

Excellence. Sustained.TM

2012 ANNUAL REPORT



We are what we
repeatedly do.
Excellence, then,
is not an act,
but a habit.

– ARISTOTLE

Excellence is our way of life. We pursue it by adding value to every aspect of our business. And we have done so for more than a dozen years. That's not just excellence. That's **Excellence. Sustained.™**

- **Growth**
Our powerful investment platform and low cost capital combine to propel our growth.
- **Enterprise Strength**
Our balanced business model, diversified assets and demographic demand generate consistent, growing cash flows.
- **Promises**
Our promises to diversify, increase dividends and build strength create superior total shareholder return.
- **Leadership**
Our forward-thinking leadership team has redefined our industry and works together to achieve excellence.

32%
Compound
Annual
Return
Since 1/1/00

10%
Compound
Annual Dividend
Increase
Over 10 years

\$27 Billion
Enterprise
Value
At 12/31/12

1,400+
Properties
Diversified by
Tenant, Asset Class,
and Geography



\$20 Billion
in Accretive Investments
Including Eight Major Acquisitions
in Eight Years

10 Years of Superior Total Shareholder Return¹

Index	12/02	12/12
VENTAS	\$1,000	\$9,354 (835.4%)
MSCI US REIT INDEX	\$1,000	\$1,986 (199.1%)
S&P 500 INDEX	\$1,000	\$1,986 (98.6%)

The Dollars and Cents of Sustained Excellence.

\$1,000 invested in Ventas on 12/31/02 would be valued at \$9,354 on 12/31/12. That same investment in the S&P 500 Index would be valued at \$1,986.

(1) Source: Factset, 10-year period ended December 31, 2012

\$1.5 Billion NOI in 2012

Our flexible and diverse business model covers a broad spectrum of healthcare properties that produced total Net Operating Income (NOI) of \$1.5 billion in 2012.

NOI by Property Type¹

- Seniors Housing
- Hospitals
- Medical Office Buildings (MOBs)
- Skilled Nursing Facilities
- Loan Investments

Property Type	Percentage
Seniors Housing	50%
Hospitals	7%
Medical Office Buildings (MOBs)	17%
Skilled Nursing Facilities	22%
Loan Investments	4%

(1) Excludes discontinued operations for all periods. Annualized 4Q12 Ventas NOI assuming all events occurred at the beginning of the period. In certain cases, reflects actual calendar year rent. NOI reflects only Ventas's portion for joint venture assets.

Growing Same-Store Cash Flow¹

4+%

(1) 2012 compared to 2011

Cash Flow from Operations Reached \$1 Billion in 2012

Year	Cash Flow from Operations
2010	\$0.45 B
2011	\$0.77 B
2012	\$1.0 B

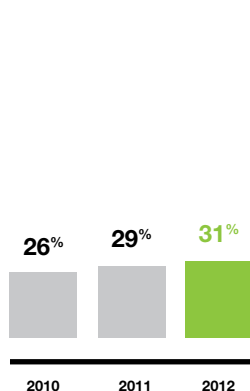
Financial Highlights

	2012	2011	2010
<i>(In thousands, except per share amounts)</i>			
Operating Data:			
Rental Income	\$ 1,194,060	\$ 803,455	\$ 523,339
Resident Fees and Services	1,229,479	868,095	446,301
Total Revenues	2,485,299	1,743,653	1,000,634
NOI ⁽¹⁾	1,504,968	1,068,161	674,679
Income from Continuing Operations			
Attributable to Common Stockholders	305,573	363,133	213,444
Net Income Attributable to Common Stockholders	362,800	364,493	246,167
Share Data:			
FFO ⁽²⁾ , Diluted	\$ 3.48	\$ 3.57	\$ 2.67
Normalized FFO ⁽³⁾ , Diluted	\$ 3.80	\$ 3.37	\$ 2.88
Income from Continuing Operations			
Attributable to Common Stockholders, Diluted	\$ 1.04	\$ 1.57	\$ 1.35
Net Income Attributable to Common Stockholders, Diluted	\$ 1.23	\$ 1.58	\$ 1.56
Dividends Paid for Year	\$ 2.48	\$ 2.30	\$ 2.14
Weighted Average Shares Outstanding, Diluted	294,488	230,790	157,657
Closing Stock Price as of December 31	\$ 64.72	\$ 55.13	\$ 52.48
Shares Outstanding as of December 31	291,866	288,809	157,265
Other Data as of December 31:			
Equity Market Capitalization ⁽⁴⁾	\$ 19,004,510	\$ 16,024,858	\$ 8,253,267
Total Capitalization ⁽⁴⁾	\$ 27,418,156	\$ 22,453,974	\$ 11,153,311
Debt/Total Capitalization	30.7%	28.6%	26.0%

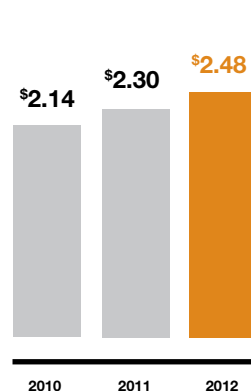
- (1) Net Operating Income, defined as total revenues, less interest and other income, property-level operating expenses and medical office building services costs (excluding amounts in discontinued operations). Cash receipts may differ due to straight-line recognition of certain rental income and the application of other U.S. generally accepted accounting principles (GAAP) policies.
- (2) Funds From Operations, defined by the National Association of Real Estate Investment Trusts® (NAREIT) as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of real estate property, including gain on re-measurement of equity method investments, and impairment write-downs of depreciable real estate, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect FFO on the same basis.
- (3) FFO excluding: (a) net gains on real estate activity; (b) merger-related costs and expenses, including amortization of intangibles and transition and integration expenses, and deal costs and expenses, including expenses and recoveries relating to our lawsuit against HCP, Inc.; (c) the impact of any expenses related to asset impairment and valuation allowances, the write-off of unamortized deferred financing fees, or additional costs, expenses, discounts, make-whole payments, penalties or premiums incurred as a result of early retirement or payment of our debt; (d) the non-cash effect of income tax benefits or expenses; (e) the impact of future unannounced acquisitions or divestitures (including pursuant to tenant options to purchase) and capital transactions; (f) the financial impact of contingent consideration; (g) charitable donations made to the Ventas Charitable Foundation; and (h) gains and losses for non-operational foreign currency hedge agreements and changes in the fair value of financial instruments.
- (4) Includes redeemable OP units.

