
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): July 24, 2007

UNIVERSAL HEALTH REALTY INCOME TRUST

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

1-9321
(Commission File Number)

23-6858580
(IRS Employer
Identification No.)

**Universal Corporate Center
367 South Gulph Road
King of Prussia, Pennsylvania**
(Address of principal executive offices)

19406
(Zip Code)

Registrant's telephone number, including area code: (610) 265-0688

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On July 24, 2007, the Trust made its second quarter, 2007 earnings release. A copy of the Trust's press release is furnished as exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

99.1 Press release dated July 24, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UNIVERSAL HEALTH REALTY INCOME TRUST

Date: July 24, 2007

By: /s/ Alan B. Miller
Name: Alan B. Miller
Title: Chairman of the Board,
Chief Executive Officer and President

By: /s/ Charles F. Boyle
Name: Charles F. Boyle
Title: Vice President and Chief Financial Officer

Exhibit Index

Exhibit No.

Exhibit

99.1

Press release dated July 24, 2007.

UNIVERSAL HEALTH REALTY INCOME TRUST

Universal Corporate Center
367 S. Gulph Road
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King of Prussia, PA 19406
(610) 265-0688

FOR IMMEDIATE RELEASE

CONTACT: Cheryl K. Ramagano
Vice President & Treasurer
(610) 768-3300

July 24, 2007

UNIVERSAL HEALTH REALTY INCOME TRUST
REPORTS SECOND QUARTER 2007 FINANCIAL RESULTS

KING OF PRUSSIA, PA- Universal Health Realty Income Trust (NYSE:UHT) announced today that for the quarter ended June 30, 2007, net income was \$8.0 million, or \$.67 per diluted share, as compared to \$6.9 million, or \$.58 per diluted share, during the same quarter in the prior year. Net income from continuing operations during the second quarter of 2007 was \$5.6 million, or \$.47 per diluted share, as compared to \$6.8 million, or \$.57 per diluted share, during the comparable prior year quarter. Favorably impacting net income during the quarter ended June 30, 2007 was a gain of \$2.3 million, or \$.19 per diluted share, realized on the previously disclosed sale of a medical office building. In addition, included in net income and income from continuing operations during the second quarter of 2007 was the recognition of a gain of \$939,000, or \$.08 per diluted share, related to the previously announced Chalmette Medical Center ("Chalmette") asset exchange and substitution transaction dated July 21, 2006. Favorably impacting net income and income from continuing operations during the quarter ended June 30, 2006 was a previously deferred gain on the sale of real property by an unconsolidated limited liability company ("LLC") of \$1.9 million, or \$.16 per diluted share.

Funds from operations ("FFO") were \$7.4 million and FFO per diluted share were \$.63 during each of the three months ended June 30, 2007 and June 30, 2006. The second quarter dividend of \$.575 per share was paid on June 29, 2007.

For the six month period ended June 30, 2007, net income was \$13.8 million, or \$1.16 per diluted share, as compared to \$11.8 million, or \$1.00 per diluted share, during the prior year six month period. Net income from continuing operations during the six month period ended June 30, 2007 was \$11.3 million, or \$.95 per diluted share, as compared to \$11.7 million, or \$.98 per diluted share, during the comparable prior year six month period. Included in net income during the six month period ended June 30, 2007 was a gain of \$2.3 million, or \$.19 per diluted share, realized on the sale of a medical office building. Also included in net income and income from continuing operations during the first six months of 2007 was a gain of \$252,000, or \$.02 per diluted share, resulting from the sale of real property by an unconsolidated LLC and a gain of \$1.7 million, or \$.15 per diluted share, related to the recovery of replacement costs of real estate assets at Chalmette. Included in net income and income from continuing operations during the six

month period ended June 30, 2006 was a gain on the sale of real property by a LLC of \$1.9 million, or \$.16 per diluted share.

FFO were \$14.8 million, or \$1.25 per diluted share, during the six month period ended June 30, 2007 as compared to \$14.8 million, or \$1.24 per diluted share, during the prior year six month period.

At June 30, 2007, our shareholders' equity was \$165.2 million and our liabilities for borrowed funds were \$20.9 million, including mortgage debt of consolidated entities, which is non-recourse to us, totaling \$12.6 million.

