak only as of the date of the applicable document and we assume no obligation to update the forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. These statements involve risks and uncertainties that could cause actual results to differ materially from those described in the statements. These risks and uncertainties include, without limitation, the following:

- continued deterioration of the operating results or financial condition, including bankruptcies, of our tenants;
- occupancy levels at certain facilities;
- changes in the ratings of our debt securities;
- access to the capital markets and the cost of capital;
- government regulations, including changes in the reimbursement levels under the Medicare and Medicaid programs;
- the general distress of the healthcare industry;
- the effect of economic and market conditions and changes in interest rates;
- the amount and yield of any additional investments;
- the ability of our operators to repay deferred rent or loans in future periods;
- our ability to attract new operators for certain facilities;
- our ability to sell certain facilities for their book value;
- changes in tax laws and regulations affecting REITs; and

the risk factors set forth under the caption Risk Factors in Item 1 of our annual report on Form 10-K for the year ended December 31, 2002.

Other risks, uncertainties and factors, including those discussed under Risk Factors in this prospectus and, if applicable, under Risk Factors in the applicable prospectus supplement, could cause our actual results to differ materially from those projected in any forward-looking statement we make.

Table of Contents

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table presents our selected financial data. Certain of this financial data has been derived from our unaudited financial statements included in our quarterly report on Form 10-Q for the second quarter ended June 30, 2003 and our audited financial statements included in our 2002, 2001, 2000, 1999 and 1998 annual reports on Form 10-K and should be read in conjunction with the financial statements and accompanying notes and with Management s Discussion and Analysis of Financial Condition and Results of Operations included in our quarterly report on Form 10-Q and annual reports on Form 10-K.

	Six Months Ended June 30,		Years ended December 31,				
	2003	2002	2002	2001	2000	1999	1998
	(In thousands, except per share data)						
Operating Data:							
Revenues	$ 80,840	$ 73,262	$ 155,274	$ 163,249	$ 167,637	$ 157,845	$ 136,441
Income from continuing operations	26,866	16,120	44,357	71,875	69,750	67,380	65,204
Discontinued operations	136	(1,051)	(7,803)	(3,357)	1,142	3,433	4,544
Net income	27,002	15,069	36,554	68,338	71,162	70,813	69,748
Preferred stock dividends	(3,839)	(3,839)	(7,677)	(7,677)	(7,677)	(7,677)	(7,677)
Income available to common stockholders	23,163	11,230	28,877	60,661	63,485	63,136	62,071
Dividends paid on common stock	44,804	45,087	90,585	87,093	85,889	83,480	75,128
Per Share Data:							
Basic/diluted income from continuing operations available to common stockholders	$ 0.44	$ .25	$ 0.75	$ 1.37	$ 1.34	$ 1.29	$ 1.29
Basic/diluted income available to common stockholders	0.44	.23	0.59	1.30	1.37	1.37	1.39
Dividends paid on common stock	0.83	.92	1.84	1.84	1.84	1.80	1.68
Balance Sheet Data:							
Investments in real estate, net	$ 1,334,335	$ 1,244,600	$ 1,345,195	$ 1,228,987	$ 1,333,026	$ 1,372,064	$ 1,316,685
Total assets	1,400,391	1,308,939	1,409,933	1,289,838	1,381,007	1,430,056	1,357,303
Borrowings under unsecured revolving credit facility	48,000	64,000	107,000	35,000	79,000	75,300	42,000
Senior notes due 2003-2038	579,750	539,750	614,750	564,750	627,900	657,900	545,150
Convertible debentures							57,431
Notes and bonds payable	110,386	105,276	111,303	91,590	62,857	64,048	64,623
Stockholders equity	620,340	556,195	529,140	555,312	563,472	585,590	605,558
Other Data:							
Net cash provided by operating activities	$ 40,189	39,298	$ 85,664	$ 83,187	$ 99,940	$ 94,659	$ 106,067
Net cash provided by (used in) investing activities	$ (8,454)	(29,954)	$ (147,626)	$ 75,721	$ 11,258	$ (89,753)	$ (282,968)
Net cash provided by (used in) financing activities	$ (30,936)	(10,887)	$ 61,287	$ (155,995)	$ (121,188)	$ (4,949)	$ 182,891
Diluted weighted average shares outstanding	52,362	48,583	48,869	46,836	46,228	46,216	44,645

Table of Contents

USE OF PROCEEDS

Unless otherwise specified in the prospectus supplement which accompanies this prospectus, the net proceeds from the sale of the securities offered from time to time hereby will be used for general corporate purposes, including the repayment of bank lines of credit and investments in health care related properties. We use our existing revolving bank credit facility for general corporate purposes, including the acquisition or construction of health care related facilities and the funding of mortgage loans secured by health care related facilities.

DESCRIPTION OF DEBT SECURITIES

Debt securities may be issued from time to time in series under an indenture we will enter into with J.P. Morgan Trust Company, as trustee. The material terms of these debt securities are described in this prospectus. When we offer to sell a particular series of debt securities, we will describe the specific terms of those securities in a prospectus supplement.

General

The indenture provides for the issuance of debt securities in series, and does not limit the principal amount of debt securities which may be issued thereunder.

Reference is made to the prospectus supplement for the following terms of the offered debt securities:

- the specific title of the offered debt securities;
- the aggregate principal amount of the offered debt securities;
- the percentage of their principal amount at which the offered debt securities will be issued;
- the date on which the offered debt securities will mature;
- the rate or rates per annum or the method for determining the rate or rates, if any, at which the offered debt securities will bear interest;
- the times at which any interest will be payable;
- any provisions relating to optional or mandatory redemption of the offered debt securities at our option or pursuant to sinking fund or analogous provisions or at the option of a holder;

the denominations in which the offered debt securities are authorized to be issued, if other than denominations of U.S. $100,000 and any integral multiple of U.S. $1,000 above U.S. $100,000;

any provisions relating to the conversion or exchange of the offered debt securities into common stock, preferred stock or into debt securities of another series;

whether the offered debt securities are to be issued in fully registered form without coupons or in bearer form with interest coupons or both;

the place or places at which we will make payments of principal and premium, if any, and interest, if any, and the method of payment;

whether the offered debt securities will be issued in whole or in part in global form;

the currency we will use to make payments of principal and premium, if any, and interest, if any, if it is not U.S. dollars;

the portion of the principal amount of the debt securities that will be payable upon declaration of the acceleration of the maturity of the debt securities, if it is less than the principal amount;

any additional covenants or events of default and the corresponding remedies not currently set forth in the indenture;

Table of Contents

whether the offered debt securities will be subordinated to our other indebtedness;

any applicable material United States federal income tax consequences; and

any other specific terms of the offered debt securities.

One or more series of the debt securities may be issued as discounted debt securities, bearing no interest or bearing interest at a rate which at the time of issuance is below market rates, to be sold at a substantial discount below their stated principal amount. Tax and other special considerations applicable to any discounted debt securities will be described in the prospectus supplement relating to the discounted debt securities.

We will pay any interest due on any debt security to the person in whose name the debt security is registered at the close of business on the regular record date for interest. If we fail to pay interest on the relevant due date we will make payment to anyone who holds the debt security at a future date which the trustee will choose. The trustee will send notice of the payment to all those who hold the debt security on a date which the trustee will determine. The date will be at least 10 days before the payment date.

