Ventas Reports 2001 FFO of $1.13 Per Share

March 26, 2002

LOUISVILLE, Ky.--(BUSINESS WIRE)--March 26, 2002--Ventas, Inc. (NYSE:VTR) ("Ventas" or the "Company") announced its results for the year ended December 31, 2001. Normalized Funds From Operations ("FFO") for the year was $78.1 million or $1.13 per diluted share compared with $76.5 million or $1.12 per diluted share for the comparable 2000 period. Including the Company's fourth quarter gain on the sale of common stock of its primary tenant Kindred Healthcare, Inc. (Nasdaq:KIND) ("Kindred"), 2001 FFO was $93.5 million or $1.35 per diluted share.

Net income for 2001 totaled $50.6 million or $0.73 per diluted share, after an extraordinary loss of $1.3 million, or $0.02 per diluted share, related to the partial write-off of unamortized deferred financing fees associated with the repayment of principal under the Company's Amended Credit Agreement. For the year ended December 31, 2000, the Company recognized a net loss of $65.5 million or $0.96 per diluted share after an extraordinary loss of $4.2 million, or $0.06 per diluted share.

"2001 was a great year for Ventas because we achieved all of the goals we began working toward in early 1999," Ventas President and CEO Debra A. Cafaro said. "2002 will be our first normalized year, and we look forward to a period of stabilized earnings growth and further balance sheet and cash flow improvement."

FOURTH QUARTER HIGHLIGHTS AND OTHER RECENT DEVELOPMENTS

Recent highlights include:

- Ventas sold $225 million of commercial mortgage-backed securities, raising $213 million that was used to pay down debt under the Company's Amended Credit Agreement and lower its cost of debt.
- On December 31, 2001, Ventas paid $10 million to reduce the outstanding principal balance of its Amended Credit Agreement to $623 million. In the first quarter of 2002, Ventas has paid an additional $16 million, reducing the outstanding principal balance further to $607 million.
- Ventas sold or distributed a total of 418,186 shares of common stock of Kindred. The Company continues to own approximately
- 1.1 million shares of Kindred common stock, which it received as part of the Kindred restructuring in April 2001.
- Ventas paid the fourth quarterly installment of the 2001 dividend of $0.22 per share, bringing its 2001 regular dividend to $0.88 per share. An additional dividend of $0.04 per share was declared during the fourth quarter.
- Ventas's Distribution Reinvestment and Stock Purchase Plan became effective on December 31, 2001, and Ventas stockholders began participating in the Plan with the 2002 first quarter dividend.

YEAR-END RESULTS

Rental income for the year ended December 31, 2001 was $185.2 million, of which $182.9 million resulted from leases with Kindred. The rental income from Kindred includes $1.7 million related to the amortization of the deferred revenue recorded as a result of the receipt of (a) Kindred equity and (b) a cash payment received from Kindred on the effective date of Kindred's reorganization as additional future rent under the Amended Master Leases. Interest income totaled approximately $4.0 million and was primarily the result of earnings from investment of cash reserves during the year.

In the fourth quarter of 2001, the Company recorded a gain of $15.4 million on the sale or distribution of 418,186 shares of Kindred common stock.

Expenses for the year ended December 31, 2001 totaled $150.3 million, and included $42.0 million of depreciation expense on real estate assets and $84.7 million of interest expense on its debt financing, $4.6 million of interest expense on the Company's settlement with the Department of Justice and $2.3 million on deferred financing fees. General and administrative expenses and professional fees for the year ended December 31, 2001 totaled $14.9 million, a reduction of 28 percent over the comparable prior year period.

Results for the year ended December 31, 2001 also included a $2.7 million provision for income taxes based on the Company's estimates of 2001 taxable net income. The tax provision included $0.7 million provision related to the receipt of the Kindred equity, which was valued at $18.2 million when it was received in the second quarter of 2001.

FFO for the years ended December 31, 2001 and 2000 is summarized in the following table.