During the fourth quarter of 2006, as a result of the expiration of master lease agreements between subsidiaries of UHS and two LLCs in which we own non-controlling ownership interests of 95% and 99%, we began recording the financial results of these LLCs on an unconsolidated basis. For comparative purposes, during the three months ended June 30, 2006, these entities generated, on a combined basis, approximately \$1.2 million of revenue, \$220,000 of depreciation and amortization expense, \$452,000 of other operating expenses and \$227,000 of interest expense. During the six month period ending June 30, 2006, these entities generated, on a combined basis, approximately \$2.4 million of revenue, \$439,000 of depreciation and amortization expense, \$917,000 of other operating expenses and \$454,000 of interest expense. There was no impact on our net income or income from continuing operations as a result of recording these LLCs on an unconsolidated basis.

Universal Health Realty Income Trust, a real estate investment trust, invests in healthcare and human service related facilities including acute care hospitals, behavioral healthcare facilities, rehabilitation hospitals, sub-acute care facilities, surgery centers, childcare centers and medical office buildings. We have forty-three real estate investments in fourteen states.

Funds from operations, is a widely recognized measure of REIT performance. Although FFO is a non-GAAP financial measure, we believe that information regarding FFO is helpful to shareholders and potential investors. We compute FFO in accordance with standards established by the National Association of Real Estate Investment Trusts ("NAREIT"), which may not be comparable to FFO reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than we interpret the definition. To facilitate a clear understanding of our historical operating results, FFO should be examined in conjunction with net income determined in accordance with GAAP. FFO does not represent cash generated from operating activities in accordance with GAAP and should not be considered to be an alternative to net income determined in accordance with GAAP. In addition, FFO should not be used as: (i) an indication of our financial performance determined in accordance with GAAP; (ii) as an alternative to cash flow from operating activities determined in accordance with GAAP; (iii) as a measure of our liquidity; (iv) nor is FFO an indicator of funds available for our cash needs, including our ability to make cash distributions to shareholders. A reconciliation of our reported net income to FFO is shown below.

The matters discussed in this report, as well as the news releases issued from time to time by us, include certain statements containing the words “believes”, “anticipates”, “intends”, “expects” and words of similar import, which constitute “forward-looking statements” within the meaning of Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers should not place undue reliance on such forward-looking statements which reflect management’s view only as of the date hereof. We undertake no obligation to revise or update any forward-looking statements, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

(more)

Universal Health Realty Income Trust
Consolidated Statements of Income
For the Three and Six Months Ended June 30, 2007 and 2006
(amounts in thousands, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Revenues:				
Base rental—UHS facilities	\$ 3,053	\$ 3,094	\$ 6,115	\$ 6,186
Base rental—Non-related parties	2,374	2,964	4,709	5,895
Bonus rental—UHS facilities	1,035	1,104	2,072	2,255
Tenant reimbursements and other—Non-related parties	564	880	1,149	1,764
Tenant reimbursements and other—UHS facilities	53	94	77	197
	<u>7,079</u>	<u>8,136</u>	<u>14,122</u>	<u>16,297</u>
Expenses:				
Depreciation and amortization	1,254	1,341	2,509	2,675
Advisory fees to UHS	356	355	707	702
Other operating expenses	1,075	1,536	2,216	3,155
	<u>2,685</u>	<u>3,232</u>	<u>5,432</u>	<u>6,532</u>
Income before equity in income of unconsolidated limited liability companies (“LLCs”), replacement property recovered from UHS (Chamlette), gain on sale of real property and interest expense	4,394	4,904	8,690	9,765
Equity in income of unconsolidated LLCs (including recognition of gain on sale of real property of \$252 during the six months ended June 30, 2007 and a previously deferred gain of \$1,860 on sale of our interest in an unconsolidated LLC for the three and six months ended June 30, 2006)	701	2,540	1,648	3,265
Replacement property recovered from UHS—Chalmette	939	—	1,728	—
Interest expense	(428)	(630)	(795)	(1,356)
Income from continuing operations	5,606	6,814	11,271	11,674
Income from discontinued operations, net (including gain on sale of real property of \$2,270 during the three and six months ending June 30, 2007)	2,365	78	2,511	166
Net income	<u>\$ 7,971</u>	<u>\$ 6,892</u>	<u>\$13,782</u>	<u>\$11,840</u>
Basic earnings per share:				
From continuing operations	\$ 0.48	\$ 0.57	\$ 0.96	\$ 0.99
From discontinued operations	\$ 0.20	\$ 0.01	\$ 0.21	\$ 0.02
Total basic earnings per share	<u>\$ 0.68</u>	<u>\$ 0.58</u>	<u>\$ 1.17</u>	<u>\$ 1.01</u>
Diluted earnings per share:				
From continuing operations	\$ 0.47	\$ 0.57	\$ 0.95	\$ 0.98
From discontinued operations	\$ 0.20	\$ 0.01	\$ 0.21	\$ 0.02
Total diluted earnings per share	<u>\$ 0.67</u>	<u>\$ 0.58</u>	<u>\$ 1.16</u>	<u>\$ 1.00</u>
Weighted average number of shares outstanding—Basic	11,807	11,782	11,800	11,780
Weighted average number of share equivalents	38	79	75	79
Weighted average number of shares and equivalents outstanding—Diluted	<u>11,845</u>	<u>11,861</u>	<u>11,875</u>	<u>11,859</u>