Status of Debt Securities

The debt securities will be unsecured obligations and may rank on a parity with all of our other unsecured and unsubordinated indebtedness or may be subordinated to certain other indebtedness.

Except as may be set forth in the prospectus supplement, the debt securities may be presented for transfer or exchange for other debt securities of the same series (containing identical terms and provisions, in any authorized denominations, and of a like aggregate principal amount) at the office or agency maintained by us for that purpose. If any of the debt securities are held in global form, the procedures for transfer of interests in those securities will depend upon the procedures of the depositary for those global securities. A service charge will not be required for registration of transfer or exchange of debt securities, but we may require payment to cover any taxes or governmental charges in connection with any registration of transfer or exchange.

As of June 30, 2003, the total indebtedness of NHP was $738,136,000. NHP does not have any current plans or arrangements to issue debt securities under this prospectus, or to assume additional indebtedness in the future other than as required for corporate growth in the ordinary course of business.

Conversion Rights

The terms, if any, on which debt securities of a series may be exchanged for or converted into shares of common stock, preferred stock or debt securities of another series will be set forth in the prospectus supplement relating to the series and in accordance with the indenture. To protect our status as a REIT, a holder may not convert any debt security, and the debt security is not convertible by any holder, if as a result of the conversion any person would then be deemed to beneficially own, directly or indirectly, 9.9% or more of our common stock.

Covenants

In the indenture we undertake certain agreements or commitments, including agreements to do the following:

punctually make payments on the debt securities;

maintain one or more offices at which debt securities can be presented for payment and registration;

act as, or appoint a third party as, paying agent for one or more series of the securities;

provide the paying agent with sufficient funds to make required payments when due under the securities;

Table of Contents

furnish to the trustee annually a statement as to our performance of certain of our obligations under the indenture and as to any default in our performance; and

file with the Trustee copies of the annual reports and the information, documents and other reports required pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 within 15 days of filing them with the SEC.

Optional Redemption

The debt securities will be subject to redemption at our option at any time, for reasons intended to protect our status as a REIT. In connection therewith, we may redeem the debt securities in whole or from time to time in part, in the manner specified in the indenture, at a redemption price equal to 100% of the principal amount, plus interest accrued to the date of redemption. The indenture does not contain any provision requiring us to repurchase the debt securities at the option of the holders of the debt securities in the event of a leveraged buyout, recapitalization or similar restructuring, even though our creditworthiness and the market value of the debt securities may decline significantly as a result of the transaction. The indenture does not protect holders of the debt securities against any decline in credit quality, whether resulting from any transaction or from any other cause.

If we elect to redeem a series, we will give the trustee at least 60 days notice. If less than all securities with the same issue date and the same maturity date are to be redeemed, the trustee will select the securities to be redeemed by such method as specified in the officer s certificate or the supplemental indenture or, if not specified, in a manner the trustee deems fair and appropriate. We or the trustee must give holders of securities to be redeemed written notice of certain items required under the indenture, by first class mail not less than 30 and not more than 60 days before the redemption date. After notice of redemption is given, the securities selected for redemption become due and payable, and cease to bear interest, on the redemption date, except that if we fail to make the required payment to redeem securities selected for redemption, those securities will continue to bear interest until paid. If securities are redeemed only in part, we will, upon surrender of the security and at no charge to the holder, issue to the holder a like security for the unredeemed portion of the security so surrendered.

Dividends, Distributions and Acquisitions of Capital Stock

If an event of default, as defined in the indenture, has occurred and is continuing or would exist immediately after giving effect to any of the following actions, the indenture provides that we will not do any of the following:

declare or pay any dividends or make any distributions to holders of our capital stock, other than dividends or distributions payable in our capital stock or other than as we determine is necessary to maintain our status as a REIT; or

purchase, redeem or otherwise acquire or retire for value any of our capital stock, or any warrants, rights or options to purchase or acquire any shares of our capital stock, other than the debt securities, or permit any subsidiary to do so.

Satisfaction and Discharge

Under the terms of the indenture, we may discharge certain obligations to holders of debt securities that have not already been delivered to the trustee for cancellation and that have become due and payable or will become due and payable within one year (or scheduled for redemption

within one year) by depositing with the trustee, in trust, funds in an amount sufficient to make all the remaining payments of principal, premium and interest on those when those payments are due. We can only do this if we have delivered to the trustee, among other things, an opinion of counsel stating that we have complied with each condition precedent relating to the satisfaction and discharge the indenture.

Table of Contents

Events of Default

An event of default with respect to debt securities of any series is defined in the indenture as:

- failure to pay principal of or any premium on any debt security of that series when due;
- failure to pay any interest on any debt security of that series when due, continued for 30 days;
- failure to deposit any sinking fund payment when due, in respect of any debt security of that series;
- failure to perform any other covenant or warranty in the indenture continued for 60 days after written notice to us as provided in the indenture, other than a covenant included in the indenture solely for the benefit of one or more series of debt securities other than that series;
- certain events of bankruptcy, insolvency, conservatorship, receivership or reorganization;
- a default under any mortgage, indenture or instrument evidencing any indebtedness for borrowed money, including the indenture, resulting in an aggregate principal amount exceeding $25,000,000 becoming or being declared due and payable prior to its maturity date or constituting a failure to pay at maturity an aggregate principal amount exceeding $25,000,000, unless the acceleration has been rescinded or annulled or the indebtedness has been discharged within 10 days after written notice to us by the trustee or holders of at least 25% in aggregate principal amount of the outstanding debt securities declaring a default or we are contesting the validity of the default in good faith by appropriate proceedings; and
- any other event of default provided with respect to the debt securities of that series.

If an event of default with respect to the outstanding debt securities of any series occurs and is continuing, either the trustee or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series may declare the principal amount or, if the debt securities of that series are discounted debt securities, the portion of the principal amount as may be specified in the terms of that series, of all the outstanding debt securities of that series to be due and payable immediately. At any time after the declaration of acceleration with respect to the debt securities of any series has been made, but before a judgment or decree based on acceleration has been obtained, the holders of a majority in aggregate principal amount of the outstanding debt securities of that series may, under certain circumstances, rescind and annul the acceleration.

The indenture provides that, subject to the duty of the trustee during default to act with the required standard of care, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders, unless the holders have offered to the trustee reasonable security or indemnity. Subject to providing for the indemnification of the trustee and subject to certain limitations, the holders of a majority in aggregate principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the debt securities of that series.

We are required to furnish to the trustee annually a statement as to our performance of certain of our obligations under the indenture and as to any default in our performance.

Modification, Amendment and Waiver

Modifications and amendments of the indenture may be made by us and the trustee without the consent of any holders to, among other things:

evidence the succession of another corporation to our company;

add to our covenants or surrender any right or power conferred upon us;

establish the form or terms of debt securities;

Table of Contents

cure any ambiguity, correct or supplement any provision which may be defective or inconsistent or make any other provisions with respect to matters or questions arising under the indenture, provided that the action does not adversely affect the interests of the holders of debt securities of any series in any material respect; or

evidence and provide for a successor trustee.

Any modification or amendment of the indenture described in the second preceding bullet point above made solely to conform the indenture to this prospectus and the prospectus supplement provided to investors in connection with an offering of debt securities by us will not be deemed to adversely affect the interests of the holders of such debt securities in any material respect.

