Ventas Reports Fourth Quarter FFO of $0.34 Per Share; 2002 FFO Rose 20 Percent to $1.36 Per Share

February 26, 2003

LOUISVILLE, Ky., Feb 26, 2003 (BUSINESS WIRE) -- Ventas, Inc. (NYSE:VTR) ("Ventas" or the "Company") said today that normalized Funds From Operations ("FFO") for the fourth quarter 2002, was $24.2 million or $0.34 per diluted share compared with $19.1 million or $0.27 per diluted share for the comparable 2001 period.

Net income for the fourth quarter ended December 31, 2002 was $9.4 million or $0.13 per diluted share, after an extraordinary loss of $4.2 million or $0.06 per diluted share, related to the partial write-off of unamortized deferred financing fees and premiums paid on the purchase of $34 million of Ventas's Senior Notes. For the fourth quarter ended December 31, 2001, net income was $22.7 million or $0.33 per diluted share after an extraordinary loss from the extinguishment of debt of $1.3 million or $0.02 per diluted share. In addition, the fourth quarter of 2001 included a $15.4 million gain relating to the sale of common stock in its primary tenant, Kindred Healthcare, Inc. (Nasdaq:KIND) ("Kindred").

Normalized Funds From Operations for the year ended December 31, 2002 was $95.6 million or $1.36 per diluted share compared with $78.1 million or $1.13 per diluted share for the comparable 2001 period. Net income for 2002 totaled $65.7 million or $0.93 per diluted share after an extraordinary loss from the extinguishment of debt of $11.1 million or $0.16 per diluted share. For the year ended December 31, 2001, net income was $50.6 million or $0.73 per diluted share after an extraordinary loss of $1.3 million or $0.02 per diluted share.

Normalized FFO for each period excludes gains on the sale of Kindred common stock and a one-time net loss of $5.4 million on a swap breakage incurred in conjunction with the Company's refinancing, which was completed in April 2002.

"2002 was another excellent year for Ventas," Chairman, President and CEO Debra A. Cafaro said. "We met our goals: a 20 percent increase in FFO, a recapitalization of our balance sheet, improvement in our key credit ratios, reduction in our cost of debt, implementation of our diversification strategy, material debt reduction and an expansion of our senior management team. And, as a result, we recently increased our quarterly dividend by 13 percent for the benefit of our shareholders."

FOURTH QUARTER HIGHLIGHTS AND OTHER RECENT DEVELOPMENTS -- Ventas raised its dividend by 13 percent to an expected annual dividend rate of $1.07 per share. -- In December, Ventas raised nearly $100 million in an equity offering of nine million new shares issued by Ventas. Proceeds were used to pay down debt. -- Richard A. Schweinhart was named Senior Vice President and Chief Financial Officer. Schweinhart has more than 30 years experience in the healthcare industry. -- Debra A. Cafaro was named to the additional position of Chairman, following the resignation from the Board of Ventas founder W. Bruce Lunsford, who is pursuing a public service career. Board member Douglas Crocker II was named presiding director. -- The 253 skilled nursing facilities and hospitals leased to Kindred produced EBITDAR to rent coverage of 1.8x for the trailing twelve month period ended September 30, 2002. -- Ventas closed on its $120 million investment in Trans Healthcare, Inc. ("THI"), which includes a sale-leaseback, a mezzanine loan and a senior loan. In December, Ventas sold the $50 million THI senior loan to another healthcare investor. -- In December, Ventas settled a dispute with Atria, Inc. regarding the parties' respective rights and obligations relative to the issuance of mortgage resident bonds to residents of "New Pond Village." All pending lawsuits between the two companies were dismissed and neither party was required to pay any amounts in connection with the settlement. -- Ventas repaid more than $140 million in long-term debt. FOURTH QUARTER 2002 RESULTS

Rental income for the quarter ended December 31, 2002, was $48.6 million, of which $47.1 million resulted from leases with Kindred. The Company also reported $1.0 million of income from two months of interest on its mezzanine loan and senior loan. Expenses for the quarter ended December 31, 2002 totaled $36.3 million and included $10.8 million of depreciation expenses, $20.7 million of interest expense on debt financing, and $1.3 million of interest expense on the Company's settlement with the Department of Justice. General, administrative and professional expenses for the fourth quarter totaled $3.2 million.

2002 RESULTS

Rental income for the year ended December 31, 2002 was $189.5 million, of which $186.5 million resulted from leases with Kindred. Expenses for the year ended December 31, 2002 totaled $146.0 million and included $42.0 million of depreciation on assets, $78.4 million of interest expense and $5.5 million of interest on the Department of Justice settlement. General, administrative and professional expenses for the year were $12.9 million.