	Years Ended December 31,	
	2001	2000
	(In thousands, except per share amounts)	
Net Income (loss)	$ 50,566	$ (65,452)
Extraordinary loss on extinguishment of debt	1,322	4,207
Income (loss) before		

extraordinary loss	$ 51,888	$ (61,245)
Depreciation real estate assets	41,904	42,188
United States Settlement	--	96,493
Realized gain on sale of asset	(290)	(957)
Funds from operations	$ 93,502	$ 76,479
FFO per diluted share	$ 1.35	$ 1.12
Gain on sale of Kindred equity	(15,425)	--
Normalized FFO	$ 78,077	$ 76,479
Normalized FFO per diluted share	$ 1.13	$ 1.12

The Company considers FFO an appropriate measure of performance of an equity REIT, and the Company uses the National Association of Real Estate Investment Trusts' ("NAREIT") definition of FFO. NAREIT defines FFO as net income (computed in accordance with accounting principles generally accepted in the United States ("GAAP")), excluding gains (or losses) from the scale of real estate property, plus depreciation on real estate assets and after adjustments for unconsolidated partnerships and joint ventures. FFO presented herein is not necessarily comparable to FFO presented by other real estate companies due to the fact that not all real estate companies use the same definition. FFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indicator of the Company's financial performance or as an alternative to cash flow from operating activities (determined in accordance with GAAP) as a measure of the Company's liquidity, nor is FFO necessarily indicative of sufficient cash flow to fund all of the Company's needs. The Company believes that in order to facilitate a clear understanding of the consolidated historical operating results of the Company, FFO should be examined in conjunction with net income (loss) as presented in the consolidated financial statements and data included elsewhere in this Press Release. Normalized FFO is FFO excluding the gain on sale of Kindred equity.

2002 FFO GUIDANCE

The Company reaffirms its 2002 FFO guidance of $1.24 to $1.26 per diluted share as previously announced in a press release issued by the Company on December 17, 2001. The Company may from time to time update its publicly announced FFO guidance, but it is not obligated to do so.

ASSUMPTIONS

The Company's FFO guidance is based on a number of assumptions, including, but not limited to, the following: Kindred performs its obligations under the five Amended Master Leases covering 210 nursing homes and 44 hospitals and various other agreements between the companies; the Company's other tenants perform their obligations under their leases with the Company; no additional debt refinancings occur; no additional dispositions of Kindred stock occur; no capital transactions, acquisitions or divestitures occur; the Company's tax and accounting positions do not change; the Company does not incur any impact from new Accounting Rule FASB 133 relating to derivatives; interest rates remain constant; and the Company's issued outstanding and diluted shares are unchanged.

REFINANCING ACTIVITY

Ventas also said it is actively pursuing various debt refinancing strategies and expects to complete one or more refinancings of its bank debt before the end of 2002 and likely sooner. There can be no assurance regarding the Company's ability to refinance any portion of its bank debt.

CONFERENCE CALL

Ventas, Inc. will hold a conference call to discuss this earnings release today, March 26, at 10:00 a.m. Eastern Time (9:00 a.m. Central Time). The conference call is being web cast by CCBN and can be accessed at the Ventas web site at www.ventasreit.com or www.companyboardroom.com. An online replay of the web cast will be available at approximately 12:00 p.m. Eastern Time and will be archived for thirty (30) days.

Ventas, Inc. is a healthcare real estate investment trust whose properties include 44 hospitals, 215 nursing facilities and eight personal care facilities in 36 states.

This Press Release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements regarding Ventas and its subsidiaries' expected future financial position, results of operations, cash flows, funds from operations, dividends and dividend plans, financing plans, business strategy, budgets, projected costs, capital expenditures, competitive positions, growth opportunities, expected lease income, continued qualification as a real estate investment trust ("REIT"), plans and objectives of management for future operations and statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will," and other similar expressions are forward-looking statements. Such forward-looking statements are inherently uncertain, and stockholders must recognize that actual results may differ from the Company's expectations. The Company does not undertake a duty to update such forward-looking statements.