Modifications and amendments of the indenture may be made by us and the trustee with the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of each series affected by the modification or amendment, provided that no the modification or amendment may, without the consent of the holder of each outstanding debt security affected thereby:

change the stated maturity date of the principal of, or any installment of principal of or interest, if any, on any debt security;

reduce the principal amount of, or premium or interest, if any, on any debt security;

reduce the amount of principal of an original issue discount debt security payable upon acceleration of the maturity thereof;

change the currency of payment of the principal of, or premium or interest, if any, on any debt security;

impair the right to institute suit for the enforcement of any payment on or with respect to any debt security;

modify the conversion provisions, if any, of any debt security in a manner adverse to the holder of that debt security; or

reduce the percentage in principal amount of the outstanding debt securities of any series, the consent of whose holders is required for any modification or waiver.

The holders of a majority in aggregate principal amount of the outstanding debt securities of each series may, on behalf of all holders of the debt securities of that series, waive, insofar as that series is concerned, compliance by us with certain restrictive provisions of the indenture. The holders of a majority in aggregate principal amount of the outstanding debt securities of each series may, on behalf of all holders of the debt securities of that series, waive any past default under the indenture with respect to the debt securities of that series, except a default in the payment of principal or premium, if any, or interest, if any, or a default in respect of a covenant or provision which under the terms of the indenture cannot be modified or amended without the consent of the holder of each outstanding debt security of the series affected.

Consolidation, Merger, Sale of Assets and Other Events and Transactions

The indenture provides that we may, without the consent of the holders of any outstanding debt securities, (1) consolidate with or merge into any other corporation, company or business trust, or (2) convey, lease or transfer our properties and assets substantially as an entirety to another entity, provided that:

the entity formed by such consolidation or into which we are merged or that obtains our property or assets is a corporation organized under the laws of the United States or any state;

that entity agrees by means of a supplemental indenture to assume all of our duties and obligations under the indenture;

Table of Contents

after giving effect to the transaction no event of default, and no event which, after notice or lapse of time, would become an event of default, shall have occurred and be continuing; and

we have delivered to the trustee an officers certificate and legal opinion covering the above conditions.

This covenant may not be waived or modified by us or the trustee.

With respect to the sale of assets, the meaning of the phrase assets substantially as an entirety as used in the indenture varies according to the facts and circumstances of the subject transaction, has no precise, established meaning under New York law (which governs the indenture), and is subject to judicial interpretation. Accordingly, in certain circumstances there may be uncertainty in ascertaining whether a particular transaction would involve a disposition of NHP s assets substantially as an entirety, and therefore it may be unclear as to whether a disposition of assets comes within the terms of this provision.

Except as noted above under Dividends, Distributions and Acquisitions of Capital Stock, we are not restricted by the indenture from paying dividends or from incurring, assuming or becoming liable for any type of debt or other obligations or from creating liens on our property for any purpose. The indenture does not require that we maintain any financial ratios or specified levels of net worth or liquidity. In addition, the indenture does not contain any provisions that would afford holders of debt securities protection in the event of a sudden and significant decline in our credit quality or a takeover, recapitalization or highly leveraged or similar transaction in which we are involved or which may be initiated or supported by us, our management, or our management s affiliates. Accordingly, we could in the future enter into transactions that could increase the amount of indebtedness outstanding or otherwise affect our capital structure or credit rating.

Global Securities

The debt securities of a series may be issued in whole or in part in global form. The global securities will be deposited with a depositary, or with a nominee for a depositary, identified in the prospectus supplement. In this case, one or more global securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal amount of outstanding debt securities of the series to be represented by the global security or securities. Unless and until it is exchanged in whole or in part for debt securities in definitive form, a global security may not be transferred except as a whole by the depositary for the global security to a nominee of the depositary or by a nominee of the depositary to the depositary or another nominee of the depositary or by the depositary or any nominee to a successor of the depositary or a nominee of the successor.

The specific material terms of the depositary arrangement with respect to any portion of a series of debt securities to be represented by a global security will be described in the prospectus supplement. We anticipate that the following provisions will apply to all depositary arrangements.

Upon the issuance of a global security, the depositary for the global security will credit, on its book-entry registration and transfer system, the respective principal amounts of the debt securities represented by the global security to the accounts of persons, or participants, that have accounts with the depositary. The accounts to be credited will be designated by any underwriters or agents participating in the distribution of the debt securities. Ownership of beneficial interests in a global security will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in the global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the depositary for the global security, with respect to interests of participants, or by participants or persons that hold through participants, with respect to interests of persons other than participants. So long as the depositary for a global security, or its nominee, is the registered owner of the global security, the depositary or the nominee, as the case may be, will be considered the sole owner or

holder of the debt securities represented by the global security for all purposes under the indenture; provided, however, that for purposes of obtaining any consents or directions required to be given by the holders of the debt securities, we, the trustee and our agents will treat a person as the holder of the principal amount of debt securities as specified in a written statement of the depositary. Except as set forth herein or otherwise provided in the prospectus supplement, owners of beneficial interests in a global security will not be

Table of Contents

entitled to have the debt securities represented by the global security registered in their names, will not receive physical delivery of the debt securities in definitive form and will not be considered the owners or holders thereof under the indenture.

Principal, premium, if any, and interest payments on debt securities represented by a global security registered in the name of a depositary or its nominee will be made to the depositary or its nominee, as the case may be, as the registered owner of the global security. Neither we, the trustee nor any paying agent for the debt securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global security or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests.

We expect that the depositary for any debt securities represented by a global security, upon receipt of any payment of principal, premium, if any, or interest will immediately credit participants accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global security as shown on the records of the depositary. We also expect that payments by participants will be governed by standing instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in street names and will be the responsibility of the participants.

If the depositary for any debt securities represented by a global security is at any time unwilling or unable to continue as depositary and a successor depositary is not appointed by us within 90 days, we will issue the debt securities in definitive form in exchange for the global security. In addition, we may at any time and in our sole discretion determine not to have any of the debt securities of a series represented by one or more global securities and, in that event, will issue debt securities of the series in definitive form in exchange for all of the global security or securities representing the debt securities.

The laws of some states require that certain purchasers of securities take physical delivery of the securities in definitive form. These laws may impair the ability to transfer beneficial interests in debt securities represented by global securities.

Sinking Funds

One or more series of the securities may provide for mandatory or optional sinking fund payments for the retirement of a series of securities. We may satisfy sinking fund payment obligations by delivering securities of such series previously redeemed from the holders and not previously credited toward sinking fund payment obligations. We must give the trustee at least 60 days notice of the portion of a sinking fund payment that is to be satisfied by payment in cash and the portion that is to be satisfied by delivering and crediting securities.

Governing Law

The indenture and the debt securities will be governed by and construed in accordance with the laws of the State of New York.

Our Relationship with the Trustee

J.P. Morgan Trust Company, the trustee under the indenture, is a subsidiary of the lender and the administrative agent under our revolving credit facility under which we may borrow up to $150,000,000 through November 2005. We may in the future enter into other banking relationships with the trustee or the lender or their respective affiliates.

