

2013 ANNUAL REPORT

Excellence.  
Sustained.®



# Growth. Performance. Leadership.

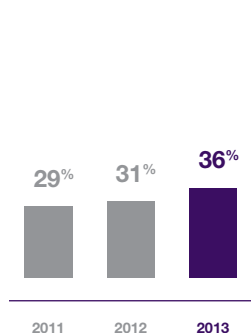
Ventas, Inc., an S&P 500 company, is a leading real estate investment trust with nearly 1,500 seniors housing and healthcare properties. Our 10-year total shareholder return of 320 percent demonstrates the power of our consistent growth, profitability, diversified business model and financial strength.

**That's not just excellence. That's Excellence. Sustained.®**

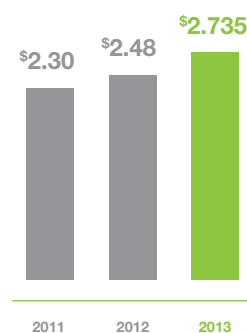
# Financial Highlights

	2013	2012	2011
<i>(In thousands, except per share amounts)</i>			
<b>Operating Data:</b>			
Rental Income	\$ 1,325,984	\$ 1,178,849	\$ 793,802
Resident Fees and Services	1,406,005	1,227,124	865,800
Total Revenues	2,810,053	2,467,733	1,731,704
NOI <sup>(1)</sup>	1,690,059	1,490,322	1,058,324
Income from Continuing Operations			
Attributable to Common Stockholders	488,930	307,835	362,308
Net Income Attributable to Common Stockholders	453,509	362,800	364,493
Cash Flow from Operations	1,194,755	992,816	773,197
<b>Share Data:</b>			
FFO <sup>(2)</sup> , Diluted	\$ 4.09	\$ 3.48	\$ 3.57
Normalized FFO <sup>(3)</sup> , Diluted	\$ 4.14	\$ 3.80	\$ 3.37
Income from Continuing Operations			
Attributable to Common Stockholders, Diluted	\$ 1.66	\$ 1.04	\$ 1.57
Net Income Attributable to Common Stockholders, Diluted	\$ 1.54	\$ 1.23	\$ 1.58
Dividends Paid for Year	\$ 2.735	\$ 2.48	\$ 2.30
Weighted Average Shares Outstanding, Diluted	295,110	294,488	230,790
Closing Stock Price as of December 31	\$ 57.28	\$ 64.72	\$ 55.13
Shares Outstanding as of December 31	294,188	291,866	288,809
<b>Other Data as of December 31:</b>			
Equity Market Capitalization <sup>(4)</sup>	\$ 16,961,582	\$ 19,004,510	\$ 16,024,858
Total Capitalization <sup>(4)</sup>	\$ 26,326,574	\$ 27,418,156	\$ 22,453,974
Debt/Total Capitalization	35.6%	30.7%	28.6%