Actual future results and trends for the Company may differ materially depending on a variety of factors discussed in the Company's filings with the Securities and Exchange Commission (the "Commission"). Factors that may affect the plans or results of the Company include, without limitation, (a) the ability and willingness of Kindred Healthcare, Inc. ("Kindred") and certain of its affiliates to continue to meet and/or honor its obligations under its contractual arrangements with the Company and the Company's subsidiaries, including without limitation the lease agreements and various agreements (the "Spin Agreements") entered into by the Company and Kindred at the time of the Company's spin-off of Kindred on May 1, 1998 (the "1998 Spin Off"), as such agreements may have been amended and restated in connection with Kindred's emergence from bankruptcy on April 20, 2001, (b) the ability and willingness of Kindred to continue to meet and/or honor its obligation to indemnify and defend the Company for all litigation and other claims relating to the health care operations and other assets and liabilities transferred to Kindred in the 1998 Spin Off, (c) the ability of Kindred and the Company's other operators to maintain the financial strength and liquidity necessary to satisfy their respective obligations and duties under the leases and other agreements with the Company, and their existing credit agreements, (d) the Company's success in implementing its business strategy, (e) the nature and extent of future competition, (f) the extent of future health care reform and regulation, including cost containment measures and changes in reimbursement policies and procedures, (g) increases in the cost of borrowing for the Company, (h) the ability of the Company's operators to deliver high quality care and to attract patients, (i) the results of litigation affecting the Company, (j) changes in general economic conditions and/or economic conditions in the markets in which the Company may, from time to time, compete, (k) the ability of the Company to pay down, refinance, restructure, and/or extend its indebtedness as it becomes due, (l) the movement of interest rates and the resulting impact on the value of the Company's interest rate swap agreements and the ability of the Company to satisfy its obligation under one of these agreements to post cash collateral if required to do, (m) the ability and willingness of Atria, Inc. ("Atria") to continue to meet and honor its contractual arrangements with the Company and Ventas Realty, Limited Partnership entered into in connection with the Company's spin-off of its assisted living operations and related assets and liabilities to Atria in August 1996, (n) the ability and willingness of the Company to maintain its qualification as a REIT due to economic, market, legal, tax or other considerations, including without limitation, the risk that the Company may fail to qualify as a REIT due to its ownership of Kindred common stock, (o) the outcome of the audit being conducted by the Internal Revenue Service for the Company's tax years ended December 31, 1997 and 1998, (p) final determination of the Company's taxable net income for the year ended December 31, 2001, (q) the ability and willingness of the Company's tenants to renew their leases with the Company upon expiration of the leases and the Company's ability to relet its properties on the same or better terms in the event such leases expire and are not renewed by the existing tenants and (r) the limitations on the ability of the Company to sell, transfer or otherwise dispose of its common stock in Kindred arising out of the securities laws and the registration rights agreement the Company entered into with Kindred and certain of the holders of the Kindred common stock. Many of such factors are beyond the control of the Company and its management.

CONSOLIDATED BALANCE SHEETS
December 31, 2001 and 2000
(In thousands)

	2001	2000
Assets		
Real estate investments:		
Land	$ 119,771	$ 120,151
Building and improvements	1,056,067	1,055,992
	1,175,838	1,176,143
Accumulated depreciation	(369,502)	(327,598)
Total net real estate investments	806,336	848,545
Cash and cash equivalents	18,596	87,401
Restricted cash	20,773	26,893
Recoverable federal income taxes, restricted in 2000	--	3,211
Investment in Kindred Healthcare, Inc. common stock	55,118	--
Kindred Healthcare, Inc. common stock reserved for distribution	17,086	--
Deferred financing costs, net	14,153	10,875
Notes receivable from employees	3,635	3,422
Other	6,162	798
Total assets	$ 941,859	$ 981,145
Liabilities and stockholders' equity (deficit)		
Liabilities:		
Notes payable and other debt	$ 848,368	$ 886,385

United States Settlement	54,747	96,493
Deferred gain on partial termination of interest rate swap agreement	--	21,605
Deferred revenue	21,027	--
Interest rate swap agreements	27,430	--
Accrued dividend	17,910	19,846
Accounts payable and other accrued liabilities	18,154	13,720
Other liabilities - disputed tax refunds and accumulated interest	14,903	30,104
Deferred income taxes	30,394	30,506
Total liabilities	1,032,933	1,098,659
Commitments and contingencies		
Stockholders' equity (deficit):		
Preferred stock, 10,000 shares authorized, unissued	--	--
Common stock, $0.25 par value; authorized 180,000 shares; issued 73,608 shares in 2001 and 2000	18,402	18,402
Capital in excess of par value	122,468	132,228
Unearned compensation on restricted stock	(1,000)	(1,338)
Accumulated other comprehensive income	36,174	--
Retained earnings (deficit)	(134,088)	(121,323)
	41,956	27,969
Treasury stock - 4,723 shares in 2001 and 5,172 shares in 2000	(133,030)	(145,483)
Total stockholders' equity (deficit)	(91,074)	(117,514)
Total liabilities and stockholders' equity (deficit)	$ 941,859	$ 981,145

CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2001 and 2000
($'s In thousands, except per share amounts)

	2001	2000
Revenues:		
Rental income	$ 185,152	$ 232,841
Gain on sale of Kindred common stock	15,425	--
Interest and other income	4,004	9,481
Total revenues	204,581	242,322

Expenses:		
General and administrative	10,244	9,613
Professional fees	4,658	10,813
Non-recurring employee severance costs	--	355
United States Settlement	--	96,493
Loss on uncollectible amounts due from tenants	--	48,328
Loss on impairment of assets	--	--
Amortization of restricted stock grants	1,734	1,339
Depreciation	42,038	42,264
Interest	87,032	95,319
Interest on United States Settlement	4,592	--
Total expenses	150,298	304,524
Income (loss) before gain on disposal of real estate assets, provision for income taxes and extraordinary loss	54,283	(62,202)
Provision for income taxes	2,685	--
Income (loss) before gain on disposal of real estate assets and extraordinary loss	51,598	(62,202)
Net gain on real estate disposals	290	957
Income (loss) before extraordinary loss	51,888	(61,245)
Extraordinary loss on extinguishment of debt	(1,322)	(4,207)
Net income (loss)	$ 50,566	$ (65,452)
Earnings (loss) per common share:		
Basic:		
Income (loss) before extraordinary loss	$ 0.76	$ (0.90)
Extraordinary loss on extinguishment of debt	(0.02)	(0.06)
Net income (loss)	$ 0.74	$ (0.96)
Diluted:		
Income (loss) before extraordinary loss	$ 0.75	$ (0.90)
Extraordinary loss on extinguishment of debt	(0.02)	(0.06)
Net income (loss)	$ 0.73	$ (0.96)
Weighted average number of shares outstanding, basic	68,409	68,010
Weighted average number of shares outstanding, diluted	69,363	68,131

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2001, 2000
($'s In thousands)

	2001	2000
Cash flows from operating activities:		
Net income (loss)	$ 50,566	$ (65,452)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	42,038	42,264
Amortization of deferred financing costs	2,332	3,236
Amortization of restricted stock grants	1,734	1,339
Normalized rents	2	(117)
Loss on impairment of assets	--	--
Gain on sale of assets	(15,715)	(957)
Extraordinary loss on extinguishment of debt	1,322	4,207
United States Settlement	--	96,493
Amortization of deferred revenue	(1,673)	--
Other	49	--
Changes in operating assets and liabilities:		
Decrease in amount due from Kindred, Inc.	--	--
Decrease (increase) in restricted cash	6,120	(26,893)
Decrease (increase) in accounts receivable and other assets	(1,400)	23,378
Increase (decrease) in accounts payable and accrued and other liabilities	(5,482)	7,840
Net cash provided by operating activities	79,893	85,338
Cash flows from investing activities:		
Purchase of furniture and equipment	(1,117)	--
Sale of real estate properties	670	5,170
Proceeds from sale of Kindred Healthcare, Inc. common stock	3,420	--
Repayment (issuance) of notes receivable from employees	(213)	189
Net cash provided by investing activities	2,760	5,359
Cash flows from financing activities:		
Net change in borrowings under revolving line of credit	--	--
Proceeds from long-term debt	225,000	--
Repayment of long-term debt	(263,017)	(87,862)
Proceeds from partial termination of interest rate swap agreement	--	--
Payment of deferred financing costs	(6,932)	(12,616)
Payment on the United States Settlement	(41,746)	--
Issuance of common stock	503	22
Cash distribution to stockholders	(65,266)	(42,434)
Net cash provided by (used in) financing activities	(151,458)	(142,890)

Increase (decrease) in cash and cash equivalents	(68,805)	(52,193)
Cash and cash equivalents at beginning of year	87,401	139,594
Cash and cash equivalents at end of year	$ 18,596	$ 87,401
Supplemental disclosure of cash flow information:		
Interest paid including swap payments and receipts	$ 84,700	$ 91,080
Supplemental schedule of noncash activities:		
Receipt of Kindred Healthcare, Inc. common stock	$ 18,200	$ --

--30--JB/na*

CONTACT: Ventas, Inc., Louisville
Debra A. Cafaro, 502/357-9000
or
John C. Thompson, 502/357-9000