Table of Contents

DESCRIPTION OF PREFERRED STOCK

The following description of the terms of the preferred stock sets forth certain general terms and provisions of the preferred stock to which any prospectus supplement may relate. Certain other terms of any series of the preferred stock offered by any prospectus supplement will be described in the applicable prospectus supplement. The description of certain provisions of the preferred stock set forth below and in any prospectus supplement do not purport to be complete and are subject to and qualified in their entirety by reference to our amended and restated articles of incorporation, as amended, and our board of directors resolution or articles supplementary relating to each series of the preferred stock which will be filed with the SEC and incorporated by reference as an exhibit to the registration statement of which this prospectus is a part at or prior to the time of the issuance of the series of the preferred stock.

General

Our authorized capital stock consists of 100,000,000 shares of common stock, $0.10 par value per share, and 5,000,000 shares of preferred stock, $1.00 par value per share, which includes the preferred stock offered hereby.

Under our amended and restated articles of incorporation, our board of directors is authorized without further stockholder action to provide for the issuance of up to 5,000,000 shares of preferred stock, in one or more series, with the voting, dividend, conversion or liquidation rights, designations, preferences, powers and relative participating, optional or other special rights and qualifications, limitations or restrictions of shares of the series as are stated in the resolutions providing for the issuance of a series of preferred stock, adopted, at any time or from time to time, by our board of directors. At March 31, 2003 there were 1,000,000 shares of 7.677% Series A Cumulative Preferred Stock outstanding. With respect to payment of dividends, the Series A Preferred Stock will rank senior to our common stock and equivalent to any other shares of our preferred stock which are not by their terms, as disclosed in the applicable prospectus supplement, subordinated to the Series A Preferred Stock with respect to payment of dividends and amounts due upon liquidation, dissolution or winding up.

The preferred stock shall have the dividend, liquidation, redemption and voting rights set forth below unless otherwise provided in a prospectus supplement relating to a particular series of the preferred stock. Reference is made to the prospectus supplement relating to the particular series of the preferred stock offered thereby for specific terms, including:

- the designation and stated value per share of the preferred stock and the number of shares offered;
- the amount of liquidation preference per share;
- the initial public offering price at which the preferred stock will be issued;
- the dividend rate, or method of calculation, the dates on which dividends are payable and the dates from which dividends will commence to cumulate, if any;
- any redemption or sinking fund provisions;

any conversion rights; and

any additional voting, dividend, liquidation, redemption, sinking fund and other rights, preferences, privileges, limitations and restrictions.

The preferred stock will, when issued, be fully paid and nonassessable and will have no preemptive rights. Unless otherwise stated in a prospectus supplement relating to a particular series of the preferred stock, each series of the preferred stock will rank on a parity as to dividends and distributions of assets with each other series of the preferred stock. The rights of the holders of each series of the preferred stock will be subordinate to those of our general creditors.

Table of Contents

Certain Provisions of our Amended and Restated Articles of Incorporation

See Description of Common Stock Redemption and Business Combination Provisions for a description of certain provisions of our amended and restated articles of incorporation, including provisions relating to redemption rights and provisions which may have certain anti-takeover effects.

Dividend Rights

Holders of the preferred stock of each series will be entitled to receive, when, as and if declared by our board of directors, out of funds legally available therefor, cash dividends on the dates and at the rates as are set forth in, or as are determined by the method described in, the prospectus supplement relating to the series of the preferred stock. The rate may be fixed or variable or both. Each dividend will be payable to the holders of record as they appear on the our stock books on the record dates, fixed by our board of directors, as specified in the prospectus supplement relating to the series of preferred stock.

The dividends may be cumulative or noncumulative, as provided in the prospectus supplement relating to the series of preferred stock. If our board of directors fails to declare a dividend payable on a dividend payment date on any series of preferred stock for which dividends are noncumulative, then the right to receive a dividend in respect of the dividend period ending on the dividend payment date will be lost, and we will have no obligation to pay the dividend accrued for the period, whether or not dividends on the series are declared payable on any future dividend payment dates. Dividends on the shares of each series of preferred stock for which dividends are cumulative will accrue from the date on which we initially issue shares of the series.

So long as the shares of any series of the preferred stock are outstanding, we may not, other than as we determine is necessary to maintain our status as a REIT, declare any dividends on any shares of common stock or any other stock ranking as to dividends or distributions of assets junior to the series of preferred stock, or make any payment on account of, or set apart money for, the purchase, redemption or other retirement of, or for a sinking or other analogous fund for, any shares of junior stock or make any distribution in respect thereof, whether in cash or property or in obligations or stock, other than junior stock which is neither convertible into, nor exchangeable or exercisable for, any securities other than junior stock, unless:

- full dividends, including if the preferred stock is cumulative, dividends for prior dividend periods, have been paid or declared and set apart for payment on all outstanding shares of the preferred stock of the series and all other classes and series of preferred stock, other than junior stock; and

- we are not in default or in arrears with respect to the mandatory or optional redemption or mandatory repurchase or other mandatory retirement of, or with respect to any sinking or other analogous fund for, any shares of preferred stock of the series or any shares of any other preferred stock of any class or series, other than junior stock.

Liquidation Preference

In the event of any liquidation, dissolution or winding up of us, voluntary or involuntary, the holders of each series of the preferred stock will be entitled to receive out of our assets available for distribution to stockholders, before any distribution of assets is made to the holders of common stock or any other shares of stock ranking junior as to the distribution to the series of preferred stock, the amount set forth in the prospectus

supplement relating to the series of the preferred stock. If, upon any voluntary or involuntary liquidation, dissolution or winding up of us, the amounts payable with respect to the preferred stock of any series and any other shares of preferred stock, including any other series of the preferred stock, ranking as to the distribution on a parity with the series of the preferred stock are not paid in full, the holders of the preferred stock of the series and of the other shares of our preferred stock will share ratably in any distribution of our assets in proportion to the full respective preferential amounts to which they are entitled. After payment to the holders of the preferred stock of each series of the full preferential amounts of the liquidating distribution to which they are entitled, the holders of each series of the preferred stock will be entitled to no further participation in any distribution of our assets.

Table of Contents

Redemption

A series of the preferred stock may be redeemable, in whole or from time to time in part, at our option, and may be subject to mandatory redemption pursuant to a sinking fund or otherwise, in each case upon terms, at the times and at the redemption prices set forth in the prospectus supplement relating to the series. Shares of the preferred stock redeemed by us will be restored to the status of authorized but unissued shares of preferred stock.

In the event that fewer than all of the outstanding shares of a series of the preferred stock are to be redeemed, whether by mandatory or optional redemption, the number of shares to be redeemed will be determined by lot or pro rata, subject to rounding to avoid fractional shares, as may be determined by us or by any other method as may be determined by us in our sole discretion to be equitable. Unless default shall be made by us in providing for the payment of the redemption price plus accumulated and unpaid dividends, if any, from and after the redemption date, dividends shall cease to accumulate on the shares of the preferred stock called for redemption and all rights of the holders thereof, except the right to receive the redemption price plus accumulated and unpaid dividends, if any, shall cease.

So long as any dividends on shares of any series of the preferred stock or any other series of preferred stock ranking on a parity as to dividends and distribution of assets with the series of the preferred stock are in arrears, no shares of any series of the preferred stock or other series of preferred stock will be redeemed, whether by mandatory or optional redemption, unless all of the shares of each series of preferred stock are simultaneously redeemed, and we will not purchase or otherwise acquire any shares; provided, however, that the foregoing will not prevent the purchase or acquisition of the shares pursuant to a purchase or exchange offer made on the same terms to holders of all shares outstanding of each series of preferred stock.

