

**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) April 21, 2005

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))

Item 2.02. Results of Operations and Financial Condition

On April 21, 2005, Universal Health Realty Income Trust made its first quarter 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

(c) Exhibits. 99.1 Universal Health Realty Income Trust Press Release dated April 21, 2005.

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: April 21, 2005

By: /s/ Alan B. Miller

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

By: /s/ Charles F. Boyle

Charles F. Boyle
Title: Vice President and Chief
Financial Officer

UNIVERSAL HEALTH REALTY INCOME TRUST

Universal Corporate Center
367 S. Gulph Road
P.O. Box 61558
King of Prussia, PA 19406
(610) 265-0688

FOR IMMEDIATE RELEASE

CONTACT: Cheryl K. Ramagano
Vice President & Treasurer

April 21, 2005

UNIVERSAL HEALTH REALTY INCOME TRUST
REPORTS FIRST QUARTER 2005 FINANCIAL RESULTS AND INCREASES
QUARTERLY DIVIDEND BY 10%

Universal Health Realty Income Trust (NYSE:UHT) announced today that net income per diluted share for the quarter ended March 31, 2005 was \$.64 compared to \$.43 for the same period in the prior year. Favorably impacting net income and net income per diluted share during the first quarter ended March 31, 2005 is a gain on the sale of real property of approximately \$1.1 million or \$.09 per diluted share and \$1.5 million or \$.13 per diluted share related to the recovery of replacement costs of real estate assets at Wellington Regional Medical Center that were damaged by a hurricane during 2004. Unfavorably impacting net income and net income per diluted share during the quarter ended March 31, 2005 was a charge, included in interest expense, of approximately \$300,000 or \$.03 per diluted share related to an interest-rate swap agreement that became ineffective based upon the forecasted borrowings under our revolving credit facility.

Funds from operations (FFO) per diluted share for the quarter ended March 31, 2005 were \$.61 compared to \$.66 for the same period in the prior year. Included in the FFO per diluted share during the quarter ended March 31, 2005 is the charge of \$.03 related to interest-rate swap ineffectiveness mentioned above. The first quarter dividend of \$.505 per share was paid on March 31, 2005.

From time to time, our Board of Trustees has considered raising the amount of our quarterly dividend which has historically been more conservative than the healthcare REIT industry average. Today, our Board of Trustees voted to increase our quarterly dividend by \$.05 per share to bring our dividend payout ratio in-line with the healthcare REIT industry average. A dividend of \$.555 per share will be payable on May 31, 2005 to shareholders of record as of May 16, 2005. Since our inception, we have increased our annual dividend each year for eighteen consecutive years while maintaining our fundamental goal of providing a secure dividend stream to our shareholders. We recently received an expression of interest from another healthcare REIT in which it indicated that it believed it could provide greater value to our shareholders. The Board of Trustees reviewed the proposal and determined that, for various reasons, it was not in the best interest of the shareholders to pursue the proposal. However, in the course of its analysis

of the proposal, the Board of Trustees once again considered the amount of our dividend and determined that based upon anticipated future cash flows, an increase in the quarterly dividend would be appropriate to enhance shareholder value. It is expected that the next quarterly dividend will be declared on or about September 1st with a record date and payment date to be determined later.

At March 31, 2005, our shareholders' equity was \$156.4 million and our liabilities for borrowed funds were \$38.8 million, including mortgage debt of consolidated entities, which is non-recourse to us, totaling \$22.1 million.

Effective March 31, 2004, we adopted Financial Interpretation No. 46R ("FIN 46R"), "Consolidation of Variable Interest Entities", an Interpretation of ARB No. 51. Consequently, the March 31, 2005 Consolidated Balance Sheet includes the: (i) assets; (ii) liabilities; (iii) third-party borrowings, which are non-recourse to us, and; (iv) minority interests, of three of our LLC investments that meet the criteria of a variable interest entity and where we are deemed to be the primary beneficiary. As a result of FIN 46R, our Consolidated Balance Sheet, as of March 31, 2005, includes assets of \$39.4 million and borrowings, which are non-recourse to us, of \$22.1 million. Also as a consequence of FIN 46R, beginning on April 1, 2004, we began consolidating the results of operations of these LLC investments on our Consolidated Statements of Income. Accordingly, for the three month period ended March 31, 2005, our Consolidated Statements of Income included \$1.6 million of revenue, \$294,000 of depreciation and amortization expense, \$603,000 of other operating expenses and \$426,000 of interest expense recorded in connection with the consolidation of these LLCs. There was no impact on our net income as a result of the consolidation of these LLCs.