In 2002, Ventas sold 159,500 shares of common stock in Kindred, recognizing a total gain of $5.0 million. The Company currently holds 920,814 shares of Kindred common stock.

In addition, the Company reported a one-time $5.4 million net loss on the $350 million swap breakage incurred in connection with the Company's debt refinancing during the second quarter. During 2002, the Company reclassified to discontinued operations the results of operations specifically related to assets sold or held for sale on or after January 1, 2002 including the sale of its hospital in Arlington, Virginia in the second quarter. This reclassification, which is required under the newly effective SFAS 144, affects the presentation of results for the current and prior periods but does not affect the Company's net income or FFO.

FFO GUIDANCE

Ventas said it reaffirmed its 2003 normalized FFO guidance of $1.43 to $1.45 per diluted share. The guidance excludes gains and losses, the non-cash effect of swap ineffectiveness under SFAS 133 and the impact of acquisitions, divestitures and other capital transactions. The Company may from time to time update its publicly announced FFO guidance, but it is not obligated to so.

The Company's FFO guidance is based on a number of assumptions, which are subject to change and many of which are outside the control of the

Company. If any of these assumptions vary, the Company's results may change. There can be no assurance that the Company will achieve these results.

FOURTH QUARTER CONFERENCE CALL

Ventas, Inc. will hold a conference call to discuss this earnings release today, February 26, 2003, 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 website 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.

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, Inc.'s ("Ventas" or the "Company") 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 security holders 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 perform their obligations under their 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 perform its obligation to indemnify and defend the Company for all litigation and other claims relating to the healthcare 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 healthcare 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) a downgrade in the rating of Ventas Realty, Limited Partnership's outstanding debt securities by one or more rating agencies which could have the effect of, among other things, an increase in the cost of borrowing for the

Company, (i) the ability of the Company's operators to deliver high quality care and to attract patients, (j) the results of litigation affecting the Company, (k) changes in general economic conditions and/or economic conditions in the markets in which the Company may, from time to time, compete, (l) the ability of the Company to pay down, refinance, restructure, and/or extend its indebtedness as it becomes due, (m) the movement of interest rates and the resulting impact on the value of the Company's interest rate swap agreements and the Company's net worth, (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 common stock in Kindred, (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 years ending December 31, 2002 and December 31, 2003, (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, (r) the impact on the liquidity, financial condition and results of operations of Kindred and the Company's other operators resulting from increased operating costs and uninsured liabilities for professional liability claims, particularly in the state of Florida, and the ability of Kindred and the Company's other operators to accurately estimate the magnitude of such liabilities, and (s) the value of the Company's common stock in Kindred and 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 common stock in Kindred. Many of such factors are beyond the control of the Company and its management.

CONDENSED CONSOLIDATED BALANCE SHEETS
December 31, 2002 and 2001
(In thousands, except per share amounts)

	2002	2001
Assets		
Real estate investments:		
Land	$119,559	$119,771
Building and improvements	1,101,847	1,056,067
	1,221,406	1,175,838
Accumulated depreciation	(409,132)	(369,502)
Total net real estate property	812,274	806,336
Loan receivable, net	16,528	--
Total net real estate investments	828,802	806,336
Cash and cash equivalents	2,455	18,596
Restricted cash	19,953	20,773
Investment in Kindred Healthcare, Inc. common stock	16,713	55,118
Kindred Healthcare, Inc. common stock reserved		

for distribution	--	17,086
Deferred financing costs, net	17,704	14,153
Notes receivable from employees	4,139	3,635
Other	6,014	6,162
Total assets	$895,780	$941,859
Liabilities and stockholders' equity (deficit)		
Liabilities:		
Senior Notes payable and other debt	$707,709	$848,368
United States Settlement	43,992	54,747
Securities settlement due	37,366	--
Deferred revenue	18,883	21,027
Interest rate swap agreements	47,672	27,430
Accrued dividend	16,596	17,910
Accounts payable and other accrued liabilities	32,639	18,154
Other liabilities--disputed tax refunds and accumulated interest	14,156	14,903
Deferred income taxes	30,394	30,394
Total liabilities	949,407	1,032,933
Commitments and contingencies		
Stockholders' equity (deficit):		
Preferred stock, 10,000 shares authorized, unissued	--	--
Common stock, $0.25 par value; authorized 180,000 shares; issued 82,608 shares in 2002 and 73,608 in 2001	20,652	18,402
Capital in excess of par value	191,779	122,468
Unearned compensation on restricted stock	(793)	(1,000)
Accumulated other comprehensive income (loss)	(26,116)	36,174
Retained earnings (deficit)	(134,279)	(134,088)
	51,243	41,956
Treasury stock--3,730 shares in 2002 and 4,723 shares in 2001	(104,870)	(133,030)
Total stockholders' equity (deficit)	(53,627)	(91,074)
Total liabilities and stockholders' equity (deficit)	$895,780	$941,859

