# Ventas Announces New Lease with Kindred

May 24, 2012

***Lease for Ten LTACs at Increased Rent to Begin May 1, 2013***

CHICAGO--(BUSINESS WIRE)--May. 24, 2012-- Ventas, Inc. (NYSE: VTR) ("Ventas" or the "Company") said today that it and Kindred Healthcare, Inc. (NYSE: KND) ("Kindred") have entered into a new lease (the "new LTAC Lease") for ten long-term acute care hospitals ("LTACs") owned by Ventas, for initial rent of $28 million annually commencing May 1, 2013. The new LTAC Lease covers all ten LTACs whose lease term is currently scheduled to expire on April 30, 2013. The new LTAC Lease has an initial term of ten years and contains annual CPI-based escalations ranging from zero to 4 percent. Rent for these ten LTACs for the period from May 1, 2012 through April 30, 2013 is $22 million.

"We are very pleased to have reached a mutually beneficial new lease agreement with Kindred, who is the best care provider for these ten LTACs, at a significant rent increase," Ventas Chairman and Chief Executive Officer Debra A. Cafaro said. "We are excited to launch our re-leasing effort for 54 skilled nursing facilities and expect to successfully lease those licensed assets to suitable care providers."

Because the new LTAC lease with Kindred takes effect in 2013, it will have no impact on Ventas's 2012 normalized funds from operations ("FFO"). On a full year basis, the new LTAC Lease is expected to be approximately $0.02 per share accretive.

**Update on 89 Ventas Assets Leased to Kindred**

With respect to the 89 healthcare facilities Ventas leases to Kindred whose lease term was set to expire on April 30, 2013: Kindred will remain the tenant for 35 assets through both the previously exercised lease renewals and the new LTAC Lease, for total annual rent commencing May 1, 2013 of approximately $76 million. Total annual rent for those assets for the period commencing May 1, 2012 is $69 million.

*($ in millions)*

| | **Cash Rent** | **Expected Cash Rent** | | |
|---|---|---|---|---|
| **Facilities** | **5/1/12-4/30/13** | **5/1/13-4/30/14** | **$ Change** | **% Change** |
| Renewed (19 SNFs, 6 LTACs) | $47 | $48 | Contractual Escalation | Contractual Escalation |
| New Lease (10 LTACs) | 22 | 28 | $6 | 27% |
| Total Renewed / New Lease | 69 | 76 | 7 | 10% |
| Assets to be Marketed | 57 | N/A | N/A | N/A |
| Total | 126 | N/A | N/A | N/A |
| *Total Renewed / New Lease as a %* | | | | |
| *of Total 5/1/12 Annual Rent* | 55% | 60% | | |

**Re-Leasing Plan for 54 Skilled Nursing Facilities**

Ventas also said that it intends to launch, during the second quarter, its leasing project for the 54 skilled nursing facilities whose term is set to expire April 30, 2013. The total annual rent commencing May 1, 2012 for these 54 assets is approximately $57 million or approximately 4 percent of Ventas net operating income. Ventas believes that rent is approximately at market rates for these 54 skilled nursing facilities.

However, if Ventas leases these facilities for 10 percent more or less than current rent, it would not have a material impact on Ventas's normalized FFO. For illustrative purposes only, should aggregate rents for these 54 healthcare facilities increase or decrease by 10 percent, the total annual impact (excluding the financial impact of the new LTAC Lease) represents $6 million in NOI to Ventas per annum, or approximately $0.02 per share in normalized FFO, based on current fully diluted shares outstanding. Ventas and Kindred have also agreed that Ventas can transition these 54 skilled nursing assets to new operators prior to the April 30, 2013 lease expiration to facilitate the best outcome for both companies, their employees and

assets.

Ventas, Inc., an S&P 500 company, is a leading healthcare real estate investment trust. Its diverse portfolio of more than 1,400 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. Such forward-looking statements are inherently uncertain, and 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 from expectations depending on a variety of factors discussed in the Company's 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 satisfy their obligations under their respective contractual arrangements with the Company, including, in some cases, their obligations to indemnify, defend and hold harmless the Company 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 the Company's ability to identify, underwrite, finance, consummate and integrate diversifying acquisitions and investments, including its recent acquisition of 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 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; (i) changes in general economic conditions or economic conditions in the markets in which the Company may, from time to time, compete, and the effect of those changes on the Company's revenues, earnings and funding sources; (j) the Company's ability to pay down, refinance, restructure or extend its indebtedness as it becomes due; (k) the Company's ability and willingness to maintain its qualification as a REIT due to economic, market, legal, tax and other considerations; (l) final determination of the Company's taxable net income for the year ended December 31, 2011 and the year ending December 31, 2012; (m) 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; (n) risks associated with the Company's senior living operating portfolio, such as factors that can cause volatility in the Company's operating income and earnings generated by those 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; (o) changes in U.S. and Canadian currency exchange rates; (p) 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, and the Company's earnings; (q) 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; (r) 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; (s) risks associated with the Company's MOB portfolio and operations, including its ability to successfully design, develop and manage MOBs, to accurately estimate its costs in fixed fee-for-service projects and to retain key personnel; (t) the ability of the hospitals on or near whose campuses the Company's MOBs are located and their affiliated health systems to remain competitive and financially viable and to attract physicians and physician groups; (u) the Company's ability to build, maintain and expand its relationships with existing and prospective hospital and health system clients; (v) risks associated with the Company's investments in joint ventures and unconsolidated entities, including its lack of sole decision-making authority and its reliance on its joint venture partners' financial condition; (w) the impact of market or issuer events on the liquidity or value of the Company's investments in marketable securities; and (x) 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.

Ventas, Inc.
Lori B. Wittman
(877) 4-VENTAS