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 fifteen 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 Months Ended March 31, 2005 and 2004
(amounts in thousands, except per share amounts)
(unaudited)

| | Three Months Ended March 31, | |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-----------------|
| | 2005 | 2004 |
| Revenues: | | |
| Base rental - UHS facilities | \$ 3,373 | \$ 2,870 |
| Base rental - Non-related parties | 2,795 | 2,270 |
| Bonus rental - UHS facilities | 1,223 | 1,262 |
| Tenant reimbursements and other - Non-related parties | 832 | 440 |
| Tenant reimbursements and other - UHS facilities | 268 | — |
| | <u>8,491</u> | <u>6,842</u> |
| Expenses: | | |
| Depreciation and amortization | 1,408 | 1,079 |
| Advisory fees to UHS | 355 | 374 |
| Other operating expenses | 1,574 | 789 |
| | <u>3,337</u> | <u>2,242</u> |
| Income before equity in unconsolidated limited liability companies (“LLCs”), property damage recovered from UHS and interest expense | 5,154 | 4,600 |
| Equity in income of unconsolidated LLCs (including gain on sale of real property of \$1,061 during the three month period ended March 31, 2005) | 1,981 | 849 |
| Property damage recovered from UHS | 1,528 | — |
| Interest expense | (1,083) | (649) |
| Income from continuing operations | 7,580 | 4,800 |
| Income from discontinued operations, net | — | 248 |
| Net income | <u>\$ 7,580</u> | <u>\$ 5,048</u> |
| Basic earnings per share: | | |
| From continuing operations | \$ 0.64 | \$ 0.41 |
| From discontinued operations | \$ 0.00 | \$ 0.02 |
| Total basic earnings per share | <u>\$ 0.64</u> | <u>\$ 0.43</u> |
| Diluted earnings per share: | | |
| From continuing operations | \$ 0.64 | \$ 0.41 |
| From discontinued operations | \$ 0.00 | \$ 0.02 |
| Total diluted earnings per share | <u>\$ 0.64</u> | <u>\$ 0.43</u> |
| Weighted average number of shares outstanding - Basic | 11,756 | 11,737 |
| Weighted average number of share equivalents | 74 | 68 |
| Weighted average number of shares and equivalents outstanding - Diluted | <u>11,830</u> | <u>11,805</u> |

Calculation of Funds From Operations (“FFO”):

| | Three Months Ended March 31, | |
|----------------------------------------------|---------------------------------|-----------------|
| | 2005 | 2004 |
| Net income | \$ 7,580 | \$ 5,048 |
| Plus: Depreciation and amortization expense: | | |
| Consolidated investments | 1,345 | 1,103 |
| Unconsolidated affiliates | 895 | 1,610 |
| Less: Gain on LLC’s sale of real property | (1,061) | — |
| Property damage recovered from UHS | (1,528) | — |
| Funds from operations (FFO) | <u>\$ 7,231</u> | <u>\$ 7,761</u> |

| | | |
|-------------------------------------------------|----------|----------|
| Funds from operations (FFO) per share - Basic | \$ 0.62 | \$ 0.66 |
| Funds from operations (FFO) per share - Diluted | \$ 0.61 | \$ 0.66 |
| Dividend paid per share | \$ 0.505 | \$ 0.495 |

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

| | <u>March 31,</u> <u>2005</u> | <u>December 31,</u> <u>2004</u> |
|----------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------|
| Assets: | | |
| Real Estate Investments: | | |
| Buildings and improvements | \$ 193,886 | \$ 189,859 |
| Accumulated depreciation | (58,149) | (56,803) |
| | <u>135,737</u> | <u>133,056</u> |
| Land | 23,143 | 23,143 |
| Construction in progress | — | 1,863 |
| | <u>158,880</u> | <u>158,062</u> |
| Investments in and advances to limited liability companies ("LLCs") | 30,467 | 40,523 |
| Other Assets: | | |
| Cash | 7,239 | 3,588 |
| Bonus rent receivable from UHS | 1,223 | 1,128 |
| Rent receivable - other | 468 | 392 |
| Deferred charges and other assets, net | 961 | 890 |
| | <u>199,238</u> | <u>204,583</u> |
| Liabilities and Shareholders' Equity: | | |
| Liabilities: | | |
| Line of credit borrowings | \$ 12,700 | \$ 20,000 |
| Mortgage note payable, non-recourse to us | 4,055 | 4,083 |
| Mortgage notes payable of consolidated LLCs, non-recourse to us | 22,083 | 22,127 |
| Accrued interest | 392 | 417 |
| Accrued expenses and other liabilities | 1,876 | 1,902 |
| Fair value of derivative instruments | 709 | 1,059 |
| Tenant reserves, escrows, deposits and prepaid rents | 734 | 703 |
| | <u>42,549</u> | <u>50,291</u> |
| Minority interests | 242 | 239 |
| Shareholders' Equity: | | |
| Preferred shares of beneficial interest, \$.01 par value; 5,000,000 shares authorized; none outstanding | — | — |
| Common shares, \$.01 par value; 95,000,000 shares authorized; issued and outstanding: 2005 - 11,760,881; 2004 - 11,755,670 | 118 | 118 |
| Capital in excess of par value | 186,424 | 186,275 |
| Cumulative net income | 252,334 | 244,754 |
| Accumulated other comprehensive loss | (392) | (994) |
| Cumulative dividends | (282,037) | (276,100) |
| | <u>156,447</u> | <u>154,053</u> |
| Total Liabilities and Shareholders' Equity | <u>\$ 199,238</u> | <u>\$ 204,583</u> |