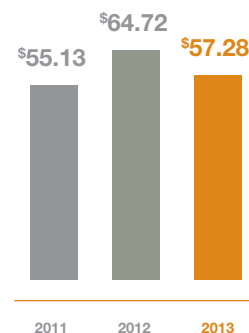
## Debt/Total Capitalization



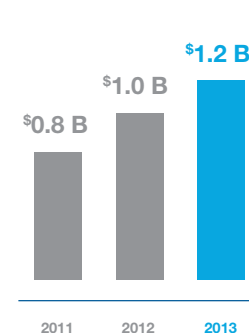
## Dividends Per Share Paid for Year



## Year-End Closing Stock Prices



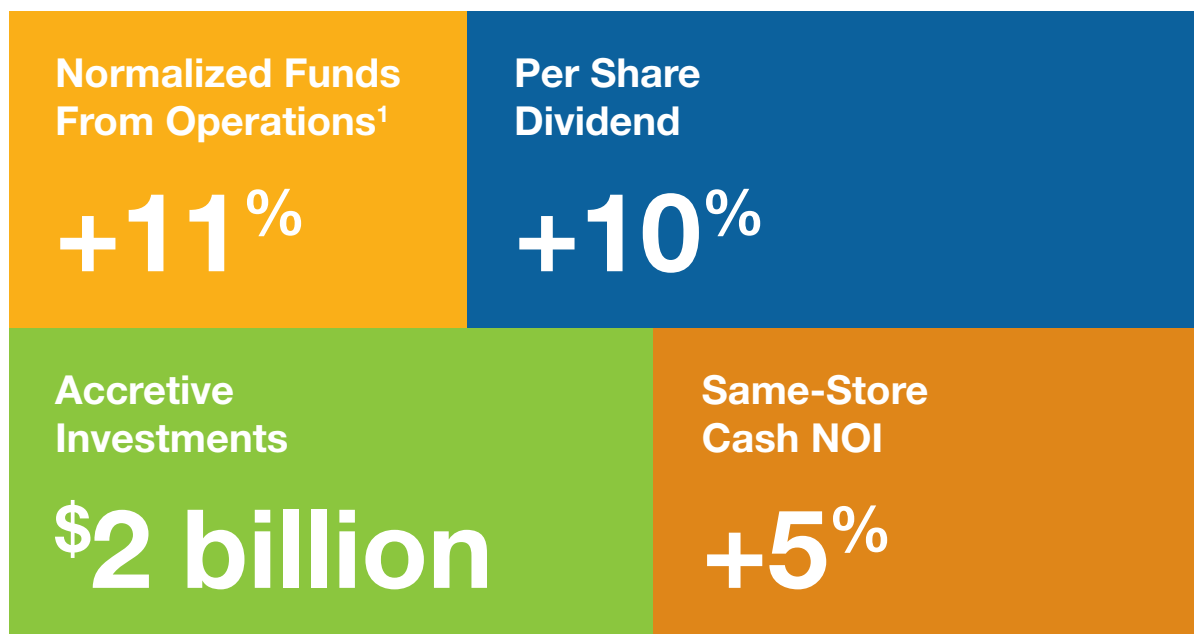
## Cash Flow from Operations



- (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) Normalized FFO, defined as FFO excluding: (a) merger-related costs and expenses, including amortization of intangibles, transition and integration expenses, and deal costs and expenses, including expenses and recoveries relating to our acquisition lawsuits; (b) 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; (c) the non-cash effect of income tax benefits or expenses and derivative transactions that have non-cash market impacts on our Consolidated Statements of Income; (d) the impact of future acquisitions or divestitures (including pursuant to tenant options to purchase) and capital transactions; and (e) the financial impact of contingent consideration, severance-related costs, charitable donations made to the Ventas Charitable Foundation, gains and losses for non-operational foreign currency hedge agreements and changes in the fair value of financial instruments.
- (4) Includes redeemable OP units.

# Dear Stakeholder,

**In 2013, Ventas delivered outstanding results, producing record profits and cash flow. We grew our per share Normalized Funds From Operations (FFO) by 11 percent<sup>1</sup> and raised our dividend by 10 percent. We continued to expand our thriving enterprise with nearly \$2 billion in accretive investments. Plus, we managed our existing assets effectively with 5 percent same-store cash Net Operating Income (NOI) growth.**



Governed by our core values, we continued to protect shareholder capital, manage risk and create greater profitability. We maintained a strong balance sheet, received credit rating upgrades and lengthened our debt maturity schedule at lower all-in rates.

Our outstanding operating and financial results were disconnected from our market performance in 2013, as our Total Shareholder Return (TSR) was (7.6) percent. The Federal Reserve's May announcement that it would taper its bond purchases and gradually eliminate its quantitative easing policy caused capital outflows from real estate investment trusts (REITs) generally and the large healthcare REITs in particular.

Yet our successes are incontrovertible and validate the strength of our business strategy, superior execution and sustained excellence. Our balanced, diversified portfolio of high-quality seniors housing and healthcare real estate assets serving the needs of a rapidly aging population and patients seeking low-cost, efficient healthcare settings is unmatched. We are respected for being a reliable capital partner who can execute transactions quickly and effectively to meet our customers' needs.

We are motivated by our fundamental responsibility to provide dependable returns to our shareholders, who include institutional investors representing retired firefighters, teachers and other pensioners. They rely on us for income, net worth expansion, capital preservation and financial security.

(1) Excluding non-cash items.

# Sustaining Excellence

We create shareholder value by driving internal growth, completing accretive investments and raising capital opportunistically. With discipline and vision, we pull the right levers to deliver consistent profitability and increase value.

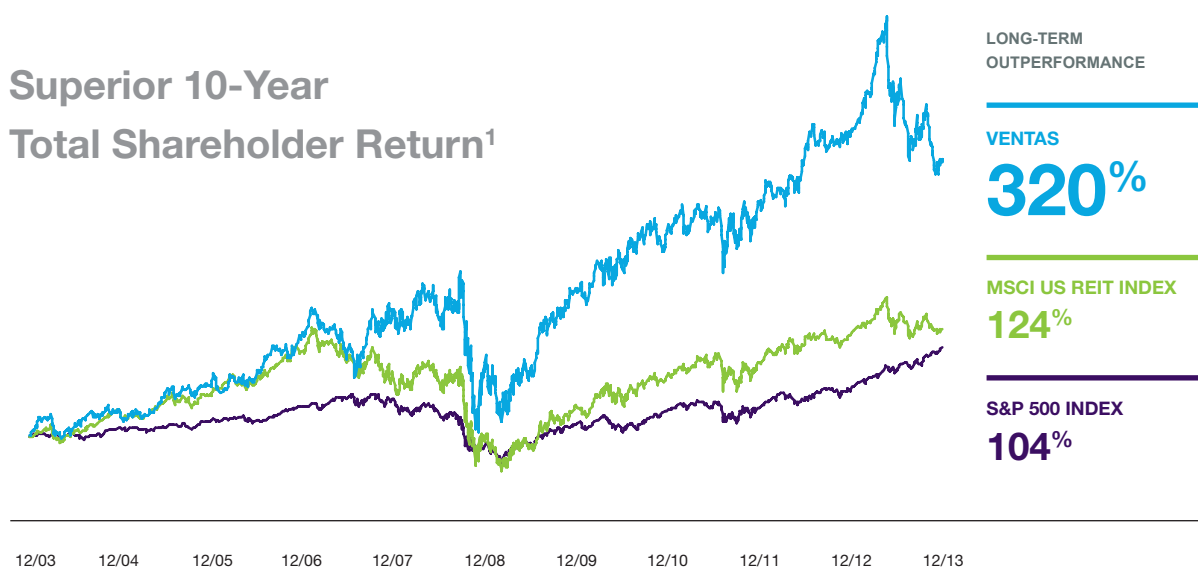
We strive to build a truly excellent, sustainable business with multiple channels for continued growth.