For non-GAAP reconciliation, see "Supplemental Data" on p. 20.

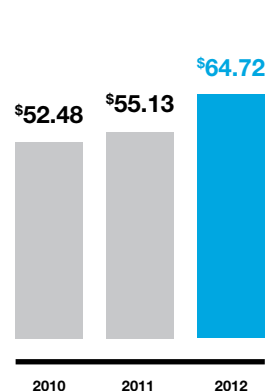
Debt/Total Capitalization



Dividends Per Share Paid for Year



Year-End Closing Stock Prices



Dear Fellow Stakeholder,

In 2012, we harnessed the power of our company to fulfill our promise to deliver consistent, superior total returns to shareholders. Our success is the result of our outstanding execution, commitment to stakeholders, sound strategy, cohesive team and strong work ethic. These are the values that have sustained excellence at Ventas for more than a decade.

Last year, we continued our value-creating external growth, while enhancing our infrastructure to integrate our scale and complexity and position us for the future. We significantly grew cash flow, improved our cost of capital, and actively managed our diverse portfolio to increase revenue and protect value.

Once again, we demonstrated the merits of building a company with balance, diversification, scale and flexibility to provide investors with growth and capital preservation, essential components of our long-term consistent strategy. Over ten years, our compound annual return to shareholders exceeded 25 percent and normalized FFO per share and compound annual dividend growth increased more than 10 percent per year. Our equity market capitalization exceeded \$20 billion in early 2013.

Strong demographic demand for our over 1,400 properties propels our business. The 85+ cohort, many of whom will move into our high-quality senior living communities, is the fastest-growing segment of the U.S. population. Our MOB's will benefit from both the 79 million Baby Boomers who are turning Medicare-eligible and the 32 million newly insured individuals to be covered under the Affordable Care Act. In the future, most Americans will increasingly reside and receive care in our consumer-focused senior living communities—which do not rely on government funding—and our low-cost healthcare settings, as these properties become part of the solution in our national healthcare policy debate.

Momentum and market trends help us build strength and sustain excellence. In a favorable environment when we have the opportunity to make accretive investments and access debt capital at historically low rates, we will act with purpose and urgency. And we protect shareholder capital with thoughtfully managed risk: 70 percent of our enterprise

value is composed of permanent equity capital, and our debt maturities are staggered and manageable.

Excellence Achieved

I am proud of our many significant accomplishments during 2012. Total normalized FFO rose 44 percent to \$1.1 billion, and normalized FFO per diluted share increased 13 percent to \$3.80.

Our total shareholder return (TSR) for 2012 exceeded 22 percent, outperforming the U.S. REIT Index and the S&P 500 Index in each of the trailing 1-, 3-, 5- and 10-year periods. At year-end, we were the fourth largest Real Estate Investment Trust (REIT), measured by equity value.

We performed flawlessly on our three pillars of excellence: investing capital; managing our portfolio; and raising capital. Our \$2.7 billion in investments in high-quality private pay assets, at nearly an 8 percent unlevered cash yield, was exceptional. Our strategic investment in Atria Senior Living, the fifth largest U.S. senior living care provider, gives us a creative way to participate in Atria's growth and industry evolution.

Asset management drove same-store operating cash flow growth exceeding 4 percent and also recycled over \$400 million in capital through attractive asset sales and loan repayments. Our market knowledge and industry expertise were essential to our successful re-leasing or sale of all 89 licensed healthcare assets up for renewal in 2013. And our capital markets team managed our liabilities prudently, raising over \$2.6 billion in debt capital at a weighted average rate of just over 3 percent in 2012.

All of our efforts resulted in \$1 billion in cash flow from operations in 2012. Increasing cash flows lead to increased investments in income-producing assets, generating future growth potential and creating a virtuous cycle for our continued success, including higher dividends for shareholders. Last year, and again in early 2013, we raised our annual dividend by 8 percent, to \$2.68 per share—maintaining a safe secure payout ratio, with room for growth.

Our focused pursuit of excellence is manifest in our large, nimble organization, our balanced business model and our ability to grow and perform in a variety of cycles.

Excellence Pursued

I am excited about the future, challenging our organization to raise the bar on our record of success and excellence.

Future success means we must consider ourselves a world-class company. As we adapt to our more complex enterprise and rapidly changing external environment, we must also reinforce the principles and values that have served us well for many years—passion for excellence, problem solving and execution, sound consistent strategy, stability in management, teamwork, commitment to protecting the firm and integrity.

We are managing our firm, assets and liabilities consistent with our near-term view that economic growth will be slow but positive and that low interest rates will persist, supported by accommodative policy. Those factors favor cash flowing businesses with hard assets and dividend paying stocks like ours. But we must also be prepared for other scenarios, including a recession or, more likely, a backdrop of higher growth and rising interest rates.

On the liability side, we are taking steps to exploit the current environment and protect against future changes. One example is the recent issuance of our first 30-year bond at a very attractive fixed rate. The long tenor protects us against rising rates. However, if rates actually decline or our credit spreads improve materially, we have the option to repay the principal at par and refinance at lower rates. We value this one-way option. We also are actively managing our ratio of fixed rate debt to floating rate debt. While some floating rate prepayable debt is appropriate and indeed desirable, we will primarily finance our business with fixed rate debt to match the long duration of our assets.

On the asset front, we were prescient in investing \$14 billion in our portfolio of high-quality seniors housing and medical office building assets beginning in 2010. Our flexible business model and powerful platform give us the advantage of investing in different subsectors at early stages in improving economic, capital markets and reimbursement cycles. We will also consider increasing exposure in certain existing asset classes, investing outside the U.S. and even adding new asset classes to our mix. Our resources,

experience and scale allow us to invest wisely on the return slope, while staying true to our rigorous investment principles and within our areas of expertise.