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2002 and 2001
(In thousands, except per share amounts)

	2002	2001
Revenues:		
Rental income	$189,517	$183,329
Interest income from loan receivable	995	--
Gain on sale of Kindred common stock	5,014	15,425
Interest and other income	1,178	4,004
Total revenues	196,704	202,758
Expenses:		
General and administrative	9,763	10,244
Professional fees	3,150	4,658
Amortization of restricted stock grants	1,853	1,734
Depreciation	42,008	41,787
Net loss on swap breakage	5,407	--

Swap ineffectiveness	1,850	--
Interest	76,524	86,175
Interest on United States Settlement	5,461	4,592
Total expenses	146,016	149,190
Income (loss) before provision (benefit) for income taxes, gain on disposal of real estate assets, discontinued operations and extraordinary loss	50,688	53,568
Provision (benefit) for income taxes	(2,200)	2,651
Income (loss) before gain on disposal of real estate assets, discontinued operations and extraordinary loss	52,888	50,917
Net gain on real estate disposals	64	290
Income (loss) before discontinued operations and extraordinary loss	52,952	51,207
Discontinued operations	23,831	681
Income (loss) before extraordinary loss	76,783	51,888
Extraordinary loss on extinguishment of debt	(11,077)	(1,322)
Net income (loss)	$65,706	$50,566
kage fee	(12,837)	--
Payment of deferred financing costs	(15,127)	(6,932)
Payment on the United States Settlement	(10,755)	(41,746)
Issuance of common stock	97,155	503
Cash distribution to stockholders	(50,125)	(65,266)
Net cash used in financing activities	(98,386)	(151,458)
Net decrease in cash and cash equivalents	(16,141)	(68,805)
Cash and cash equivalents at beginning of year	18,596	87,401
Cash and cash equivalents at end of year	$2,455	$18,596
Supplemental disclosure of cash flow information:		
Interest paid including swap payments and receipts	$60,790	$84,700
Supplemental schedule of noncash activities:		
Receipt of Kindred Healthcare, Inc. common stock	$ --	$ 18,200

Ventas, Inc.
2002 QUARTERLY STATEMENT OF OPERATIONS
($000, except per share amounts)

	First	Second	Third	Fourth	Year
Revenues:					
Rental Income	$46,102	$47,151	$47,650	$48,614	$189,517
Interest income from loan receivable	-	-	-	995	995
Gain on sale of Kindred common stock	-	3,822	1,192	-	5,014
Interest and other income	342	373	237	226	1,178
Total revenues	46,444	51,346	49,079	49,835	196,704
Expenses:					
General and administrative	2,311	2,601	2,410	2,441	9,763
Professional fees	565	936	900	749	3,150
Amortization of restricted stock grants	422	715	354	362	1,853

Depreciation	10,405	10,414	10,414	10,775	42,008
Net loss on swap breakage	-	5,407	-	-	5,407
Swap ineffectiveness	-	180	118	1,552	1,850
Interest	19,740	18,964	18,659	19,161	76,524
Interest on United States Settlement	1,471	1,402	1,331	1,257	5,461
Total expenses	34,914	40,619	34,186	36,297	146,016
Income before benefit for income taxes, gain on disposal of real estate assets, discontinued operations and extraordinary loss	11,530	10,727	14,893	13,538	50,688
Benefit for income taxes	-	-	(2,200)	-	(2,200)
Income before gain on disposal of real estate assets, discontinued operations and extraordinary loss	11,530	10,727	17,093	13,538	52,888
Net gain on real estate disposals	-	-	-	64	64
Income before discontinued operations and extraordinary loss	11,530	10,727	17,093	13,602	52,952
Discontinued operations	1,171	22,660	-	-	23,831
Income before extraordinary loss	12,701	33,387	17,093	13,602	76,783
Extraordinary loss on extinguishment of debt	-	(6,919)	-	(4,158)	(11,077)
Net income	$12,701	$26,468	$17,093	$9,444	$65,706
Weighted average number of shares outstanding, basic	68,698	68,850	69,098	70,637	69,336
Weighted average number of shares outstanding, diluted	69,844	70,002	70,047	71,204	70,290
Earnings per common share:					
Basic:					
Income before discontinued operations and extraordinary loss	$0.16	$0.15	$0.25	$0.19	$0.76
Discontinued operations	0.02	0.33	-	-	0.35
Extraordinary loss on extinguishment	-	(0.10)	-	(0.06)	(0.16)
Net income	$0.18	$0.38	$0.25	$0.13	$0.95
Diluted:					
Income before discontinued operations and extraordinary loss	$0.16	$0.15	$0.24	$0.19	$0.75
Discontinued operations	0.02	0.33	-	-	0.34
Extraordinary loss on extinguishment	-	(0.10)	-	(0.06)	(0.16)
Net income	$0.18	$0.38	$0.24	$0.13	$0.93
Discontinued Operations					
Revenues	$295	$420	-	-	$715

