



## Ventas to Market 64 Healthcare Assets

February 24, 2012

CHICAGO--(BUSINESS WIRE)--Feb. 23, 2012-- Ventas, Inc. (NYSE: VTR) ("Ventas" or the "Company") said today that it intends to market 64 healthcare assets (the "Marketed Assets") currently leased to Kindred Healthcare, Inc. (NYSE: KND) ("Kindred") under four Master Leases (the "Master Leases") and comprising \$77 million of current annual cash rent. Ventas will continue to receive rent from Kindred on the Marketed Assets at the contractual rate, including an escalation on May 1, 2012, until the expiration of the lease term on April 30, 2013.

"We believe these assets will be attractive to a wide variety of respected and quality healthcare providers," said Ventas Chairman and CEO Debra A. Cafaro. "We are eager to begin the marketing process, which will improve our diversification and broaden our tenant base."

Ventas believes that current rents for the Marketed Assets, which include 54 skilled nursing and rehabilitation centers (SNFs) and ten long-term acute care hospitals (LTACs), approximate market levels. A comprehensive plan to market these properties to qualified healthcare providers is underway, the Company said.

The 64 Marketed Assets generated EBITDARM (earnings before interest, taxes, depreciation, amortization, rent and management fees) to cash rent coverage of approximately 2.1x for the trailing twelve-month period ended September 30, 2011 (the latest date available).

Included in the \$77 million of current annual cash rent for the 64 Marketed Assets is \$9 million of current annual cash rent for six SNFs and two LTACs (the "Reset Assets"), for which Kindred has previously provided a renewal notice and which are currently subject to a fair market rent appraisal process. Under certain circumstances, Kindred may have a right to revoke its previous renewal of the Reset Assets.

Kindred indicated today that it intends to renew for five years its leases for 25 healthcare assets, comprising \$46 million of current annual rent. Included in these 25 assets are eight assets previously renewed by Kindred (which eight assets generate \$14 million of current annual cash rent). The renewal lease term for these 25 assets commences May 1, 2013 and expires April 30, 2018.

Ventas's current annualized net operating income ("NOI") exceeds \$1.4 billion. The amount of rent that Kindred stated it does not intend to renew represents approximately 5.5 percent of Ventas's current annualized NOI. For illustrative purposes, should aggregate rents for these healthcare facilities increase or decrease by 10 percent in 2013, the impact represents \$8 million in NOI to Ventas per annum, or approximately \$0.03 per share in normalized Funds From Operations (FFO), based on current fully diluted shares outstanding. The Master Leases require the certificates of need and licenses to remain with the assets and/or be transferred to Ventas or a replacement operator, and further provide detailed responsibilities for orderly transition of operations to a new care provider, upon lease expiration.

Kindred has, subject to the terms of the Master Leases, until April 30, 2012 to exercise its renewal options regarding 56 assets generating \$68 million of current annual cash rent, in six renewal groups, each containing between six and 13 assets and including at least one LTAC. Kindred also may have the right to revoke its prior renewal of the eight Reset Assets until the earlier of 15 days following completion of the fair market rental appraisal process or July 2012.

Supplemental information regarding these assets can be found on the Company's website under the "Investor Relations" section or at <http://www.ventasreit.com/investor-relations>.