We remain forward-thinking, value-creating capital allocators—positioned to grow in the highly dynamic, robust and fragmented \$1 trillion seniors housing and healthcare real estate market. Assets will flow to the most efficient owners—like Ventas—who have the best cost of capital, industry knowledge, skill and foresight to take advantage of the ample opportunities.

Excellence. Sustained.™

The history of Ventas is about achieving and sustaining excellence. For this, we are indebted to the support, experience and judgment of our dedicated Board of Directors, who are actively engaged as we chart and recalibrate our path to a secure and exciting future.

My colleagues in the Ventas senior leadership team and across our hardworking employee base are second to none. Our cohesive team executes our growth strategy, protects the downside and continues to deliver outstanding shareholder value. To all of you, I applaud your many achievements and tireless efforts.

Finally, I value our investors enormously for supporting us and trusting us to be faithful stewards of their capital. We are driven to excel for you. We return your confidence by creating exceptional value and delivering consistent, superior shareholder returns. Our unwavering commitment to you continues as we sustain the excellence you have come to expect from us.



Debra A. Cafaro
Chairman and
Chief Executive Officer
March 20, 2013

Sustained Excellence Powers Our Growth.

We deliver superior returns through strategic growth and diversification. In 2012, we completed \$2.7 billion of accretive investments, bringing our three-year total to \$14 billion. We are disciplined acquirers with rigorous investment standards. Each of our investments must provide good risk-adjusted returns and complement our balanced asset, tenant and business mix. And it is essential for us to be able to finance our investments without compromising our commitment to a strong balance sheet and liquidity.

That's why collaboration between the acquisitions team and the finance team creates sustained excellence. Executive Vice President and Chief Investment Officer John D. Cobb, Executive Vice President and Chief Financial Officer Richard A. Schweinhart, and Senior Vice President, Capital Markets and Investor Relations Lori B. Wittman discuss growth in the following pages.

SUNRISE OF LINCOLN PARK

Recognized for its resident-centered approach to care, Sunrise of Lincoln Park in Chicago is an ENERGY STAR® certified building. Located in one of Chicago's most desirable neighborhoods, this Sunrise community is an excellent fit with Ventas's strategic focus on high-quality, private pay seniors housing that serves a rapidly aging population.



21% of 75+ Cohorts Have a Net Worth

>\$500,000¹

(1) Source: ESRI

Boomers and Seniors Have a Net Worth

3x

That of Younger Generations.¹

(1) Source: Economic Policy Institute

JOHN: We've carefully designed our powerful platform so we can do deals of any size—from small, single asset and large portfolio deals to complex mergers and acquisitions. Our team—experienced and dedicated—provides our customers with the most effective capital financing solution to each transaction. We acquire or invest in the real estate of our operators at attractive pricing so they can grow, unlock equity, reinvest in their business or even exit after a successful run. With our skills and knowledge, we have multiple ways to help our customers take advantage of changing trends in the seniors housing and healthcare environment. Our 100+ customers—tenants and operators—know we are a reliable capital and business solutions provider.

LORI: Of course, none of these acquisitions could be done without our great balance sheet and continuous focus on improving our cost of capital.

RICK: We are able to grow effectively because we actively monitor all of the capital markets. We have made a point of diversifying our financing options, just like we have diversified our assets. We strive to raise capital in the most cost-efficient market.



Equity Market Value ↑

21x¹

Equity Has Grown

2x

as Much as Debt¹

(1) 12/31/2002–12/31/2012

Unsecured Debt Raised in 2012

\$2.6 Billion

at 3.2%¹ 7.7 Years¹

(1) Interest rate and maturity are weighted averages

LORI: Building strong relationships in the capital markets is as important as having great customer relationships. All of our capital sources—shareholders, bank lenders and bondholders—know we can power ahead with our long-term growth and diversification strategy in a variety of economic environments. They appreciate that we protect our balance sheet, build shareholder wealth and sustain excellence.

JOHN: Private pay seniors housing properties and medical office buildings remain our strategic priority because the supply/demand fundamentals are compelling. Our investment strategy also has room for limited higher yielding investments with good risk-adjusted returns, such as our ground up development of a high-end senior living community on Cape Cod. Combining significant investments in our core property types with tactical investments in higher returning, well-structured deals will create reliable growth.

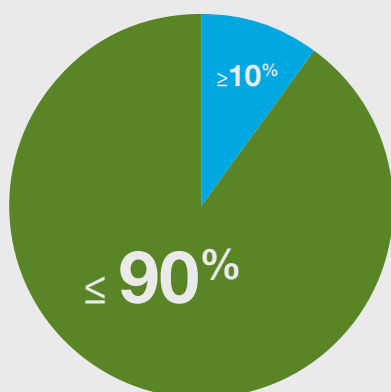
RICK: Maintaining a pristine balance sheet, improving our cost of capital and preserving ample liquidity all contribute to delivering growth and performance. By focusing on these goals, we are always in a position to pursue investment opportunities quickly.

JOHN: And there are plenty of opportunities. Our pipeline of potential acquisitions ranges from \$1 billion to \$2 billion each month. Because of our track record of completing eight large deals in as many years, sellers know we can deliver efficiency and certainty of closing. Our experience acquiring assets from vertically integrating operating companies separating into “propco” and “opco” is extensive. And our access to low-cost capital and expertise enables us to win the best deals.



Lori B. Wittman, Senior Vice President, Capital Markets and Investor Relations, and **Richard A. Schweinhart**, Executive Vice President and Chief Financial Officer

“Only 10 percent of our \$1 trillion seniors housing and healthcare real estate market is owned by REITs, so we have abundant acquisition opportunities. The market is highly fragmented and rapidly changing. We have the scale, size, speed and expertise to capture more than our fair share of good deals.”