Conversion Rights

The terms, if any, on which shares of preferred stock of any series may be exchanged for or converted, mandatorily or otherwise, into shares of common stock or another series of preferred stock will be set forth in the prospectus supplement relating thereto. See Description of Common Stock.

Voting Rights

Except as indicated below or in a prospectus supplement relating to a particular series of the preferred stock, or except as required by applicable law, the holders of the preferred stock will not be entitled to vote for any purpose.

Subject to the prior rights of any series of preferred stock outstanding from time to time, so long as any shares of the preferred stock of a series remain outstanding, the consent or the affirmative vote of the holders of at least 66 2/3% of the votes entitled to be cast with respect to the then outstanding shares of the series of the preferred stock together with any other series of preferred stock ranking on a parity with the series of preferred stock then outstanding, voting as one class, either expressed in writing or at a meeting called for that purpose, will be necessary:

to permit, effect or validate the authorization, or any increase in the authorized amount, of any class or series of shares of preferred stock ranking prior to the preferred stock of the series as to dividends, voting or upon distribution of assets; and

to repeal, amend or otherwise change any of the provisions applicable to the preferred stock of the series in any manner which adversely affects the powers, preferences, voting power or other rights or privileges qualifications, limitations and other characteristics of the series of the preferred stock.

In case any series of the preferred stock would be so affected by any action referred to in the second clause above in a different manner than one or more series of the other series of preferred stock ranking on a parity with the series of preferred stock then outstanding, the holders of shares of the preferred stock of the series, together

Table of Contents

with any other series of preferred stock ranking on a parity with the series of preferred stock then outstanding which will be similarly affected, will be entitled to vote as a class, and we will not take the action without the consent or affirmative vote, as above provided, of at least 66 2/3% of the total number of votes entitled to be cast with respect to each series of the preferred stock and the other series of preferred stock ranking on a parity with the series of preferred stock then outstanding similarly affected, then outstanding, in lieu of the consent or affirmative vote described above otherwise required.

With respect to any matter as to which the preferred stock of any series is entitled to vote, holders of the preferred stock of the series and any other series of preferred stock ranking on a parity with the series of the preferred stock as to dividends and distributions of assets and which by its terms provides for similar voting rights will be entitled to cast the number of votes set forth in the prospectus supplement with respect to that series of preferred stock. As a result of the provisions described in the preceding paragraph requiring the holders of shares of a series of the preferred stock to vote together as a class with the holders of shares of one or more other series of preferred stock ranking on a parity with the series of preferred stock then outstanding, it is possible that the holders of the shares of other preferred stock could approve action that would adversely affect the series of preferred stock, including the creation of a class of capital stock ranking prior to the series of preferred stock as to dividends, voting or distributions of assets.

Transfer Agent and Registrar

Unless otherwise indicated in a prospectus supplement relating thereto, The Bank of New York will be the transfer agent, dividend and redemption price disbursement agent and registrar for shares of each series of the preferred stock.

Table of Contents

DESCRIPTION OF COMMON STOCK

Common Stock

All shares of common stock:

- participate equally in dividends payable to stockholders of common stock when and as declared by our board of directors and in net assets available for distribution to stockholders of common stock on liquidation or dissolution;
- have one vote per share on all matters submitted to a vote of the stockholders; and
- do not have cumulative voting rights in the election of directors.

All issued and outstanding shares of common stock are, and the common stock offered hereby will be upon issuance, validly issued, fully paid and nonassessable. Holders of the common stock do not have preference, conversion, exchange or preemptive rights. The common stock is listed on the New York Stock Exchange (NYSE Symbol: NHP).

Redemption and Business Combination Provisions

If our board of directors is, at any time and in good faith, of the opinion that direct or indirect ownership of at least 9.9% or more of the voting shares of stock has or may become concentrated in the hands of one beneficial owner, our board of directors has the power:

- by lot or other means deemed equitable by it to call for the purchase from any stockholder a number of voting shares sufficient, in the opinion of our board of directors, to maintain or bring the direct or indirect ownership of voting shares of stock of the beneficial owner to a level of no more than 9.9% of the outstanding voting shares of our stock; and
- to refuse to transfer or issue voting shares of stock to any person whose acquisition of those voting shares would, in the opinion of our board of directors, result in the direct or indirect ownership by that person of more than 9.9% of the outstanding voting shares of our stock.

Further, any transfer of shares, options, warrants or other securities convertible into voting shares that would create a beneficial owner of more than 9.9% of the outstanding shares of our stock shall be deemed void *ab initio* and the intended transferee shall be deemed never to have had an interest therein. The purchase price for any voting shares of stock so redeemed shall be equal to the fair market value of the shares reflected in the closing sales price for the shares, if then listed on a national securities exchange, or the average of the closing sales prices for the shares if then listed on more than one national securities exchange, or if the shares are not then listed on a national securities exchange, the latest bid quotation for the shares if then traded over-the-counter, on the last business day immediately preceding the day on which notices of the acquisitions are sent, or, if none of these closing sales prices or quotations are available, then the purchase price will be equal to the net asset value of the stock as determined by our board of directors in accordance with the provisions of applicable law. From and after the date fixed for

purchase by our board of directors, the holder of any shares so called for purchase shall cease to be entitled to distributions, voting rights and other benefits with respect to those shares, except the right to payment of the purchase price for the shares.

Our amended and restated articles of incorporation require that, except in certain circumstances, business combinations between us and a beneficial holder of 10% or more of our outstanding voting stock, a related person , be approved by the affirmative vote of at least 90% of our outstanding voting stock or, in advance and unanimously, by our board of directors. A business combination is defined in our amended and restated articles of incorporation as:

any merger or consolidation with or into a related person;

Table of Contents

any sale, lease, exchange, transfer or other disposition, including without limitation a mortgage or any other security device, of all or any substantial part of our assets, including without limitation any voting securities of a subsidiary, to a related person;

any merger or consolidation of a related person with or into us;

any sale, lease, exchange, transfer or other disposition of all or any substantial part of the assets of a related person to us;

the issuance of any of our securities to a related person, other than by way of pro rata distribution to all stockholders; and

any agreement, contract or other arrangement providing for any of the above.

Pursuant to our amended and restated articles of incorporation, our board of directors is classified into three classes. Each class of directors serves for a term of three years, with one class being elected each year. As of the date of this prospectus, there are 7 directors, divided into three classes consisting of 3, 2 and 2 directors.

The foregoing provisions of our amended and restated articles of incorporation and certain other matters may not be amended without the affirmative vote of at least 90% of our outstanding voting stock.

The foregoing provisions may have the effect of discouraging unilateral tender offers or other takeover proposals which certain stockholders might deem in their interests or in which they might receive a substantial premium. Our board of directors authority to issue and establish the terms of currently authorized preferred stock, without stockholder approval, may also have the effect of discouraging takeover attempts. See Description of Preferred Stock. The provisions could also have the effect of insulating current management against the possibility of removal and could, by possibly reducing temporary fluctuations in market price caused by accumulations of shares, deprive stockholders of opportunities to sell at a temporarily higher market price. However, our board of directors believes that inclusion of the business combination provisions in our amended and restated articles of incorporation may help assure fair treatment of stockholders and preserve our assets.

