Ventas Selects James Tellatin as Its Appraiser for Reset Right

July 6, 2006

Tellatin Recognized as Industry Leading Expert

LOUISVILLE, Ky., July 6 /PRNewswire-FirstCall/ -- Ventas, Inc. (NYSE: VTR) ("Ventas" or the "Company") said today that it has selected James K. Tellatin, MAI, the founding principal in Tellatin, Short & Hansen, Inc., as its appraiser for the Reset Right process under each of its four Master Leases (the "Master Leases") with its tenant Kindred Healthcare, Inc. (NYSE: KND) ("Kindred").

"We have been working with Jim for over a year as one of our principal advisors regarding the fair market rental of our 225 healthcare assets leased to Kindred. He is respected for his independence, as well as his specialized expertise and extensive experience in valuing healthcare real estate. Jim has served as an expert witness and written authoritative pieces on the valuation of healthcare real estate," Ventas Chairman, President and CEO Debra A. Cafaro said.

"We have surrounded ourselves with industry experts in anticipation of the Reset Right process so that, in the exercise of our fiduciary duties and best judgment, we benefit from the advice of skilled and experienced professionals. That includes Mr. Tellatin, who has completed fair market rental analyses of all the assets in our portfolio," Cafaro added. "Our proposal to increase Kindred's annual base rent to $317 million and reset our annual escalation to 3 percent is based upon the input of Mr. Tellatin and other professional appraisers, the terms of the Master Leases, comparable recent transactions and our own extensive knowledge of the rental market for healthcare real estate facilities," she said.

"We continue to believe that another tenant operator would be willing to pay at least $317 million to rent our 225 healthcare facilities on a fully licensed basis under the existing Master Leases because that tenant operator would make a significant profit from our facilities and incur a limited capital outlay to control a high-quality and extremely valuable platform for the next 17 to 22 years," Cafaro explained.

Ventas also stated that Kindred has selected Edwin W. Litolff, Jr. from American Appraisal Associates ("American Appraisal") as its appraiser for the Reset Right process.

TELLATIN CREDENTIALS AND RECORD AS AN EXPERT IN FAIR MARKET RENT DETERMINATIONS

Mr. Tellatin, Ventas's designated appraiser, is a member of the Appraisal Institute, holding the MAI designation. Since starting his firm in 1984, he has specialized in the valuation of nursing facilities, hospitals, assisted living facilities and senior housing developments.

Mr. Tellatin's reputation as an authority on healthcare real estate valuations is validated by his extensive background. He has prepared appraisal reports for courts and boards, testified as an expert witness in many cases involving nursing facilities and authored numerous works on healthcare real estate valuation. In addition, he has developed the on-line version of The Appraisal of Nursing Facilities for the Appraisal Institute, where he is the sole instructor, approved in over 30 states.

Mr. Tellatin's role as an expert witness included the 2003 order of the Federal Bankruptcy Court (the "Court") in the case of In re Integrated Health Services, Inc. There, the tenant and the landlord disagreed about what the annual fair market rent was for a portfolio of 43 nursing facilities and 2 assisted living facilities. Mr. Tellatin was an expert witness for the landlord, testifying that the fair rental for the facilities was $20.8 million, while American Appraisal appeared as an expert witness for the tenant, stating that fair rental was between $8 million and $10 million. In the decision, the Court ruled that the fair market rental of the assets was $20.8 million -- precisely the amount determined by Mr. Tellatin -- citing his "credible testimony," compared to American Appraisal's conclusions, which the Court deemed "unreliable."

In the IHS case, the Court found that Tellatin "was a certified appraiser, had done many fair rental value appraisals in [the nursing home] industry, wrote articles and taught courses on valuation methods. He had testified as a valuation expert in the area many times before and his overall testimony was much more credible. His analysis ... was based on accepted and widely used methodologies." By contrast, the Court found American Appraisal's conclusions regarding fair market rent for the skilled nursing facilities to be "suspect" because American Appraisal did not "use a methodology that is used by any other experts in valuation of nursing home facilities."

"We believe that the IHS Court's 100 percent vindication of Jim Tellatin's work should serve as a strong indicator of the seriousness and analytic support Ventas has for its fair market rent conclusions," Cafaro said. "We have said repeatedly that we cannot understand Kindred's position that our existing rents of $206 million per year are above market. We believe that the Reset Right has significant value for Ventas shareholders," she added. "We also believe that investors should reach their own conclusions regarding this issue, guided by (among other things) their knowledge of the robust current healthcare real estate market, the transparency of communication offered by the companies and the credibility of their respective experts."