■ REIT Owned¹ ■ Other Owner



John D. Cobb
Executive Vice President and
Chief Investment Officer

(1) Based on Stifel and Green Street information, pro forma for recently announced transactions

PALMETTO HEALTH PARKRIDGE

Palmetto Health Parkridge is an 89,450 square-foot MOB located on the site of Palmetto Health Baptist Parkridge, a new hospital in Columbia, South Carolina, opening in late 2013. The MOB, purchased by Ventas in 2012, is on-campus, one of our key business strategies. This attractive facility houses physician offices, an imaging and diagnostic center, a full-service laboratory and an ambulatory surgery center. Delivering patient care in MOB is often the lowest cost, most clinically appropriate setting.



Enterprise Strength—the Foundation of Excellence.

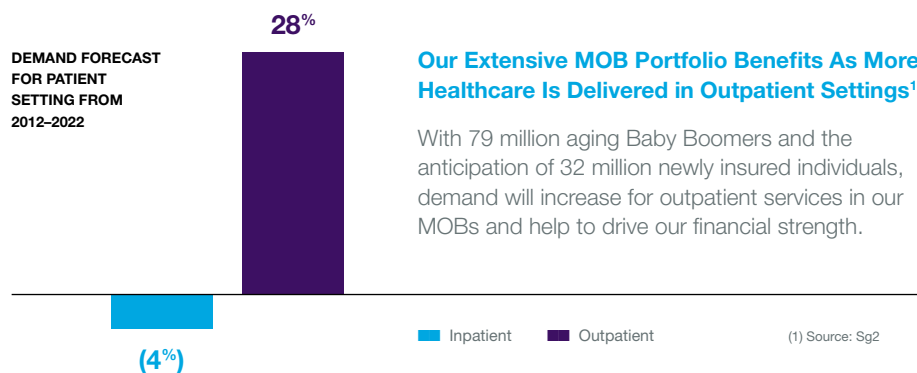
We have a high-performing, diverse portfolio of over 1,400 assets, a balanced business model, strong relationships with our customers, and deep market and industry knowledge. These defining features drive internal growth, make us financially reliable and enable us to meet our customers' needs. The result is that in 2012, Ventas generated cash flow from operations of \$1 billion and more than 4 percent year-over-year same-store cash flow growth.

President Raymond J. Lewis, Senior Vice President and Chief Portfolio Officer Timothy A. Doman and Executive Vice President, Medical Property Operations; President and Chief Executive Officer, Lillibridge Healthcare Services Todd W. Lillibridge explain how Ventas's sustained enterprise strength leads to predictable growth.

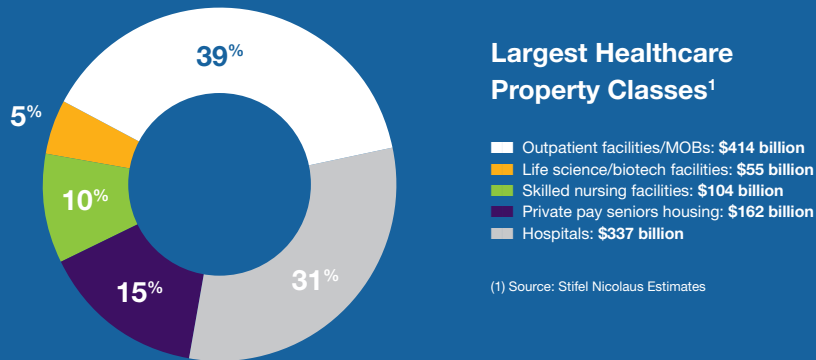
TIM: Our role in asset management is to maximize the value of our portfolio. We ensure our assets deliver reliable, growing cash flows—and we mitigate potential risk—by anticipating changes, whether changes in a market, an operator or an asset class. Because of our highly successful growth and diversification strategy, we now oversee multiple property types, business models and customer relationships. As a landlord, we provide ideas and resources to our customers—

who are operators and care providers—to help them improve performance in their businesses.

RAY: Our deliberately constructed mix of businesses, all of which enjoy demographically driven demand, coupled with historically low new supply, provide the foundation for our enterprise strength and reliability. With more than 55,000 apartment-style units, private pay seniors housing communities are our largest segment. Our best-in-class senior living operating portfolio located in high net worth, barrier-to-entry markets grew operating income by 9 percent in 2012. Because of its high-quality and desirable locations, this segment provides upside in a growing economy, with resilient performance in a slower one. Additionally, our triple-net leases benefit from contractual escalations that help us grow year in and year out. Medical office buildings and outpatient facilities also provide steady growth.

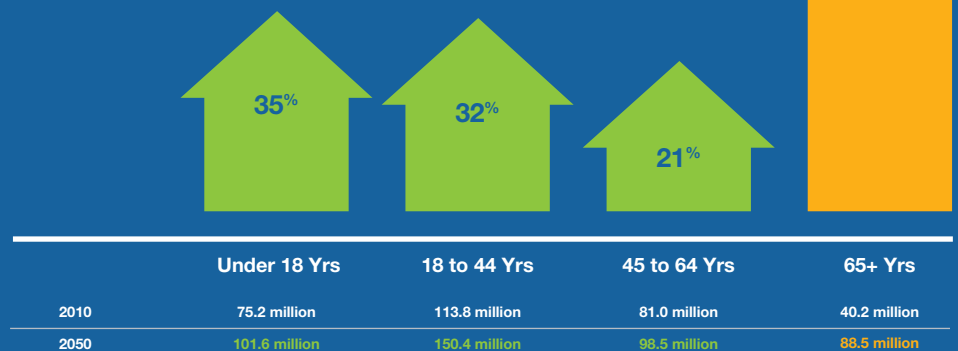


Ventas Will Continue to Be a Leader in the Consolidating \$1 Trillion Seniors Housing and Healthcare Real Estate Market



The 85+ Cohort Is Growing 3x Faster Than the Rest of the Population and Will Continue to Drive Our Highly Successful Private Pay Seniors Housing Business

Projections of the Change in Population by Age for the United States: 2010 to 2050¹



(1) Source: U.S. Census Bureau, 2008

TODD: In the healthcare and hospital arena, delivery channels are changing. If a health system wants to drive profitability in an environment of cost containment, individuals will be directed to the most clinically appropriate, lowest-cost setting possible—which points to outpatient facilities and post-acute care settings. We help our customers find solutions to these changing demands. They recognize and appreciate our knowledge of healthcare, our relationships with providers and our ability to help them capitalize on emerging trends across the seniors housing and healthcare real estate continuum.