Our long-term value creation flows from the enduring attributes of a rapidly aging population, higher demand for senior living and healthcare services, a \$1 trillion fragmented and consolidating seniors housing and healthcare real estate market and continued acceptance of our asset classes among investors. Our long-tenured management team has delivered on these opportunities because we are forward thinking, have a deep understanding of core markets and possess unrivaled experience in structuring investments. We take the right steps to produce dependably growing

cash flows and dividends from a diversified and highly productive portfolio of seniors housing and healthcare assets.

Our single-minded focus produces consistently superior results that build shareholder wealth. The evidence is in our outstanding compound annual TSR of over 28 percent and over 15 percent for the 14- and 10-year periods, respectively, ended December 31, 2013. We have handily outperformed the MSCI US REIT and S&P 500 indices since the start of this century.

## Superior 10-Year Total Shareholder Return<sup>1</sup>



(1) Source: Bloomberg. 10-year period ended 12/31/2013.

# Anticipating, Preparing, Executing

Our management team has distinguished itself with a history of thinking ahead, adapting to dynamic market forces and seizing opportunities. We are proud of our record of anticipating and preparing for major directional changes and then executing with speed and rigor.

We entered 2013 knowing that market volatility and cyclical interest rate changes were likely. Our approach was to continue to grow profitability without getting caught off guard by big moves in the market. We acted decisively on matters within our control, prepared for changes in the macro environment beyond our control and remained at the top of our game.

With a laser-sharp focus on shareholder value creation, we further strengthened our Company.

## Portfolio Growth

In making nearly \$2 billion in investments in an increasingly crowded market, we refined our investment criteria to focus on private pay seniors housing and hospital-affiliated medical office buildings (MOBs) where we have a competitive advantage. Specifically, we concentrated on acquisitions involving limited amounts of secured debt, taking advantage of our low cost of capital, and creating more shareholder value. We targeted seniors housing investments in markets where we could successfully transition operations to Atria Senior Living, of which we own one-third, providing us with greater profitability.

We pursued MOB opportunities that would enable us to bring property management in-house to our Lillibridge subsidiary, which enjoys strong relationships with the most highly rated hospitals and health systems in the nation. This approach increased our investment yield and leveraged our scale, buying power and pricing discipline.

## Over \$21 Billion in Accretive Acquisitions Successfully Completed Since 2000

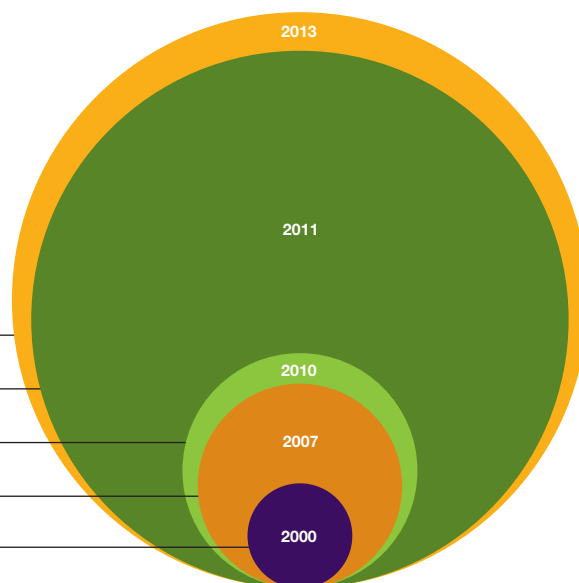
**1,473** Seniors Housing and  
Healthcare Properties

**1,378**

**602**


**520**

**269**



Represents property count as of year-end in respective fiscal years.



A formal dining room with a large circular window and a chandelier. The room features a long wooden table set with white plates, red napkins, and glassware. The chairs are upholstered in a light brown fabric. The ceiling has exposed wooden beams and a large chandelier with multiple yellow shades. The floor is covered in a dark red carpet.

We love our business. We have a great team, great cost of capital and great sector. Our job is to allocate capital to the right segments at the right time.



## Maintaining Our Financial Strength

Anticipating a change in monetary policy and an increase in interest rates, in 2013 we continued our multiyear efforts to lock in favorable long-term financing to preserve and increase profits.