The foregoing summary of certain provisions of our amended and restated articles of incorporation does not purport to be complete or to give effect to provisions of statutory or common law. The foregoing summary is subject to, and qualified in its entirety by reference to, the provisions of applicable law and our amended and restated articles of incorporation, a copy of which is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part.

Transfer Agent and Registrar

Unless otherwise indicated in a prospectus supplement relating thereto, The Bank of New York is the transfer agent and registrar of the common stock.

Table of Contents

DESCRIPTION OF SECURITIES WARRANTS

We may issue securities warrants for the purchase of debt securities, preferred stock or common stock. Securities warrants may be issued independently or together with debt securities, preferred stock or common stock offered by any prospectus supplement and may be attached to or separate from the debt securities, preferred stock or common stock. Each series of securities warrants will be issued under a separate warrant agreement to be entered into between us and a bank or trust company, as securities warrant agent, all as set forth in the prospectus supplement relating to the particular issue of offered securities warrants. The securities warrant agent will act solely as our agent in connection with the securities warrant certificates relating to the securities warrants and will not assume any obligation or relationship of agency or trust for or with any holders of securities warrant certificates or beneficial owners of securities warrants. The following summaries of certain provisions of the securities warrant agreement and securities warrants do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the securities warrant agreement and the securities warrant certificates relating to each series of securities warrants which will be filed with the SEC and incorporated by reference as an exhibit to the registration statement of which this prospectus is a part at or prior to the time of the issuance of the series of securities warrants.

If securities warrants are offered, the applicable prospectus supplement will describe the terms of the securities warrants, including, in the case of securities warrants for the purchase of debt securities, the following where applicable:

- the offering price;
- the denominations and terms of the series of debt securities purchasable upon exercise of the securities warrants;
- the designation and terms of any series of debt securities or preferred stock with which the securities warrants are being offered and the number of the securities warrants being offered with each debt security or preferred stock;
- the date, if any, on and after which the securities warrants and the related series of debt securities or preferred stock will be transferable separately;
- the principal amount of the series of debt securities purchasable upon exercise of each securities warrant and the price at which the principal amount of debt securities of the series may be purchased upon exercise;
- the date on which the right to exercise the securities warrants shall commence and the date on which the right shall expire;
- whether the securities warrants will be issued in registered or bearer form;
- any special United States Federal income tax consequences;
- the terms, if any, on which we may accelerate the date by which the securities warrants must be exercised; and
- any other terms of the securities warrants.

In the case of securities warrants for the purchase of preferred stock or common stock, the applicable prospectus supplement will describe the terms of the securities warrants, including the following where applicable:

- the offering price;

- the aggregate number of shares purchasable upon exercise of the securities warrants, the exercise price, and in the case of securities warrants for preferred stock, the designation, aggregate number and terms of the series of preferred stock purchasable upon exercise of the securities warrants;

Table of Contents

the designation and terms of the series of debt securities or preferred stock with which the securities warrants are being offered and the number of the securities warrants being offered with each debt security or preferred stock;

the date, if any, on and after which the securities warrants and the related series of debt securities, preferred stock or common stock will be transferable separately;

the date on which the right to exercise the securities warrants shall commence and the expiration date;

any special United States Federal income tax consequences; and

any other terms of the securities warrants.

Securities warrant certificates may be exchanged for new securities warrant certificates of different denominations, may, if in registered form, be presented for registration of transfer, and may be exercised at the corporate trust office of the securities warrant agent or any other office indicated in the applicable prospectus supplement. Prior to the exercise of any securities warrant to purchase debt securities, holders of the securities warrants will not have any of the rights of holders of the debt securities purchasable upon the exercise, including the right to receive payments of principal of, premium, if any, or interest, if any, on the debt securities or to enforce covenants in the applicable indenture. Prior to the exercise of any securities warrants to purchase preferred stock or common stock, holders of the securities warrants will not have any rights of holders of preferred stock or common stock, including the right to receive payments of dividends, if any, on the preferred stock or common stock, or to exercise any applicable right to vote.

Certain Risk Considerations

Any securities warrants we issue will involve a certain degree of risk, including risks arising from fluctuations in the price of the underlying securities and general risks applicable to the stock market or markets on which the underlying securities are traded.

Prospective purchasers of the securities warrants should recognize that the securities warrants may expire worthless and, thus, purchasers should be prepared to sustain a total loss of the purchase price of their securities warrants. This risk reflects the nature of a securities warrant as an asset which, other factors held constant, tends to decline in value over time and which may, depending on the price of the underlying securities, become worthless when it expires. The trading price of a securities warrant at any time is expected to increase if the price, or, if applicable, dividend rate on the underlying securities, increases. Conversely, the trading price of a securities warrant is expected to decrease as the time remaining to expiration of the securities warrant decreases and as the price or, if applicable, dividend rate on the underlying securities, decreases. Assuming all other factors are held constant, the more the exercise price exceeds the price of the underlying securities and the shorter its remaining term to expiration, the greater the risk that a purchaser of the securities warrant will lose all or part of his or her investment. If the price of the underlying securities does not rise before the securities warrant expires to an extent sufficient to cover a purchaser s cost of the securities warrant, the purchaser will lose all or part of his or her investment in the securities warrant upon expiration.

In addition, prospective purchasers of the securities warrants should be experienced with respect to options and option transactions and understand the risks associated with options and should reach an investment decision only after careful consideration, with their financial advisers, of the suitability of the securities warrants in light of their particular financial circumstances and the information discussed herein and, if applicable, the prospectus supplement. Before purchasing, exercising or selling any securities warrants, prospective purchasers and holders of securities warrants should carefully consider, among other things:

the trading price of the securities warrants;

the price of the underlying securities at that time;

the time remaining to expiration; and

any related transaction costs.

Table of Contents

Some of the factors referred to above are in turn influenced by various political, economic and other factors that can affect the trading price of the underlying securities and should be carefully considered prior to making any investment decisions.

Purchasers of the securities warrants should further consider that the initial offering price of the securities warrants may be in excess of the price that a purchaser of options might pay for a comparable option in a private, less liquid transaction. In addition, it is not possible to predict the price at which the securities warrants will trade in the secondary market or whether any market will be liquid. We may, but we are not obligated to, file an application to list any securities warrants issued on a United States national securities exchange. To the extent that any securities warrants are exercised, the number of securities warrants outstanding will decrease, which may result in a decrease in the liquidity of the securities warrants. Finally, the securities warrants will constitute direct, unconditional and unsecured obligations and will be subject to any changes in our perceived creditworthiness.

Exercise of Securities Warrants

Each securities warrant will entitle the holder thereof to purchase the principal amount of debt securities or number of shares of preferred stock or common stock, as the case may be, at an exercise price as shall in each case be set forth in, or calculable from, the prospectus supplement relating to the offered securities warrants. After the close of business on the expiration date, or on a later date to which we may extend the expiration date, unexercised securities warrants will become void.

Securities warrants may be exercised by delivering to the securities warrant agent payment as provided in the applicable prospectus supplement of the amount required to purchase the debt securities, preferred stock or common stock, as the case may be, purchasable upon the exercise together with certain information set forth on the reverse side of the securities warrant certificate. Securities warrants will be deemed to have been exercised upon receipt of payment of the exercise price, subject to the receipt within five (5) business days, of the securities warrant certificate evidencing the securities warrants. Upon receipt of payment and the securities warrant certificate properly completed and duly executed at the corporate trust office of the securities warrant agent or any other office indicated in the applicable prospectus supplement, we will, as soon as practicable, issue and deliver the debt securities, preferred stock or common stock, as the case may be, purchasable upon exercise. If fewer than all of the securities warrants represented by the securities warrant certificate are exercised, a new securities warrant certificate will be issued for the remaining amount of securities warrants.