TIM: Proactive asset management enables us to maximize the value of our diversified portfolio by increasing cash flows. We have responded to market needs by investing in additional memory care capacity at our owned seniors housing communities, producing double-digit returns on our capital. We've also helped customers reduce their property taxes, insurance and energy costs. By collaborating with our customers on these "win-win" strategies, we help them increase their profitability while improving the quality and value of our portfolio.

RAY: Customers recognize and appreciate our detailed understanding of their business and commitment to it. We spot trends early, and our scale makes us efficient and reliable as a capital source.

TODD: And, as the largest operator of MOB's nationally, with a 20 million square-foot portfolio, we see an opportunity to drive significant economies of scale and extend best practices to all of our assets. These initiatives improve leasing velocity, enable customized pricing for office suites and save costs through national contracts. In 2013, we are already realizing significant savings on items like janitorial services and energy that will benefit our customers and our shareholders.

RAY: So it's the combination of our balanced portfolio and our business model that creates enterprise strength, leading to consistent cash flow growth. Our experience across multiple healthcare real estate segments and scale give us a distinct competitive advantage.

Seniors Housing Operating Same-Store Portfolio Occupancy

92%

Up 360 Basis Points¹

(1) Q42012 compared to Q42011

Todd W. Lillibridge
Executive Vice President,
Medical Property
Operations; President
and Chief Executive
Officer, Lillibridge
Healthcare Services



Raymond J. Lewis
President

Timothy A. Doman
Senior Vice President and
Chief Portfolio Officer



Promises That Sustain Excellence.



Debra A. Cafaro, Chairman and Chief Executive Officer, and
T. Richard Riney, Executive Vice President, Chief Administrative
Officer and General Counsel

Ventas Chairman and Chief Executive Officer Debra A. Cafaro and Executive Vice President, Chief Administrative Officer and General Counsel T. Richard Riney, two forces behind Ventas's success, have been leading the Company for over 14 years. Early on, they envisioned a strategy for Ventas, articulated their goals and made it happen. They take pride in fulfilling promises and delivering long-term value and excellence.

RICK: Our culture stems from our beginnings, when we determined that we wanted to build a diversified business, expand our private pay assets, grow cash flows and build strength.

DEBRA: We achieved those goals beyond our wildest expectations. We own the most desirable seniors housing and medical office portfolios in the nation. We have three investment grade credit ratings that speak to our diversification and strength. And cash flows from operations reached \$1 billion in 2012. Just like we promised. In the process, we've built almost \$20 billion in shareholder value.

RICK: And that doesn't even count all the dividends we paid along the way.

DEBRA: You're right. We said we wanted to grow the dividend at above-average levels and still maintain more cash flow each year to fuel our continued growth, and we've done that. At this point, we are distributing almost \$800 million a year in dividends.

Diversify with Discipline

Implement Growth Strategy with
Accretive Acquisitions

0 Acquisitions in 2000

8 Major Accretive
Acquisitions
through 2012

269 2000
Properties

1,442 2012
Properties

Build a Diversified Portfolio

Increase Number of Operators

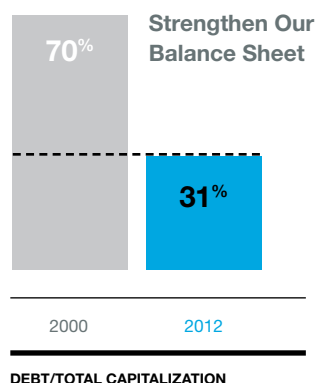
6 2000

100+ 2012

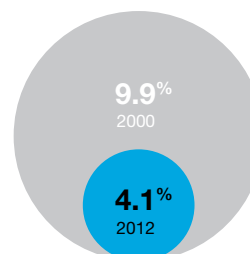
Build Financial Strength

Enhance Access to Capital

**In 2000, 100%
Bank Financed.
In 2012, Access
to Diverse Capital
Sources.**



Improve Our Average
Borrowing Cost



Grow Shareholder Value

Deliver Consistent, Superior
Total Shareholder Return

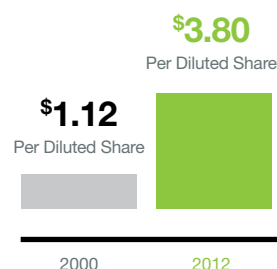
3,474%

12/31/2000–12/31/2012

Increase Annual Dividend



Drive Normalized
FFO Growth



RICK: Our team and culture support that approach. We are fast when opportunities present themselves, whether it's raising capital or completing deals. Our senior executives exemplify our commitment to sustaining excellence, and they model the right values for all our team members: hard work, constant improvement, strong ethics, sense of urgency and collaboration.

DEBRA: And, of course, our most important promise: our unrelenting focus on building wealth for our shareholders.

RICK: Even as a bigger company with a lot of success under our belt, our core principles haven't changed. We are still results oriented. We constantly challenge ourselves as individuals and as a team to excel and improve. We have adapted to manage our explosive growth, but our basic strategy, principles and tactics have stayed the same. They have been tried and tested; we know they work.

DEBRA: We said at the beginning we wanted to build an enterprise of enduring value that could thrive no matter what the external environment threw at us. Our job now is to move Ventas to the next level of success and excellence.