Raised

**\$1.6 B**

in Low-Cost Long-  
Term Fixed Rate Debt

Reduced Our  
Borrowing Cost to

**3.8%**

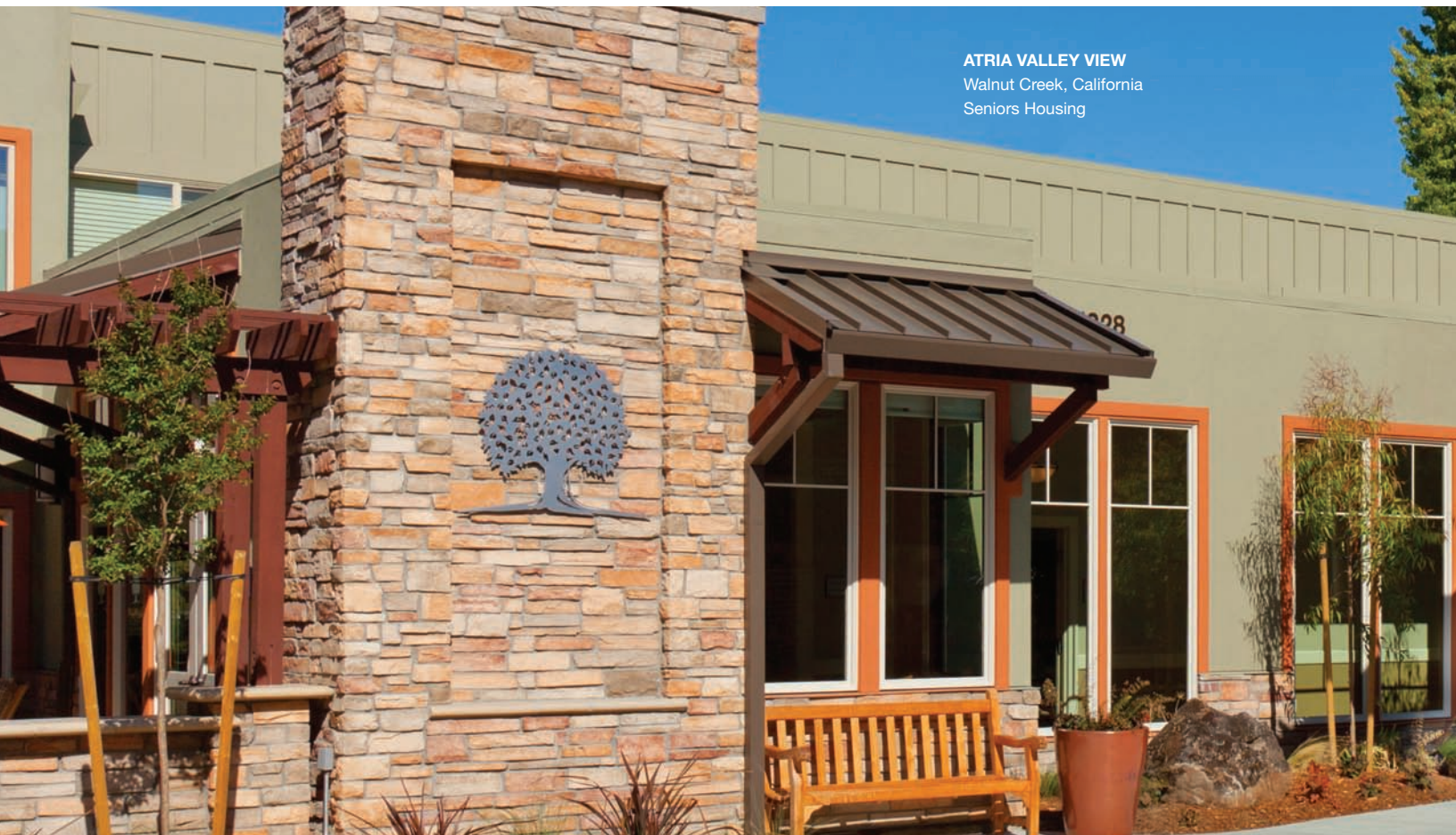
Completed a New

**\$3 B**

Credit Facility at  
Improved Pricing

These proactive and opportunistic actions improved our borrowing costs. And we managed risk by building our liquidity, lengthening our weighted average maturities, staggering our debt payment schedule and limiting our exposure to market changes.

As evidence of our financial strength and flexibility, we received two credit rating upgrades during the year. We now enjoy BBB+ or equivalent corporate debt ratings from all three leading ratings agencies. Our movement up the credit curve improves our cost of capital and validates the safety of our Company.



**ATRIA VALLEY VIEW**  
Walnut Creek, California  
Seniors Housing



Ventas is a reliable capital provider and  
can complete deals of any size and complexity.  
Our financial strength supports our  
customers' success.