Amendments and Supplements to Securities Warrant Agreement

The securities warrant agreements may be amended or supplemented without the consent of the holders of the securities warrants issued thereunder to effect changes that are not inconsistent with the provisions of the securities warrants and that do not adversely affect the interests of the holders of the securities warrants.

Common Stock Warrant Adjustments

Unless otherwise indicated in the applicable prospectus supplement, the exercise price of, and the number of shares of common stock covered by, a common stock warrant are subject to adjustment in certain events, including:

payment of a dividend on the common stock payable in capital stock and stock splits, combinations or reclassifications of the common stock;

issuance to all holders of common stock of rights or warrants to subscribe for or purchase shares of common stock at less than their current market price; and

certain distributions of evidences of indebtedness or assets, including securities but excluding cash dividends or distributions paid out of consolidated earnings or retained earnings or dividends payable in common stock, or of subscription rights and warrants, excluding those referred to above.

Table of Contents

No adjustment in the exercise price of, and the number of shares of common stock covered by, a common stock warrant will be made for regular quarterly or other periodic or recurring cash dividends or distributions or for cash dividends or distributions to the extent paid from consolidated earnings or retained earnings. No adjustment will be required unless the adjustment would require a change of at least 1% in the exercise price then in effect. Except as stated above, the exercise price of, and the number of shares of common stock covered by, a common stock warrant will not be adjusted for the issuance of common stock or any securities convertible into or exchangeable for common stock, or carrying the right or option to purchase or otherwise acquire the foregoing, in exchange for cash, other property or services.

Any holder of a common stock warrant will be entitled, on or after the occurrence of any of the following events, to receive on exercise of the common stock warrant the kind and amount of shares of stock or other securities, cash or other property, or any combination thereof, that the holder would have received had the holder exercised the common stock warrant immediately prior to the occurrence of any of the following events:

consolidation or merger of our company with or into any entity, other than a consolidation or a merger that does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of our common stock;

sale, transfer, lease or conveyance of all or substantially all of our assets; or

reclassification, capital reorganization or change of our common stock, other than solely a change in par value or from par value to no par value.

If the consideration to be received upon exercise of the common stock warrant following any of these events consists of common stock of the surviving entity, then from and after the occurrence of the event, the exercise price of the common stock warrant will be subject to the same anti-dilution and other adjustments described in the preceding paragraphs, applied as if the shares of common stock of the surviving entity were shares of our common stock.

Table of Contents

PLAN OF DISTRIBUTION

We may sell the securities to one or more underwriters for public offering and sale by them or may sell the securities to investors directly or through agents. Any underwriter or agent involved in the offer and sale of securities will be named in the applicable prospectus supplement. We reserve the right to sell securities directly to investors on our own behalf in those jurisdictions where and in a manner as we are authorized to do so.

Underwriters may offer and sell securities at a fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices related to the prevailing market prices or at negotiated prices. We also may offer and sell securities in exchange for one or more of our outstanding issues of the securities or other securities. We also may, from time to time, authorize dealers, acting as our agents, to offer and sell securities upon the terms and conditions as are set forth in the applicable prospectus supplement. In connection with the sale of securities, underwriters may receive compensation from us in the form of underwriting discounts or commissions and may also receive commissions from purchasers of the securities for whom they may act as agent. Underwriters may sell securities to or through dealers, and the dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agent.

Any underwriting compensation we pay to underwriters or agents in connection with the offering of securities, and any discounts, concessions or commissions allowed by underwriters to participating dealers, will be set forth in the applicable prospectus supplement. Dealers and agents participating in the distribution of securities may be deemed to be underwriters, and any discounts and commissions received by them and any profit realized by them on resale of the securities may be deemed to be underwriting discounts and commissions. Underwriters, dealers and agents may be entitled, under agreements we enter into, to indemnification against and contribution toward certain civil liabilities.

The net proceeds we receive from the sale of the securities will be the purchase price of the securities less any discounts or commissions and the other attributable expenses of issuance and distribution.

LEGAL MATTERS

The validity of the securities offered hereby will be passed upon for us by O Melveny & Myers LLP. In addition, O Melveny & Myers LLP has passed upon certain federal income tax matters. Unless otherwise specified in an applicable prospectus supplement, Sidley Austin Brown & Wood LLP will act as counsel for the underwriters or agents, if any. Paul C. Pringle, a partner at Sidley Austin Brown & Wood LLP, owns 42,454 shares of our common stock.

EXPERTS

Ernst & Young LLP, independent auditors, have audited our consolidated financial statements and schedule included in our annual report on Form 10-K for the year ended December 31, 2002, as set forth in their report, which is incorporated by reference in this prospectus and elsewhere in the registration statement. Our financial statements and schedule are incorporated by reference in reliance on Ernst & Young LLP s report, given on their authority as experts in accounting and auditing.

29

Table of Contents

ADDITIONAL INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC at its public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may also obtain copies of this information by mail from the public reference section of the SEC, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Our SEC filings are also available to the public at the web site maintained by the SEC at http://www.sec.gov, as well as on our website at http://www.nhp-reit.com. You may inspect information that we file with The New York Stock Exchange at the offices of The New York Stock Exchange at 20 Broad Street, New York, New York 10005. Information on our website is not incorporated by reference herein and our web address is included as an inactive textual reference only.

The SEC allows us to incorporate by reference the information we file with the SEC, which means that we can disclose important information to you by referring to the other information we have filed with the SEC. The information that we incorporate by reference is considered a part of this prospectus. We incorporate by reference the following documents (File No. 1-9028) we filed with the SEC pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended, other than information in these documents that is not deemed to be filed with the SEC:

- our Annual Report on Form 10-K for the year ended December 31, 2002, filed on March 11, 2003;
- our Current Report on Form 8-K filed on April 30, 2003;
- our Current Report on Form 8-K filed on May 1, 2003;
- our Quarterly Report on Form 10-Q for the first quarter ended March 31, 2003, filed on May 13, 2003;
- our Current Report on Form 8-K filed on June 10, 2003;
- our Quarterly Report on Form 10-Q for the second quarter ended June 30, 2003, filed on August 4, 2003; and
- the description of our common stock contained in our registration statement on Form 10 filed on November 18, 1985, including the amendments thereto filed on December 4, 1985 and December 6, 1985, and any other amendment or report filed for the purpose of updating such description.

All documents we file later with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, subsequent to the date of this prospectus and prior to the termination of the offering of the securities shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing the documents, other than information in the documents that is not deemed to be filed with the SEC. A statement contained herein, in a prospectus supplement or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in a prospectus supplement or in any subsequently filed document which is incorporated by reference herein, modifies or supersedes the statement. Any statements so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide without charge to each person to whom this prospectus is delivered, on the request of any person, a copy of any or all the documents incorporated herein by reference, other than exhibits to the documents, unless the exhibits are specifically incorporated by reference into the documents that this prospectus incorporates. Requests for copies in writing or by telephone should be directed to:

Nationwide Health Properties, Inc.