Strengthen

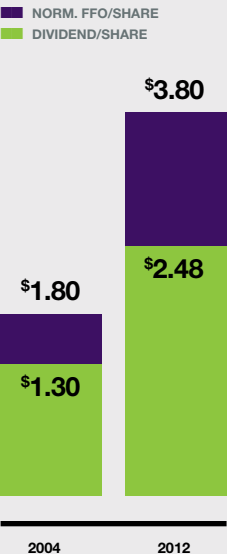
Maintaining a Strong Balance Sheet and Moving Up the Credit Curve Enhance Our Cost of Capital Advantage and Build Stakeholder Value

Credit Rating Agency	Rating	Outlook
Fitch Ratings	BBB+	Stable
Moody's Investors Service	Baa2	Positive
Standard & Poor's Ratings Services	BBB	Stable

As of December 31, 2012

In December 2012, Moody's Investors Service changed the outlook for Ventas's credit rating to positive from stable, recognizing our strong financial condition and consistently high performance.

Grow

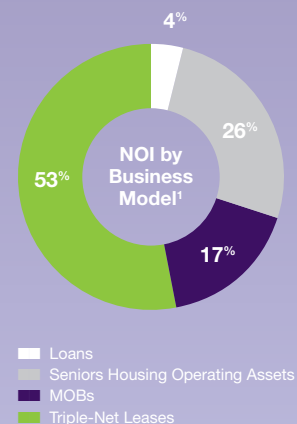
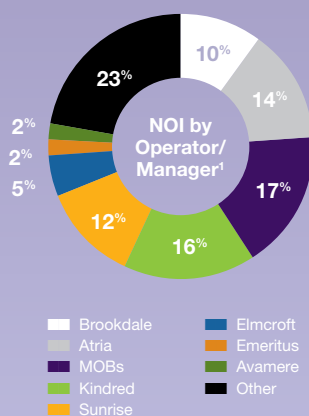


FFO and Dividend Growth with Safety

Both our FFO and dividend have grown by almost 100 percent, driven by our sustained excellence. At the same time, we have retained one of the most secure payout ratios in the sector, with room for future dividend growth.

Diversify

We Continue to Fulfill Our Promise to Grow and Diversify Our Enterprise, Giving Ventas an Extraordinary Platform That Has the Ability to Sustain Outperformance



(1) Totals may not add due to rounding. Excludes discontinued operations for all periods. Annualized 4Q12 Ventas NOI assuming all events occurred at the beginning of the period. In certain cases, reflects actual calendar year rent. NOI reflects only Ventas's portion for joint venture assets.

THE VILLAGE AT THE ARBORETUM

Purchased in 2012, Atria's Village at the Arboretum in Austin, Texas is an independent living community that reflects Ventas's strategy to own the best properties in the best markets with the best operators. In 2012, Ventas made an important strategic investment in Atria Senior Living, a nationally recognized senior care provider that is dedicated to encouraging a fulfilling lifestyle and promoting independence for its residents.





ATRIA ON THE HUDSON

Atria on the Hudson, located in Westchester County, New York, is a 10-acre property that is one of six LEED®-certified buildings in the Ventas portfolio and a great example of our commitment to environmental sustainability. We are working with Atria to develop additional LEED-certified properties, as we recognize that taking care of the planet is good for business. It helps our operators reduce their costs, benefitting us, them and their residents.

Leadership—the Source of Sustained Excellence.



The continuity, depth and experience of the senior team, its bench strength, and its leadership position in the real estate, seniors housing and healthcare sectors are all defining parts of the company. While the acquisitions team is driving prudent growth, other professionals inside the firm make sure Ventas's growth is well managed and sustainable.

Senior Vice President and Chief Tax Officer Brian K. Wood, Senior Vice President and Chief Human Resources Officer Julie M. Dreixler, Senior Vice President and Chief Information Officer John K. Hart, and Chief Accounting Officer and Controller Robert J. Brehl and their teams ensure that Ventas's \$20 billion in investments work without a hitch. They are immersed in the complexities of each deal; no detail is too small to get right when excellence is the goal.

ROB: With our doubling in size since 2010, we have kept a laser-sharp focus on business fundamentals—human resources, accounting, technology systems, legal and tax matters. As we have layered on large and complex acquisitions, our accounting team has risen to every challenge and published timely, transparent results for our stakeholders. As accountants, our job is to report on the past, but in a rapidly growing firm like Ventas, we also need to be forward-thinking.

Robert J. Brehl
Chief Accounting Officer and Controller

JULIE: To stay ahead of the game, we focus on talent acquisition to support our growth. We seek high-achieving individuals who will help us drive performance within a culture of teamwork and collaboration. Integrating our new Cogdell Spencer colleagues and combining our policies, benefits and retirement plans is a good example of how human resources adds value to a growing organization. It's a demanding environment with high expectations. We don't ever slow down, and that requires stamina.

BRIAN: We have also been an industry leader in REIT tax matters. We were the first REIT to acquire seniors housing operating assets in 2007, and since then we developed and advocated federal legislation (RIDEA), making management contracts with seniors housing operators more tax efficient. That really was a game-changer for our business. We have demonstrated repeatedly that we have the leadership and sophistication to successfully complete deals of all types and structures—like so called “propco-opco” separations—and remain REIT compliant. With our expertise and experience, we can be groundbreaking in a thoughtful, protective way.

JOHN: I joined Ventas from a highly sophisticated technology environment (global commodities exchange). With our astounding growth in scale, Ventas is committed to having the technology infrastructure to manage its huge portfolio of diverse assets and multiple customer relationships, as well as solidify its strong reporting and analytical capabilities. We also give our employees the tools they need to be efficient and effective. We are enhancing existing systems and building new ones that improve our ability to process information. The focus is on accuracy, speed, agility and improved data mining capabilities. We have a vast store of information we can use to spot key trends and create strategic value. We simply do what needs to be done and do it quickly.

“We have demonstrated repeatedly that we have the leadership and sophistication to successfully complete deals of all types and structures...we can be groundbreaking in a thoughtful, protective way.”