### **Accelerating Our Strategy**

We successfully re-leased or sold all 89 skilled nursing facilities (SNFs) and long-term acute care hospitals operated by Kindred Healthcare, Inc. (NYSE: KND) whose lease terms expired in 2013. Using our momentum, we also reached a favorable early deal with Kindred regarding upcoming 2015 lease expirations. This mutually beneficial arrangement will enhance

value for both companies and reinforce the positive ongoing relationship between us. This win-win deal is a prime example of our ability to work constructively with customers while maintaining our profitability. We are well under way with our marketing process to re-lease the remaining 60 SNFs that Kindred did not renew to qualified regional care providers. This effort should produce an excellent outcome: greater tenant diversification and break-even financial results.





# Trends That Fuel Our Platform

Our business is driven by powerful and growing demand. The 75+ cohort is expected to grow 144 percent between 2012 and 2040.<sup>1</sup> Healthcare spending is expected to rise to 20 percent of Gross Domestic Product (GDP) by 2022 from its current level of 18 percent.<sup>2</sup> Approximately 12 percent of the \$1 trillion seniors housing and healthcare real estate market is held by REITs.<sup>3</sup> Within that market, consolidation and vertical integration among care providers are accelerating. These trends provide Ventas with abundant opportunities for continued investment and growth. Our flexible business model allows us to capitalize on these secular changes.

Our portfolio of nearly 1,500 properties across the U.S. and Canada is unparalleled in its breadth and productivity. The portfolio is diversified by asset type, revenue source, operating model, geography and tenant/operator. Our real estate assets have been carefully assembled to deliver reliable, growing cash flows to our stakeholders despite changing economic, reimbursement and capital markets conditions.

The Population of Seniors Age  
75 and Older is Growing

6x

Faster Than the Rest  
of the U.S.<sup>1</sup>

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

(2) Source: CMS, Office of the Actuary. Health spending projections were based on the National Health Expenditures released in November 2013. The projections included impacts of the Affordable Care Act.

(3) Based on Stifel information.



## Growing MOB Demand from the Newly Insured Far Surpasses Available Space

# 1.8 M

Square Feet of Available  
Ventas MOB Space

# 60 M

Square Feet of Expected  
Demand for MOB Space<sup>1</sup>

Our current MOB portfolio vacancy is well positioned to absorb the dramatic increase in MOB demand that will come from the newly insured.

(1) Source: Marcus and Millichap



**MEDICAL ARTS BUILDING**  
Concord, North Carolina  
Medical Office Building

Our portfolio of 237 private pay seniors housing assets operated by Atria Senior Living and Sunrise Senior Living constitutes one of the highest quality portfolios ever assembled. Properties in our seniors housing operating portfolio (SHOP) are in demand because of their high-end physical environments that seniors and their families can enjoy; access to high service and care levels; and highly desired metropolitan and coastal locations. This portfolio has provided Ventas with outstanding growth. We expect strong performance to continue, aided by the nation's economic and housing recoveries, as well as improving labor markets, which correlate favorably with seniors housing occupancy levels.

We expect demand in our target market segment, serving populations with higher net worth, incomes and housing values, to remain very favorable. Industry experts project increased seniors housing occupancy in 2014.

Meanwhile, we continue to enjoy growth from our long-term triple-net (NNN) leased seniors housing portfolio, with annual rent escalators primarily tied to the Consumer Price Index. These assets are leased to high-quality, creditworthy operators and produce reliable cash flows.

We also expect to see increased demand for our medical office and outpatient building business from

Our deep understanding of fundamentals and flexible business model create value for shareholders.

We anticipate and capitalize on changing macro trends.

Seniors housing communities meet the growing residential, social and assistance needs of seniors. Favorable demographic trends and a growing acceptance of seniors housing communities will continue to stimulate demand from the 18 million seniors who are 75 or older.<sup>1</sup> In that cohort, households with annual incomes exceeding \$50,000 are projected to grow 33 percent between 2012 and 2017.<sup>2</sup> Additionally, nearly 15 million seniors are expected to sell their homes by 2030.<sup>1</sup>

Growing demand for seniors housing spurred some increased supply in 2013, with about 22,000 units under construction at year end.<sup>3</sup> Because our SHOP portfolio is located in high barrier-to-entry markets, we are confident about its continued strength.

more Medicare-eligible Baby Boomers, as well as newly insured individuals under the Affordable Care Act and Medicaid expansion. Demand from just these newly insured individuals should increase MOB space needs by an additional 60 million square feet.<sup>4</sup> This increase does not account for growth due to newly Medicare-eligible Baby Boomers. Our assets are low-cost settings that will enjoy growing utilization as “part of the solution” to reduce national healthcare spending. Our high-quality MOB portfolio consisting of 18 million square feet—already over 90 percent occupied—is ready to meet that demand.

The fundamentals of our business are compelling and irrefutable. They continue to form the building blocks for our future success. Our experienced team manages existing assets skillfully and executes on high-quality investments. Additionally, we have the scale, cost of capital and proven strategy to stay at the forefront of changing macro trends.

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

(2) Source: Esri.

