



National Health Investors, Inc.

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NHI reports first quarter income

MURFREESBORO, Tenn. - National Health Investors, Inc., (NYSE:NHI) announced net income for the three months ended March 31, 2007 of \$15,481,000 or \$0.56 per common share, basic and diluted, compared to net income of \$12,620,000 or \$0.45 per common share, basic and diluted for the same period in 2006. Net income for the three months ended March 31, 2007 included income from recoveries of previous writedowns and gains from loan payoffs totaling \$2,168,000 or eight cents per basic and diluted share of common stock, compared to income for the same period in 2006 from prepayment penalties and gains on sale of real estate of \$232,000 or one cent per basic and diluted share of common stock. The recoveries and gains in 2007 were related to a payoff of a loan secured by real estate in Florida.

Funds from operations ("FFO") for the three months ended March 31, 2007 was \$18,135,000, or \$0.65 per share of common stock, basic and diluted, compared to \$15,268,000, or \$0.55 per basic and diluted share for the same period in 2006. Funds from operations for the three months ended March 31, 2007 included income from recoveries of previous writedowns and gains from loan payoffs totaling \$2,168,000 or eight cents per basic and diluted share of common stock, compared to income for the same period in 2006 from prepayment penalties of \$108,000 or zero cents per basic and diluted share of common stock.

National Health Investors, Inc. is a long-term health care real estate investment trust that specializes in the financing of health care real estate by first mortgage and by purchase and leaseback transactions. The common stock of the company trades on the New York Stock Exchange with the symbol NHI. Additional information including NHI's most recent press releases may be obtained on NHI's web site at www.nhinvestors.com.

Statements in this press release that are not historical facts are forward-looking statements. NHI cautions investors that any forward-looking statements made involve risks and uncertainties and are not guarantees of future performance. All forward-looking statements represent NHI's judgment as of the date of this release.

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Condensed Statements of Income
(in thousands, except share and per share amounts)

	Three Months Ended March 31	
	<u>2007</u>	<u>2006</u>
Revenues:		
Mortgage interest income	\$ 3,171	\$ 3,647
Rental income	12,316	11,590
Facility operating revenues	<u>22,506</u>	<u>21,220</u>
	<u>\$ 37,993</u>	<u>\$ 36,457</u>
Expenses:		
Interest expense	\$ 2,010	\$ 2,028
Depreciation	2,905	2,933
Amortization of loan costs	34	34
Legal expense	204	45
Franchise, excise and other taxes	71	69
General and administrative	1,844	1,171
Loan and realty losses (recoveries)	(1,700)	-
Facility operating expenses	<u>20,870</u>	<u>20,360</u>
	<u>\$ 26,238</u>	<u>\$ 26,640</u>
Income Before Non-Operating Income	\$ 11,755	\$ 9,817
Non-operating income (investment Interest and other)	<u>3,694</u>	<u>2,402</u>
Income From Continuing Operations	<u>\$ 15,449</u>	<u>\$ 12,219</u>
Discontinued Operations		
Operating income-discontinued operations	32	277
Net gain on sales of real estate	<u>-</u>	<u>124</u>
	<u>\$ 32</u>	<u>\$ 401</u>
Net income	<u>\$ 15,481</u>	<u>\$ 12,620</u>
Weighted average common shares outstanding:		
Basic	27,703,239	27,843,217
Diluted	27,776,864	27,859,290
Earnings per share:		
Basic:		
Income from continuing operations	\$ 0.56	\$ 0.44
Discontinued operations	-	0.01
Net income available to common stockholders	0.56	0.45
Diluted:		
Income from continuing operations	\$ 0.56	\$ 0.44
Discontinued operations	-	0.01
Net income available to common stockholders	0.56	0.45
Funds from operations		
Basic	\$ 18,135	\$ 15,268
Diluted	\$ 18,135	\$ 15,268
Funds from operations per common share		
Basic	\$ 0.65	\$ 0.55
Diluted	\$ 0.65	\$ 0.55
Dividends declared per common share	\$ 0.50	\$ 0.48

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Balance Sheet Data

(in thousands)

	March 31	December 31
	2007	2006
Real estate properties, net	\$232,840	\$ 235,199
Mortgages receivable, net	95,039	99,532
Preferred stock investment	38,132	38,132
Cash and marketable securities	171,942	177,765
Debt	112,783	113,492
Stockholders' equity	432,298	431,671

Reconciliation of Funds From Operations ⁽¹⁾⁽²⁾

The following table reconciles net income to funds from operations available to common stockholders:

(in thousands, except share and per share amounts)

	Three Months Ended	
	March 31	
	2007	2006
Net income	15,481	12,620
Elimination of non-cash items in net income:		
Real estate depreciation	2,654	2,638
Real estate depreciation in discontinued operations	-	134
Loss (gain) on sale of real estate	-	(124)
Basic funds from operations	18,135	15,268
Other Adjustments	-	-
Diluted funds from operations	\$ 18,135	\$ 15,268
Basic funds from operations per share	\$ 0.65	\$ 0.55
Diluted funds from operations per share	\$ 0.65	\$ 0.55
Shares for basic funds from operations per share	27,703,239	27,843,217
Shares for diluted funds from operations per share	27,776,864	27,859,290