RESET RIGHT PROCESS

The Reset Right process outlined in the Master Leases gives Ventas the right to increase base rental rates on the 225 healthcare facilities it leases to Kindred to "Fair Market Rental" levels. On May 9, Ventas initiated the Reset Right process by delivering notices to Kindred with its proposal that aggregate base rents under the Master Leases increase by $111 million to $317 million per year. Because Ventas and Kindred did not reach an agreement on Fair Market Rental for the Ventas facilities within the stipulated time period, each company had a second period to designate its appraiser.

Mr. Tellatin and the Kindred appraiser now have 10 days to agree on the selection of a third appraiser ("Third Appraiser") who meets the qualifications under the Master Leases. If the companies' two appraisers are not able to agree on a Third Appraiser within that time, the parties may seek the appointment of an independent expert to determine Fair Market Rental and the annual escalation for the facilities. Once the Third Appraiser is

selected, that person will have 60 days to complete its work. Ventas can then choose, on a Master Lease by Master Lease basis, whether to opt into the Third Appraiser's new rental and escalation schedule, or retain its existing annual cash rentals and 3.5 percent annual rent increase. Ventas's current annual cash rent is approximately $206 million.

The determination of the Fair Market Rental under the Reset Right is dependent on and may be influenced by a variety of factors, including market conditions, reimbursement rates, and cash flow to rent coverages applicable to healthcare facilities. It is highly speculative, and there can be no assurances (and Ventas is expressing no views) regarding the final determination of the Fair Market Rental. If Fair Market Rental is determined by the appraisal process in the Master Leases, it is subject to the inherent risks, uncertainties, subjectivity and judgment contained in any appraisal process. A Third Appraiser's determination regarding Fair Market Rental amounts or escalations for Ventas's 225 healthcare facilities that are covered by the Master Leases could materially differ from Ventas's estimates, analyses or proposals.

Ventas, Inc. is a leading healthcare real estate investment trust that is the nation's largest owner of seniors housing and long-term care assets. Its diverse portfolio of properties located in 42 states includes independent and assisted living facilities, skilled nursing facilities, hospitals and medical office buildings. More information about Ventas can be found on its website at http://www.ventasreit.com .

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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, which speak only as of the date on which they are made.

The Company's actual future results and trends may differ materially depending on a variety of factors discussed in the Company's filings with the Securities and Exchange Commission. Factors that may affect the Company's plans or results include without limitation: (a) the ability and willingness of the Company's operators, tenants, borrowers and other third parties to meet and/or perform the obligations under their various contractual arrangements with the Company; (b) the ability and willingness of Kindred Healthcare, Inc. (together with its subsidiaries, "Kindred"), Brookdale Living Communities, Inc. (together with its subsidiaries, "Brookdale") and Alterra Healthcare Corporation (together with its subsidiaries, "Alterra") to meet and/or perform their obligations to indemnify, defend and hold the Company harmless from and against various claims, litigation and liabilities under the Company's respective contractual arrangements with Kindred, Brookdale and Alterra; (c) the ability of the Company's operators, tenants and borrowers to maintain the financial strength and liquidity necessary to satisfy their respective obligations and liabilities, including without limitation obligations under their existing credit facilities; (d) the Company's success in implementing its business strategy and the Company's ability to identify, underwrite, finance, consummate and integrate diversifying acquisitions or investments, including those in different asset types and outside the United States; (e) the nature and extent of future competition; (f) the extent of future or pending healthcare reform and regulation, including cost containment measures and changes in reimbursement policies, procedures and rates; (g) increases in the Company's cost of borrowing; (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 Company's ability 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 and the accounting for the Company's interest rate swap agreement; (m) the Company's ability and willingness to maintain its qualification as a REIT due to economic, market, legal, tax or other considerations; (n) final determination of the Company's taxable net income for the year ended December 31, 2005 and for the year ending December 31, 2006; (o) 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; (p) the impact on the liquidity, financial condition and results of operations of the Company's operators, tenants and borrowers resulting from increased operating costs and uninsured liabilities for professional liability claims, and the ability of the Company's operators, tenants and borrowers and to accurately estimate the magnitude of such liabilities; and (q) the value of the Company's rental reset right with Kindred, which is dependent on a variety of factors and is highly speculative. Many of such factors are beyond the control of the Company and its management.

SOURCE Ventas, Inc.

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