Calculation of Funds From Operations (“FFO”):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net income	\$ 7,971	\$ 6,892	\$13,782	\$11,840
Plus: Depreciation and amortization expense:				
Consolidated investments	1,215	1,318	2,490	2,630
Unconsolidated affiliates	1,440	1,066	2,790	2,092
Discontinued operations	—	31	—	62
Less: Gain on sale of real property—discontinued operations	(2,270)	—	(2,270)	—
Gain on LLC’s sale of real property	—	—	(252)	—
Gain on asset exchange and substitution agreement with UHS—Chalmette	(939)	—	(1,728)	—
Previously deferred gain on sale of our interest in an unconsolidated LLC	—	(1,860)	—	(1,860)
Funds from operations (FFO)	<u>\$ 7,417</u>	<u>\$ 7,447</u>	<u>\$14,812</u>	<u>\$14,764</u>
Funds from operations (FFO) per share—Basic	<u>\$ 0.63</u>	<u>\$ 0.63</u>	<u>\$ 1.26</u>	<u>\$ 1.25</u>
Funds from operations (FFO) per share—Diluted	<u>\$ 0.63</u>	<u>\$ 0.63</u>	<u>\$ 1.25</u>	<u>\$ 1.24</u>
Dividend paid per share	<u>\$ 0.575</u>	<u>\$ 0.565</u>	<u>\$ 1.145</u>	<u>\$ 1.125</u>

Universal Health Realty Income Trust
Consolidated Balance Sheets
(dollar amounts in thousands)
(unaudited)

	June 30, 2007	December 31, 2006
Assets:		
Real Estate Investments:		
Buildings and improvements	\$ 166,895	\$ 171,761
Accumulated depreciation	(57,987)	(56,935)
	108,908	114,826
Land	18,244	19,317
Construction in progress	10,947	9,220
Net Real Estate Investments	138,099	143,363
Investments in and advances to limited liability companies ("LLCs")	46,925	47,223
Other Assets:		
Cash and cash equivalents	845	798
Bonus rent receivable from UHS	1,035	1,025
Rent receivable—other	699	814
Deferred charges and other assets, net	1,292	916
Total Assets	<u>\$ 188,895</u>	<u>\$ 194,139</u>
Liabilities and Shareholders' Equity:		
Liabilities:		
Line of credit borrowings	\$ 8,300	\$ 13,600
Mortgage note payable, non-recourse to us	3,783	3,849
Mortgage notes payable of consolidated LLCs, non-recourse to us	8,790	8,888
Accrued interest	72	84
Accrued expenses and other liabilities	2,072	2,857
Tenant reserves, escrows, deposits and prepaid rents	560	595
Total Liabilities	23,577	29,873
Minority interests	79	69
Shareholders' Equity:		
Preferred shares of beneficial interest, \$.01 par value; 5,000,000 shares authorized; none issued and outstanding	—	—
Common shares, \$.01 par value; 95,000,000 shares authorized; issued and outstanding: 2007—11,834,805; 2006—11,791,950	118	118
Capital in excess of par value	188,309	187,524
Cumulative net income	318,656	304,874
Cumulative dividends	(341,844)	(328,319)
Total Shareholders' Equity	165,239	164,197
Total Liabilities and Shareholders' Equity	<u>\$ 188,895</u>	<u>\$ 194,139</u>