Julie M. Dreixler
Senior Vice President
and Chief Human
Resources Officer



Brian K. Wood
Senior Vice President
and Chief Tax Officer

John K. Hart
Senior Vice President
and Chief Information Officer



A strong, independent Board of Directors, a commitment to environmental sustainability and a platform for charitable giving are smart business practices that are consistent with Ventas's strategic objectives to deliver long-term, superior results and sustained excellence.

Governance

If the proof of good governance is the creation of shareholder value, then **our 10-year total shareholder return of 835.4 percent** speaks for itself.

The wisdom and experience provided over many years by our engaged, active and independent Board of Directors have been instrumental in our sustained excellence. Our directors hold us to an exemplary standard of performance, and we are grateful for their guidance. Committed to maintaining the highest standards of governance, our Board has adopted effective policies that serve to reinforce its independence and accountability, including majority voting for directors and the election of industry leader Douglas Crocker II as Presiding Director, a position he has held since 2003. In addition, our

minimum stock ownership guidelines require our directors and executives to maintain significant equity ownership in Ventas to ensure that their interests are always aligned with those of our stakeholders.

The core principles of fairness and accountability, along with transparency for our investors, customers, regulatory authorities and employees, permeate our culture. **Our commitment to integrity is unwavering**, as we require that all of our employees and directors comply with our strict Code of Ethics and Business Conduct. We believe that our long-standing dedication to ethical behavior has been a key contributor to our success.

Sustainability

Sustainability is good for both the environment and our business. Sound environmental programs lower operating costs, command higher market values, are valued by tenants and operators, and lead to lasting economic efficiencies while preserving and protecting the planet.

At Ventas, sustainability is a focal point for our existing portfolio of buildings as well as future investments. Our corporate offices in Chicago, IL, Louisville, KY and Irvine, CA are located in LEED-certified buildings, endorsed by a respected third party for use of environmentally friendly practices. In addition, **we are proud to have six LEED-certified buildings in our portfolio**. We are a signatory to the Carbon Disclosure Project (CDP), which binds us to transparency and timely disclosure of climate change risk, and every year we take part in the

Global Real Estate Sustainability Benchmark (GRESB) survey. We are auditing the key energy consumption features (lighting, HVAC, water and utilities) at our properties, and **more than 500 of our buildings have been registered with ENERGY STAR, with 38 of them having received ENERGY STAR certification**, indicating they are energy efficient.

We have begun to use environmental factors in our acquisition and divestiture decisions. And we are raising awareness of the importance of environmentally responsible actions throughout the organization, establishing a sustainability committee comprised of senior leaders from different functional areas that meets regularly to consolidate and improve our sustainability awareness, information collection and disclosure.

Corporate Responsibility

Corporate citizenship is an important value at Ventas, and we want to share our financial success by contributing to worthwhile causes. **In 2006, we established the Ventas Charitable Foundation, now funded at \$12 million, to support the communities in which we operate and the charitable organizations that are important to our employees and customers.**

Through the Foundation, we have contributed our money and time to organizations that are committed to social and human services, health, education, arts and conservation efforts.

We have been active participants in charitable events with our customers, including **Atria Cares** and the **Sunrise Good Samaritan Fund** in the wake of Superstorm Sandy, and we have provided our employees with support and the tools needed to give back to their communities. Employees in our Chicago office also have engaged in volunteer projects through our partnership with the nonprofit Chicago Cares, including participating in various beautification efforts around senior residences and helping to improve the quality of a school facing challenges of high unemployment and poverty.

Supplemental Data

Funds From Operations (FFO) and Normalized FFO

For the Years Ended December 31,	Per diluted share ⁽¹⁾							
	2012	2011	2010	2012	2011	2010	2004	2000
<i>(In thousands, except per share amounts)</i>								
Net income attributable to common stockholders	\$ 362,800	\$ 364,493	\$ 246,167	\$ 1.23	\$ 1.58	\$ 1.56	\$ 1.43	\$ (0.96)
Adjustments:								
Real estate depreciation and amortization	721,558	445,237	199,048	2.45	1.93	1.27	0.58	0.62
Real estate depreciation related to noncontrolling interest	(8,503)	(3,471)	(6,217)	(0.03)	(0.02)	(0.04)	—	—
Real estate depreciation related to unconsolidated entities	7,516	6,552	2,367	0.03	0.03	0.02	—	—
Gain on re-measurement of equity interest upon acquisition, net	(16,645)	—	—	(0.06)	—	—	—	—
Discontinued operations:								
Gain on real estate dispositions, net	(80,952)	—	(25,241)	(0.27)	—	(0.16)	(0.23)	(0.01)
Depreciation on real estate assets	38,793	12,040	5,382	0.13	0.05	0.03	0.00	—
FFO	1,024,567	824,851	421,506	3.48	3.57	2.67	1.78	(0.36)
Litigation proceeds, net	—	(202,259)	—	—	(0.88)	—	—	—
Merger-related expenses and deal costs	63,183	153,923	19,243	0.21	0.67	0.12	—	—
Income tax (benefit) expense	(6,286)	(31,137)	2,930	(0.02)	(0.13)	0.02	—	—
Loss on extinguishment of debt, net	37,640	27,604	9,791	0.13	0.12	0.06	0.02	0.06
Change in fair value of financial instruments	99	2,959	—	0.00	0.01	—	—	—
United States settlement	—	—	—	—	—	—	—	1.42
Amortization of other intangibles	1,022	1,022	511	0.00	0.00	0.00	—	—
NORMALIZED FFO	\$ 1,120,225	\$ 776,963	\$ 453,981	\$ 3.80	\$ 3.37	\$ 2.88	\$ 1.80	\$ 1.12

(1) Per share amounts may not add due to rounding.

Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. However, since real estate values historically have risen or fallen with market conditions, many industry investors deem presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. To overcome this problem, we consider FFO and normalized FFO to be appropriate measures of operating performance of an equity REIT. We also believe that normalized FFO provides useful information because it allows investors, analysts and our management to compare our operating performance to the operating performance of other real estate companies and between periods on a consistent basis without having to account for differences caused by unanticipated items and other events such as transactions and litigation. In some cases, we provide information about identified non-cash components of FFO and normalized FFO because it allows investors, analysts and our management to assess the impact of those items.