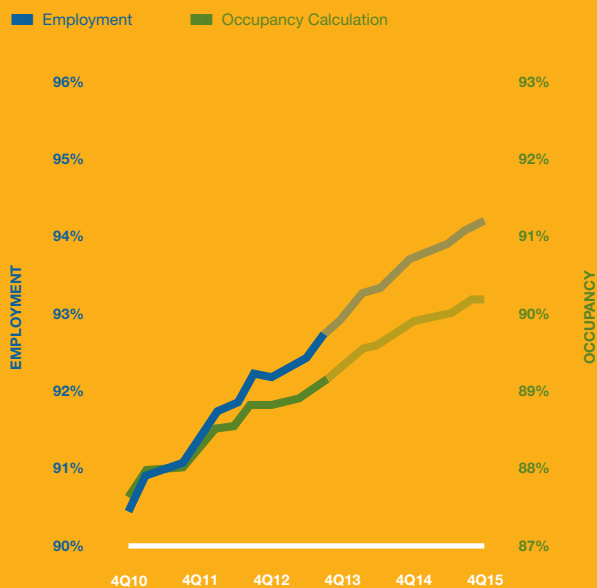
(3) Source: NIC Map. Primary and secondary markets. Excludes CCRCs.

(4) Source: Marcus & Millichap.



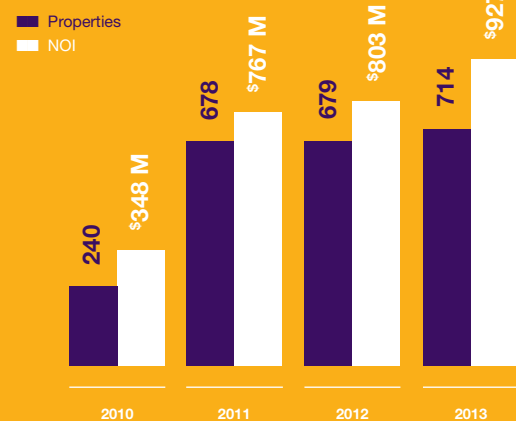
## Seniors Housing Continues to Benefit from an Aging Population, Improving Economic Conditions and Limited New Supply

Job growth and seniors housing occupancy are highly correlated.<sup>1</sup>



Our same-store SHOP cash NOI grew a strong 6% in 2013. And, from 2010 to 2013, our total seniors housing NOI increased 166%.

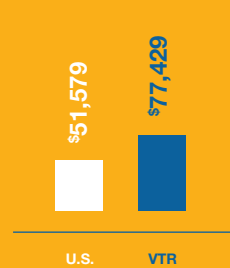
Growth in Ventas Seniors Housing Portfolio and NOI<sup>2</sup>



Our SHOP assets are in areas that are wealthier than the national average.

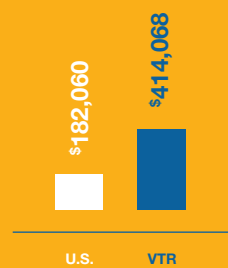
50% Higher Household Income vs. National Median

Median Household Income<sup>3,4</sup>



127% Higher Home Value vs. National Median

Median Owner-Occupied Home Value<sup>3,4</sup>



The 75+ cohort is expected to grow 144% by 2040,<sup>5</sup> further fueling demand for seniors housing that is expected to continue to outpace supply.



18 M

Seniors over the age of 75 in 2012



543 K

Total seniors housing units in 4Q13 including 22,000 under construction<sup>6</sup>

(1) Source: Goldman Sachs Global Investment Research (December 2013). (2) Annualized 4Q Ventas NOI in the respective year, assuming all events occurred at the beginning of the period, as disclosed in Ventas's supplemental information for that period. NOI reflects only Ventas's portion of joint venture assets. (3) Demographic data provided by Nielsen and reflects 2014 projections. (4) Ventas data reflects the weighted average 3-mile statistics for properties in the top 20 Ventas markets, based on annualized 4Q13 NOI assuming all events occurred at the beginning of the period. Canadian data is excluded due to incomplete information. (5) Source: U.S. Census Bureau. (6) NIC Map. Primary and secondary markets. Excludes CCRCs.

# Working Forward

We are committed to continuing our growth by maximizing cash flow from our existing portfolio and, with our deep industry knowledge and ready access to capital, through accretive investments.

We will participate with our customers (existing and new) as a capital partner in the consolidation trend that is sweeping seniors housing and healthcare providers in the U.S. (and globally). Our strong balance sheet and attractively priced capital provide us with a tremendous business advantage to quickly seize opportunities. Our flexible business model and astute management team enable us to move into different asset types within our expertise at early stages of upward cycles.

Over the past few years, we have focused on buying MOBs and seniors housing assets because that is

where we saw the best returns; our shareholders have been rewarded by the increased cash flows and valuations of those assets. We will continue to invest in those segments, targeting deals where we enjoy a competitive advantage. We will also consider allocating capital into other segments when we see superior risk-adjusted returns and opportunities for future growth.