Ventas, Inc., an S&P 500 company, is a leading healthcare real estate investment trust. Its diverse portfolio of more than 1,300 assets in 47 states (including the District of Columbia) and two Canadian provinces consists of seniors housing communities, skilled nursing facilities, hospitals, medical office buildings and other properties. Through its Lillibridge subsidiary, Ventas provides management, leasing, marketing, facility development and advisory services to highly rated hospitals and health systems throughout the United States. More information about Ventas and Lillibridge can be found at <http://www.ventasreit.com> and <http://www.lillibridge.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 the Company's or its tenants', operators', managers' or borrowers' expected future financial condition, results of operations, cash flows, funds from operations, dividends and dividend plans, financing opportunities and plans, capital markets transactions, business strategy, budgets, projected costs, operating metrics, capital expenditures, competitive positions, acquisitions, investment opportunities, dispositions, merger integration, 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. These forward-looking statements are inherently uncertain, and security holders must recognize that actual results may differ from our expectations. The Company does not undertake a duty to update these 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 from expectations depending on a variety of factors discussed in its filings with the Securities and Exchange Commission. These factors include without limitation: (a) the ability and willingness of the Company's tenants, operators, borrowers, managers and other third parties to meet and/or perform their obligations under their respective contractual arrangements with the Company, including, in some cases, their obligations to indemnify, defend and hold the Company harmless from and against various claims, litigation and liabilities; (b) the ability of the Company's tenants, operators, borrowers and managers to maintain the financial strength and liquidity necessary to satisfy their respective obligations and liabilities to third parties, including without limitation obligations under their existing credit facilities and other indebtedness; (c) the Company's success in implementing its business strategy and its ability to identify, underwrite, finance, consummate and integrate diversifying acquisitions or investments, including its acquisition of Nationwide Health Properties, Inc., its pending transaction with Cogdell Spencer Inc. and investments in different asset types and outside the United States; (d) macroeconomic conditions such as a disruption of or lack of access to the capital markets, changes in the debt rating on U.S. government securities, default and/or delay in payment by the United States of its*

obligations, and changes in the federal budget resulting in the reduction or nonpayment of Medicare or Medicaid reimbursement rates; (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 borrowing costs as a result of changes in interest rates and other factors; (h) the ability of the Company's operators and managers, as applicable, to comply with laws, rules and regulations in the operation of the Company's properties, to deliver high quality services, to attract and retain qualified personnel and to attract residents and patients; (j) changes in general economic conditions and/or economic conditions in the markets in which the Company may, from time to time, compete, and the effect of those changes on its revenues, earnings and funding sources; (k) the Company's ability to pay down, refinance, restructure and/or extend its indebtedness as it becomes due; (l) the Company's ability and willingness to maintain its qualification as a REIT due to economic, market, legal, tax or other considerations; (m) final determination of the Company's taxable net income for the year ended December 31, 2011 and for the year ending December 31, 2012; (n) the ability and willingness of the Company's tenants to renew their leases with the Company upon expiration of the leases, the Company's ability to reposition its properties on the same or better terms in the event of nonrenewal or in the event the Company exercises its right to replace an existing tenant, and obligations, including indemnification obligations, the Company may incur in connection with the replacement of an existing tenant; (o) risks associated with the Company's senior living operating portfolio, such as factors causing volatility in its operating income and earnings generated by its properties, including without limitation national and regional economic conditions, costs of food, materials, energy, labor and services, employee benefit costs, insurance costs and professional and general liability claims, and the timely delivery of accurate property-level financial results for those properties; (p) the movement of U.S. and Canadian currency exchange rates; (q) year-over-year changes in the Consumer Price Index and the effect of those changes on the rent escalators contained in the Company's leases, including the rent escalator for Master Lease 2 with Kindred Healthcare, Inc., and the Company's earnings; (r) the Company's ability and the ability of its tenants, operators, borrowers and managers to obtain and maintain adequate property, liability and other insurance from reputable, financially stable providers; (s) the impact of increased operating costs and uninsured professional liability claims on the liquidity, financial condition and results of operations of the Company's tenants, operators, borrowers and managers and the ability of the Company's tenants, operators, borrowers and managers to accurately estimate the magnitude of those claims; (t) risks associated with the Company's medical office building ("MOB") portfolio and operations, including its ability to successfully design, develop and manage MOB's, to accurately estimate its costs in fixed fee-for-service projects and to retain key personnel; (u) the ability of the hospitals on or near whose campuses the Company's MOB's are located and their affiliated health systems to remain competitive and financially viable and to attract physicians and physician groups; (v) the Company's ability to build, maintain and expand its relationships with existing and prospective hospital and health system clients; (w) risks associated with the Company's investments in joint ventures and unconsolidated entities, including the Company's lack of sole decision-making authority and its reliance on its joint venture partners' financial condition; (x) the impact of market or issuer events on the liquidity or value of the Company's investments in marketable securities; and (y) the impact of litigation or any financial, accounting, legal or regulatory issues that may affect the Company or its tenants, operators, borrowers or managers. Many of these factors are beyond the control of the Company and its management.

Source: Ventas, Inc.

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