Interest	120	115	-	-	235
Depreciation	61	38			99
Income before gain on sale of real estate	114	267	-	-	381
Gain on sale of real estate	1,057	22,393	-	-	23,450
Discontinued operations	$1,171	$22,660	-	-	$23,831

SUPPLEMENTAL DATA

Funds from Operations

FFO and Normalized FFO for the four quarters ended December 31, 2002 is summarized in the following table (in thousands):

	First	Second	Third	Fourth	Year
Net Income	$12,701	$26,468	$17,093	$9,444	$65,706
Depreciation on real estate investments	10,424	10,401	10,359	10,707	41,891
Extraordinary loss on extinguishment of debt	-	6,919	-	4,158	11,077
Realized gain on sale of asset	(1,057)	(22,393)	-	(64)	(23,514)
FFO	22,068	21,395	27,452	24,245	95,160
Realized gain on Sale of Kindred equity	-	(3,822)	(1,192)	-	(5,014)
Swap Breakage	-	5,407	-	-	5,407
Normalized FFO	$22,068	$22,980	$26,260	$24,245	$95,553

The Company considers FFO an appropriate measure of performance of an equity REIT, and the Company uses the National Association of Real Estate Investment Trust's, or NAREIT's, 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 sales of property, plus depreciation and amortization, 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 as presented in the Condensed Consolidated Financial Statements and data included elsewhere in this Press Release.

Portfolio of Properties

The following information provides an overview of the Company's portfolio of healthcare properties as of and for the year ended December 31, 2002:

	As of and for the Year Ended December 31, 2002				
Portfolio by Type	# of Properties	# of Beds	Rental Revenue	Percent of Revenue	Number of States
Skilled Nursing Facilities	220	27,840	$127,892	67%	32
Hospitals	44	3,923	60,779	32%	20
Other Facilities	9	181	846	1%	2
Total	273	31,944	$189,517	100%	37

Kindred Coverage Ratios

The following reflects the Kindred's EBITDAR coverage by

Master Lease after management fees:

Master Lease	TTM(a) EBITDAR Coverage(b)
1	2.0
2	1.8
3	1.7
4	1.7
5	1.9
Portfolio	1.8

a) Trailing Twelve Months ended September 30, 2002 (the latest available data)

b) Coverage reflects ratio of EBITDAR to rent EBITDAR is defined as earnings before interest, income taxes, depreciation, amortization and rent but after deducting management fees. EBITDAR is adjusted to normalize professional liability expense. Kindred charged third quarter 2002 results with approximately $55 million in additional professional liability expense. It disclosed that the additional charge was comprised of $25 million related to 2001 and $30 million related to the 9-months ended September 30, 2002. These adjustments are spread equally among the affected quarters within each year and are recalculated for the TTM through September 30, 2002. This recalculation had the effect of increasing Kindred's reported TTM EBITDAR by approximately $18 million or in effect charging the 4th quarter of 2001 with $6 million and the first three quarters of 2002 with $10 million each. This computation includes the proportionate effects of these overall adjustments on the Ventas owned facilities, as actually reported by Kindred.

Scheduled Maturities of Borrowing Arrangements

The Company's indebtedness has the following maturities (in thousands):

2003	$3,159
2004	3,412
2005	62,990
2006	214,810
2007	57,300
Thereafter	366,038
Total	$707,709

CONTACT: Ventas, Inc.
Debra A. Cafaro, 502/357-9000
or
Richard A. Schweinhart, 502/357-9000

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