⁽¹⁾ Management believes that funds from operations (FFO) is an important supplemental measure of operating performance for a real estate investment trust. Because the historical cost accounting convention used for real estate assets requires straight-line depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen and fallen with market conditions, presentations of operating results for a real estate investment trust that uses historical cost accounting for depreciation could be less informative, and should be supplemented with a measure such as FFO. The term FFO was designed by the real estate investment trust industry to address this issue. Our measure may not be comparable to similarly titled measures used by other REITs. Consequently, our funds from operations may not provide a meaningful measure of our performance as compared to that of other REITs. Since other REITs may not use our definition of FFO, caution should be exercised when comparing our Company's FFO to that of other REITs. Funds from operations in and of itself does not represent cash generated from operating activities in accordance with GAAP (funds from operations does not include changes in operating assets and liabilities) and therefore should not be considered an alternative to net earnings as an indication of operating performance, or to net cash flow from operating activities as determined by GAAP in the United States, as a measure of liquidity and is not necessarily indicative of cash available to fund cash needs.

⁽²⁾ Our computations above are intended to comply with the SEC's interpretation that recurring impairments taken on real property may not be added back to net income in the calculation of FFO. The SEC's position is that recurring impairments on real property are not an appropriate adjustment.

National Health Investors, Inc.
Portfolio Summary
March 31, 2007

PORTFOLIO STATISTICS

	# OF PROP.	INVESTMENT PERCENTAGE	INVESTMENT
MORTGAGE LOAN RECEIVABLES	48	27%	\$ 86,714,000
EQUITY OWNERSHIP	90	73%	232,840,000
TOTAL REAL ESTATE PORTFOLIO	138	100.0%	\$ 319,554,000

MORTGAGE LOAN RECEIVABLES	# OF PROP.	# OF BEDS	INVESTMENT
LONG-TERM CARE CENTERS	30	3,257	\$ 80,708,000
RETIREMENT HOMES	1	60	1,921,000
DEVELOPMENTALLY DISABLED	17	108	4,085,000
	48		\$ 86,714,000

EQUITY OWNERSHIP	# OF PROP.	# OF BEDS	INVESTMENT
LONG-TERM CARE CENTERS	66	8,555	\$ 147,889,000
ASSISTED LIVING	14	1,161	58,680,000
MEDICAL OFFICE BUILDINGS	4	124,427 sq.ft.	9,877,000
RETIREMENT HOMES	5	534	9,573,000
HOSPITALS	1	55	6,821,000
	90		\$ 232,840,000
TOTAL REAL ESTATE PORTFOLIO	138		\$ 319,554,000

SUMMARY OF FACILITIES BY TYPE:

	# OF PROPERTIES	% OF TOTAL \$	TOTAL DOLLARS
LONG-TERM CARE CENTERS	96	71.54%	\$ 228,597,000
ASSISTED LIVING	14	18.36%	58,680,000
RETIREMENT HOMES	6	3.60%	11,494,000
MEDICAL OFFICE BUILDINGS	4	3.09%	9,877,000
HOSPITALS	1	2.13%	6,821,000
DEVELOPMENTALLY DISABLED	17	1.28%	4,085,000
	138	100.00%	\$ 319,554,000

PORTFOLIO BY OPERATOR TYPE:

	# OF PROPERTIES	PERCENT OF RE ASSETS	TOTAL DOLLARS
REGIONAL	64	61.45%	\$ 196,384,000
PUBLIC	62	26.88%	85,891,000
SMALL	12	11.67%	37,279,000
	138	100.00%	\$ 319,554,000

National Health Investors, Inc.
Summary of Facilities by State
March 31, 2007

	ACUTE LTC	CARE MOB	DEV. DISAB.	ASST. LIVING	RETIREMENT	TOTAL	INVESTMENT AMOUNT	PERCENT TOTAL PORTFOLIO	
1 FLORIDA	11	1	14	4		30	74,007,000	23.16%	
2 TEXAS	19	2				1	22	73,240,000	22.92%
3 TENNESSEE	20		3	3		2	28	28,782,000	9.01%
4 VIRGINIA	8						8	19,801,000	6.20%
5 MISSOURI	8					1	9	18,573,000	5.81%
6 ARIZONA	1			4			5	17,820,000	5.58%
7 NEW HAMPSHIRE	3					1	4	13,693,000	4.29%
8 NEW JERSEY	0			1			1	12,839,000	4.02%
9 KANSAS	7						7	11,204,000	3.51%
10 MASSACHUSETTS	4						4	10,068,000	3.15%
11 GEORGIA	6						6	9,968,000	3.12%
12 KENTUCKY	2	1					3	7,825,000	2.45%
13 SOUTH CAROLINA	3			1			4	7,234,000	2.26%
14 IDAHO	1					1	2	5,138,000	1.61%
15 PENNSYLVANIA	0			1			1	4,242,000	1.33%
16 ALABAMA	2						2	2,037,000	0.64%
17 WISCONSIN	1						1	1,623,000	0.51%
18 ILLINOIS	0	1					1	1,460,000	0.46%
	96	1	4	17	14	6	138	319,554,000	100.00%