610 Newport Center Drive, Suite 1150

Newport Beach, California 92660

Attention: Mark L. Desmond

(949) 718-4400

Table of Contents

$500,000,000

Debt Securities

Preferred Stock

Common Stock

Securities Warrants

PROSPECTUS

, 2003

Table of Contents

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The expenses of this offering are estimated as follows:

SEC Registration Fee	$ 40,450
Printing and engraving expenses	200,000
Legal fees and expenses	300,000
Accounting fees and expenses	200,000
Transfer agent or trustee fees	25,000
Miscellaneous	100,000
Total	$ 865,450

Item 15. Indemnification of Directors and Officers.

Our amended and restated articles of incorporation, as amended, and bylaws, as amended, provide for indemnification of directors and officers to the full extent permitted by the laws of the State of Maryland.

Section 2-418 of the Maryland General Corporation Law generally permits indemnification of any director or officer made a party to any proceedings by reason of service as a director or officer unless it is established that (i) the act or omission of such person was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty; or (ii) such person actually received an improper personal benefit in money, property or services; or (iii) in the case of any criminal proceeding, such person had reasonable cause to believe that the act or omission was unlawful. The indemnity may include judgments, penalties, fines, settlements and reasonable expenses actually incurred by the director or officer in connection with the proceeding; provided, however, that if the proceeding is one by, or in the right of the corporation, indemnification is not permitted with respect to any proceeding in which the director or officer has been adjudged to be liable to the corporation. The termination of any proceeding by conviction or upon a plea of nolo contendere or its equivalent or upon an entry of an order of probation prior to judgment creates a rebuttable presumption that the director or officer did not meet the requisite standard of conduct required for permitted indemnification. The termination of any proceeding by judgment, order or settlement, however, does not create a presumption that the director or officer failed to meet the requisite standard of conduct for permitted indemnification.

The Company has entered into indemnity agreements with the officers and directors of the Company that provide that the Company will pay on behalf of the indemnified party any amount which the indemnified party is or becomes legally obligated to pay because of any act or omission or neglect or breach of duty, including any actual or alleged error or misstatement or misleading statement, which the indemnified party commits or suffers while acting in the capacity as an officer or director of the Company.

Since November 1986, the Company has had in force directors and officers liability and Company reimbursement insurance covering liability for any actual or alleged error, misstatement, misleading statement, act or omission, and neglect or breach of duty claimed against them solely by reason of their being directors or officers of the Company.

Table of Contents

Item 16. Exhibits.

Exhibit No.	Description
3.1(a)	Restated Articles of Incorporation, filed as Exhibit 3.1 to the Company s Registration Statement on Form S-11 (No. 33-1128), effective December 19, 1985, and incorporated herein by this reference.
3.1(b)	Articles of Amendment and Restated Articles of Incorporation of the Company, filed as Exhibit 3.1 to the Company s Form 10-Q for the quarter ended March 31, 1989, and incorporated herein by this reference.
3.1(c)	Articles of Amendment of Amended and Restated Articles of Incorporation of the Company, filed as Exhibit 3.1(c) to the Company s Registration Statement on Form S-11 (No. 33-32251), effective January 23, 1990, and incorporated herein by this reference.
3.1(d)	Articles of Amendment of Amended and Restated Articles of Incorporation of the Company, filed as Exhibit 3.1(d) to the Company s Form 10-K for the year ended December 31, 1994, and incorporated herein by this reference.
3.1(e)	Articles Supplementary to the Company s Amended and Restated Articles of Incorporation, dated September 24, 1997, filed as Exhibit 3.1 to the Company s Form 8-K dated September 24, 1997, and incorporation herein by this reference.
3.2	Amended and Restated Bylaws of the Company, filed as Exhibit 3.1 to the Company s Form 10-Q for the quarter ended March 31, 2003, and incorporated herein by this reference.
4.1*	Form of Indenture to be entered into between the Company and J.P. Morgan Trust Company, National Association, as trustee, and relating to the debt securities.
4.2	Indenture dated as of November 16, 1992, between the Company and J.P. Morgan Trust Company (formerly The Chase Manhattan Bank), National Association, as trustee, filed as Exhibit 4.1 to the Company s Form S-3 (No. 33-54870) dated November 24, 1992, and incorporated herein by this reference.
4.3	Indenture dated as of June 30, 1993, between the Company and First Interstate Bank of California, as trustee, filed as Exhibit 4.2 to the Company s Registration Statement on Form S-3 (No. 33-64798), effective July 12, 1993, and incorporated herein by this reference.
4.4	First Supplemental Indenture dated November 15, 1993, between the Company and First Interstate Bank of California, as trustee, filed as Exhibit 4.1 to the Company s Form 8-K dated November 15, 1993, and incorporated herein by this reference.
4.5	Indenture dated as of January 12, 1996, between the Company and The Bank of New York, as trustee, filed as Exhibit 4.1 to the Company s Registration Statement on Form S-3 (No. 33-65423) dated December 27, 1995, and incorporated herein by this reference.
4.6	Indenture dated as of January 13, 1999, between the Company and J.P. Morgan Trust Company (formerly Chase Manhattan Bank and Trust Company), National Association, as trustee, filed as Exhibit 4.1 to the Company s Registration Statement on Form S-3 (No. 333-70707) dated January 15, 1999, and incorporated herein by this reference.
5.1*	Opinion of O Melveny & Myers LLP re Legality of the Securities.
8.1*	Opinion of O Melveny & Myers LLP re Tax Matters.
12.1*	Statement re Computation of Ratios.
23.1	Consent of Ernst & Young LLP.
23.2	Consent of O Melveny & Myers LLP (included in Exhibit 5.1).
23.3	Consent of O Melveny & Myers LLP (included in Exhibit 8.1).
24.1*	Power of Attorney.
25.1*	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of J.P. Morgan Trust Company, as trustee.

* Previously filed.

Table of Contents

Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the registrant pursuant to the provisions described in Item 15 above, or otherwise, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the repayment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, unless the information required to be included in such post-effective amendment is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 and incorporated herein by reference;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement, unless the information required to be included in such post-effective amendment is contained in a periodic report filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 and incorporated herein by reference. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant s annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(5) To file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Securities and Exchange Commission under Section 305(b)(2) of the Trust Indenture Act.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment to registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Newport Beach, State of California, on the 4th day of August, 2003.

NATIONWIDE HEALTH PROPERTIES, INC.

By: /s/ R. Bruce Andrews

R. Bruce Andrews
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on the dates indicated.

Signature	Title	Date
*	Chairman and Director	August 4, 2003
Charles D. Miller		
/s/ R. Bruce Andrews	President, Chief Executive Officer and Director (principal executive officer)	August 4, 2003
R. Bruce Andrews		
/s/ Mark L. Desmond	Senior Vice President and Chief Financial Officer (principal financial and accounting officer)	August 4, 2003
Mark L. Desmond		
*	Director	August 4, 2003
David R. Banks		
*	Director	August 4, 2003
William K. Doyle		
*	Director	August 4, 2003
Robert D. Paulson		
*	Director	August 4, 2003

Keith P. Russell		
*	Director	August 4, 2003
Jack D. Samuelson		

By: /s/ R. Bruce Andrews

R. Bruce Andrews

Attorney-in-fact