As we look ahead, we will consider extending our growth and diversification strategy outside the U.S., including Canada and other western countries with aging populations and strong commitments to serving them. We may also consider investments in established democracies building healthcare infrastructure to serve the needs of a growing middle class. Wherever we go and whatever we do, we will invest wisely and thoughtfully.

## Pursuing Sound and Effective Sustainability Practices

60

ENERGY STAR®  
Certified Properties

124

ENERGY STAR®  
Labels

11

Properties Built  
to LEED® Standards

3

LEED® Projects  
in Development



Ventas is a member of the U.S. Green Building Council and has LEED-accredited staff. We are also an ENERGY STAR partner.



At the same time, we are mindful that Ventas owns valuable assets in an increasingly popular industry. We may consider selectively disposing of assets to redeploy proceeds into segments, assets, geographies or operators with higher value-creating opportunities. This approach may become more attractive if we observe excess capital flowing into our asset types or the public markets undervalue certain of our segments or our enterprise as a whole.

We have also ramped up our capital allocation to redevelop our existing portfolio and engage in limited ground up development. This investment approach

should enable us to achieve superior risk-adjusted returns while simultaneously improving our portfolio.

Corporate citizenship is a core value at Ventas. As a result of our concerted efforts over the past year, we have measurably improved our sustainability practices and standards. Environmental awareness is a focal point for our existing portfolio and a factor in our acquisition, redevelopment and divestiture decisions. Protecting scarce resources is good for the environment and our business because it creates lasting efficiencies and more highly valued properties.

The market and the external environment will always provide opportunities to create value if we remain keen students and are willing to shift gears as conditions change.



ATRIA WOODBRIAR PLACE  
Falmouth, Massachusetts  
Seniors Housing



We have also dedicated the Ventas Charitable Foundation to supporting worthy causes important to our constituents, employees and communities. We have the privilege and the responsibility to share our success with those who need our support.

A cornerstone of our future growth is our leadership team, distinguished by its interdisciplinary approach with mutually supportive expertise and rigorous debate. We believe we make the best decisions and execute our strategy most capably that way. We greatly value our long-tenured team, enhanced by key additions who have made us stronger. Our achievements and successes are truly a team effort, and our senior

management sets a great example of collaboration, cohesiveness, enterprise focus and integrity for the whole company. I am grateful to our employees for their valuable contributions and tireless dedication to each other and our shareholders. Ventas's sustained excellence depends on our culture of high standards, intensity and constant improvement throughout the organization.

One of my most important goals at Ventas has been to build and retain an "aspirational" Board of Directors that could improve the Company by engaging in informed and respectful debate with each other and management, while providing guidance and wisdom.

Outstanding execution comes from our people,  
who are at the heart of Ventas's sustained excellence.

Our leadership team deserves its reputation for  
innovation, responsiveness and reliability.



From Left to Right: **Timothy A. Doman**, senior vice president and chief portfolio officer, **Todd W. Lillibridge**, executive vice president, medical property operations; president and chief executive officer, Lillibridge Healthcare Services, **Raymond J. Lewis**, president, **Vincent M. Cozzi**, senior vice president, **Lori B. Wittman**, senior vice president, capital markets and investor relations, **John K. Hart**, senior vice president and chief information officer



It is an art to support, encourage and challenge management for the benefit of stakeholders. At Ventas, we have achieved a level of constructive Board engagement that is exemplary; our Board members all contribute as individuals, through the different prisms of their experience, and as a unit, using their collective judgment to benefit the enterprise.

In 2013, Ventas received an outstanding rating for our “governance capacity,” which measures the ability and courage of directors to understand complex business issues and take action. Governance and industry experts have long known that boards having a high proportion of members with significant relevant business experience generate superior investor returns, and Ventas is a great example. The strength, independence and judgment of our Board members have contributed mightily to the excellence that has become synonymous with Ventas.

As I reflect on my 15th anniversary as CEO of Ventas, I am reminded of our exceptional and improbable journey from a small troubled company to a shareholder-focused, S&P 500 company that ranks as one of Fortune’s Most Admired real estate companies globally.

*At Ventas, we use our past successes, as well as our shortcomings, as constant motivation to raise the bar. To our stakeholders who have trusted us to protect and grow their precious capital, thank you for the opportunity to serve as your stewards and achieve sustained excellence.*



**Debra A. Cafaro**

*Chairman and Chief Executive Officer*

March 17, 2014



From Left to Right: **Richard A. Schweinhart**, executive vice president and chief financial officer, **T. Richard Riney**, executive vice president, chief administrative officer and general counsel, **Brian K. Wood**, senior vice president and chief tax officer, **Debra A. Cafaro**, chairman and chief executive officer, **Robert J. Brehl**, chief accounting officer and controller, **John D. Cobb**, executive vice president and chief investment officer