Net Operating Income (NOI)

For the Year Ended December 31,	2012	2011	2010
<i>(In thousands)</i>			
Net income	\$ 361,775	\$ 363,261	\$ 249,729
Adjustments:			
Interest and other income*	(6,158)	(1,217)	(1,209)
Interest*	302,031	242,057	179,918
Depreciation and amortization*	764,774	459,704	206,064
General, administrative and professional fees*	98,813	74,537	49,830
Loss on extinguishment of debt, net	37,640	27,604	9,791
Litigation proceeds, net	—	(202,259)	—
Merger-related expenses and deal costs	63,183	153,923	19,243
Other*	8,842	8,653	272
(Income) loss from unconsolidated entities	(18,154)	52	664
Income tax (benefit) expense*	(6,286)	(31,137)	5,201
Gain on real estate dispositions, net	(80,952)	—	(25,241)
NOI*	1,525,508	1,095,178	694,262
Discontinued operations	(20,540)	(27,017)	(19,583)
NOI (excluding amounts in discontinued operations)	\$ 1,504,968	\$ 1,068,161	\$ 674,679

* Including amounts in discontinued operations.

We consider NOI an important supplemental measure to net income because it allows investors, analysts and our management to measure unlevered property-level operating results and to compare our operating results to the operating results of other real estate companies and between periods on a consistent basis.

FFO, normalized FFO and NOI presented herein may not be identical to those presented by other real estate companies due to the fact that not all real estate companies use the same definitions. FFO, normalized FFO and NOI should not be considered as alternatives to net income (determined in accordance with GAAP) as indicators of our financial performance or as alternatives to cash flow from operating activities (determined in accordance with GAAP) as measures of our liquidity, nor are FFO, normalized FFO and NOI necessarily indicative of sufficient cash flow to fund all of our needs. We believe that in order to facilitate a clear understanding of our consolidated historical operating results, FFO, normalized FFO and NOI should be examined in conjunction with net income as presented in our Consolidated Financial Statements.

Directors and Executive Officers

Directors

Debra A. Cafaro

Chairman and Chief Executive Officer
[Ventas, Inc.](#)

Douglas Crocker II

Presiding Director of Ventas, Inc.
Chairman and Chief Investment Officer
[Pearlmark Multifamily Partners, L.L.C.](#)

Ronald G. Geary

President
[Ellis Park Race Course, Inc.](#)

Jay M. Gellert

President and Chief Executive Officer
[Health Net, Inc.](#)

Richard I. Gilchrist

Senior Advisor
[Irvine Company](#)

Matthew J. Lustig

Chief Executive Officer and
Managing Principal
[Lazard Real Estate Partners](#)

Douglas M. Pasquale

Former Chairman, President
and Chief Executive Officer
[Nationwide Health Properties, Inc.](#)

Robert D. Reed

Senior Vice President and
Chief Financial Officer
[Sutter Health](#)

Sheli Z. Rosenberg

Of Counsel
[Skadden, Arps, Slate, Meagher & Flom LLP](#)

Glenn J. Rufrano

President and Chief Executive Officer
[Cushman & Wakefield, Inc.](#)

James D. Shelton

Chairman
[Legacy Hospital Partners, Inc.](#)
[Omnicare, Inc.](#)

Committees of the Board

Audit and Compliance Committee

Reed (Chair), Rosenberg, Rufrano

Executive Committee

Crocker (Chair), Cafaro,
Geary, Rosenberg

Executive Compensation Committee

Gellert (Chair), Gilchrist, Shelton

Investment Committee

Crocker (Chair), Cafaro,
Geary, Pasquale, Shelton

Nominating and
Governance Committee

Rosenberg (Chair), Crocker, Geary

Executive Officers

Debra A. Cafaro

Chairman and Chief Executive Officer

Raymond J. Lewis

President

John D. Cobb

Executive Vice President
and Chief Investment Officer

Todd W. Lillibridge

Executive Vice President,
Medical Property Operations and
President and Chief Executive Officer,
Lillibridge Healthcare Services, Inc.

T. Richard Riney

Executive Vice President,
Chief Administrative Officer and
General Counsel

Richard A. Schweinhart

Executive Vice President and
Chief Financial Officer

Investor Information

[CORPORATE OFFICES](#)

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2050 Main Street

Suite 800
Irvine, CA 92614
949-718-4400

[ANNUAL MEETING](#)

The Annual Meeting of Stockholders will convene May 16, 2013, at 8:00 a.m. local (Central) time at 353 N. Clark St., James C. Tyree Auditorium, Chicago, IL 60654

[STOCK INFORMATION](#)

Ventas, Inc. is traded on the NYSE under the ticker symbol "VTR." As of March 1, 2013, Ventas had 291.9 million shares outstanding.

[TRANSFER AGENT AND REGISTRAR](#)

Wells Fargo Shareowner Services
P.O. Box 64874
St. Paul, MN 55164-0854
1-800-468-9716
[shareowneronline.com](#)

[INDEPENDENT AUDITORS](#)

Ernst & Young LLP

[INFORMATION](#)

Copies of our 2012 Form 10-K and other filings with the Securities and Exchange Commission may be obtained without charge by contacting our Chicago corporate office or through our website at [ventasreit.com](#)

[MEMBER](#)

National Association of Real Estate Investment Trusts



Ventas, Inc.

353 North Clark Street, Suite 3300

Chicago, Illinois 60654

(NYSE: VTR)

ventasreit.com

Ventas, Inc., an S&P 500 company, is a leading healthcare real estate investment trust. Its diverse portfolio of more than 1,400 assets in 47 states (including the District of Columbia) and two Canadian provinces includes seniors housing communities, skilled nursing facilities, hospitals, medical office buildings and other properties. Through its Lillibridge subsidiary, Ventas provides management, leasing, marketing, facility development and advisory services to highly rated hospitals and health systems throughout the United States.