## Supplemental Data

### Funds From Operations (FFO) and Normalized FFO

For the Year Ended December 31,	Per diluted share <sup>(1)</sup>					
	2013	2012	2011	2013	2012	2011
<i>(In thousands, except per share amounts)</i>						
Net income attributable to common stockholders	\$ 453,509	\$ 362,800	\$ 364,493	\$ 1.54	\$ 1.23	\$ 1.58
<b>Adjustments:</b>						
Real estate depreciation and amortization	716,296	710,082	441,766	2.43	2.41	1.91
Real estate depreciation related to noncontrolling interest	(10,512)	(8,503)	(3,471)	(0.04)	(0.03)	(0.02)
Real estate depreciation related to unconsolidated entities	6,543	7,516	6,552	0.02	0.03	0.03
Gain on re-measurement of equity interest upon acquisition, net	(1,241)	(16,645)	—	(0.00)	(0.06)	—
Discontinued operations:						
Gain on real estate dispositions, net	(4,059)	(80,952)	—	(0.01)	(0.27)	—
Depreciation on real estate assets	47,922	50,269	15,511	0.16	0.17	0.07
<b>FFO</b>	<b>1,208,458</b>	<b>1,024,567</b>	<b>824,851</b>	<b>4.09</b>	<b>3.48</b>	<b>3.57</b>
Litigation proceeds, net	—	—	(202,259)	—	—	(0.88)
Merger-related expenses and deal costs	21,560	63,183	153,923	0.07	0.21	0.67
Income tax benefit	(11,828)	(6,286)	(31,137)	(0.04)	(0.02)	(0.13)
Loss on extinguishment of debt, net	1,048	37,640	27,604	0.00	0.13	0.12
Change in fair value of financial instruments	449	99	2,959	0.00	0.00	0.01
Amortization of other intangibles	1,022	1,022	1,022	0.00	0.00	0.00
<b>NORMALIZED FFO</b>	<b>\$ 1,220,709</b>	<b>\$ 1,120,225</b>	<b>\$ 776,963</b>	<b>\$ 4.14</b>	<b>\$ 3.80</b>	<b>\$ 3.37</b>

(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. In particular, we believe that normalized FFO is useful 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,	2013	2012	2011
<i>(In thousands)</i>			
Net income	\$ 454,889	\$ 361,775	\$ 363,261
<b>Adjustments:</b>			
Interest and other income*	(2,047)	(6,158)	(1,217)
Interest*	340,381	302,031	242,057
Depreciation and amortization*	769,881	764,774	459,704
General, administrative and professional fees*	115,109	98,813	74,537
Loss on extinguishment of debt, net*	1,048	37,640	27,604
Litigation proceeds, net	—	—	(202,259)
Merger-related expenses and deal costs	21,634	63,183	153,923
Other*	18,325	8,842	8,653
Loss (income) from unconsolidated entities	508	(18,154)	52
Income tax benefit*	(11,828)	(6,286)	(31,137)
Gain on real estate dispositions, net*	(3,617)	(80,952)	—
<b>NOI*</b>	<b>1,704,283</b>	<b>1,525,508</b>	<b>1,095,178</b>
Discontinued operations	(14,224)	(35,186)	(36,854)
<b>NOI (excluding amounts in discontinued operations)</b>	<b>\$ 1,690,059</b>	<b>\$ 1,490,322</b>	<b>\$ 1,058,324</b>

\* Including amounts in discontinued operations.

We consider NOI an important supplemental measure to net income because it allows investors, analysts and our management to assess our unlevered property-level operating results and to compare our operating results with 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. 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**

*Chief Executive Officer*  
Capstone Enterprises Corporation

### **Robert D. Reed**

*Senior Vice President and*  
*Chief Financial Officer*  
Sutter Health

### **Sheli Z. Rosenberg**

*Consultant*  
Skadden, Arps, Slate, Meagher & Flom LLP

### **Glenn J. Rufrano**

*Chairman and Chief Executive Officer*  
O'Connor Capital Partners

### **James D. Shelton**

*Chairman*  
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 Corporate 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

#### **353 North Clark Street**

Suite 3300  
Chicago, IL 60654  
312.660.3800

#### **10350 Ormsby Park Place**

Suite 300  
Louisville, KY 40223  
502.357.9000

#### **2050 Main Street**

Suite 800  
Irvine, CA 92614  
949.718.4400

### ANNUAL MEETING

The Annual Meeting of Stockholders will convene May 15, 2014, at 8:00 a.m. local (Central) time at 353 North 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 17, 2014, Ventas had 294.3 million shares outstanding.

### TRANSFER AGENT AND REGISTRAR

Wells Fargo Shareowner Services  
P.O. Box 64874  
St. Paul, MN 55164-0854  
800.468.9716  
shareowneronline.com

### INDEPENDENT AUDITORS

Ernst & Young LLP

### INFORMATION

Copies of our 2013 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](http://ventasreit.com)

Ventas, Inc., an S&P 500 company, is a leading real estate investment trust. Its diverse portfolio of nearly 1,500 assets in 47 states (including the District of Columbia) and two Canadian provinces includes seniors housing communities, medical office buildings, skilled nursing facilities and hospitals. 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.